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# ANNUAL REPORT

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**VARINDERA CONSTRUCTIONS INTERNATIONAL  
LTD  
FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**



**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD  
CORPORATE DATA**

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<b>CATEGORY:</b>	Domestic	Date of Appointment
<b>DIRECTORS:</b>	Garg Sushma	10 July 2023
	Garg Varinder Kumar	10 July 2023
	Garg Vivek	10 July 2023
	Khatri Samir	10 July 2023
	Sharma Baljeet	10 July 2023
<b>REGISTERED OFFICE ADDRESS :</b>	Unity College Rose Belle Grand port Mauritius	
<b>ACCOUNTANT:</b>	Primexis Consulting Ltd Branch Road, Lallmatie Flacq	
<b>BANKER:</b>	Baroda Bank Sir William Newton Street Baroda Building, Port Louis	
<b>AUDITOR :</b>	Auditax Associates LLP Licensed Auditor from FRC 8 <sup>th</sup> Floor Astor Court Block B Georges Guilbert Street Port Louis	

**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD  
ANNUAL REPORT  
FOR THE FOR THE YEAR ENDED 31 MARCH 2024**

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The directors have the pleasure in submitting their annual report together with the financial statements of **VARINDERA CONSTRUCTIONS INTERNATIONAL LTD** the "Company" for the period ended **31 March 2024**.

**INCORPORATION**

The Company was incorporated in the Republic of Mauritius on 10 July 2023 as a Domestic company with liability limited by shares.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is Construction of Building (residential)-Firm of builders and/or Contractors.

**RESULTS AND DIVIDENDS**

The results are shown in the Statement of Comprehensive Income.

**DIRECTORS**

The directors of the Board is set out on page 2.

**STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year that reflects fairly the financial position, financial performance, and the cash flow of the Company. The directors are also responsible for keeping accounting records which:

- Correctly record and explain the transactions of the Company.
- Disclose with reasonable accuracy at any time the financial position of Company; and
- would enable them to ensure that the financial statements comply with the Companies Act 2001.

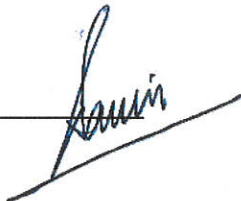
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITOR**

The auditor, **Auditax Associates LLP** will continue in office and will be re-appointed at the next Annual Meeting.

\_\_\_\_\_  
Directors



\_\_\_\_\_  
08.08.2024

Date



CERTIFICATE FROM THE SECRETARY UNDER SECTION 166(D) OF  
THE COMPANIES ACT 2001.

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I certify to the best of my knowledge and belief that the Company has filed with the Registrar of Companies all such returns as are required of **VARINDERA CONSTRUCTIONS INTERNATIONAL LTD** under the Companies Act 2001, during the financial year ended 31<sup>st</sup> March 2024.

\_\_\_\_\_  
SECRETARY



Date: 08.08.2024





**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF VARINDERA CONSTRUCTIONS INTERNATIONAL LTD.**

***Opinion***

We have audited the combined financial statements of **Varindera Constructions International Ltd** (the Company), which comprise the statements of financial position as at 31 March 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended as set out on pages **8-11**, and a summary of significant accounting policies and other explanatory notes **12-20**.

In our Opinion, these financial statements give a true and fair view of the financial position **Varindera Constructions International Ltd** as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements in the Mauritius Companies Act 2001.

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for professional Accountants ("IESBA Code")*, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other information***

The directors are responsible for the other information. The other information comprises the Corporate Information, Commentary of Directors and Certificate from the Secretary, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Directors for the financial statements***

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





**Report on the audit of Financial Statements (continued)**

***Responsibilities of Directors for the financial statements (continued)***

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

***Auditors' responsibilities for the Audit of the Financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our Conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- Obtain sufficient appropriate audit evidence and content of the financial information of the business activities of the company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for the audit opinion.

# VARINDERA CONSTRUCTIONS INTERNATIONAL LTD

## *Auditors' responsibilities for the Audit of the Financial statements (continued)*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

### **Use of this report**

This report is made solely for the Company's shareholders, as a body, in accordance with section 205 of Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to the shareholders in our auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the company other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.



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**Auditax Associates**  
**Chartered Certified Accountant**  
Block B Level 8,  
Astor Court,  
Georges Guibert  
Street Port Louis



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**IPPILI APPIAH Dharmaraj**  
**License Auditor from FRC**

Date: 08.08.2024



**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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	<u>Notes</u>	<u>2024</u> <u>RS</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Capital working-in-progress	6	<u>5,326,435</u>
<b>Current Assets</b>		
Inventories	7	118,100,520
Trade and Other Receivables	8	395,287
Cash and Cash Equivalent	9	<u>5,528,700</u>
		<u>124,024,507</u>
<b>TOTAL ASSETS</b>		<u><u>129,350,942</u></u>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Stated Capital		1,000,000
Retained Earnings		(5,202,990)
Shareholders' Loan		
<b>Shareholders' Wealth</b>		<u>(4,202,990)</u>
<b>NON-CURRENT LIABILITIES</b>		
Borrowing	11	120,638,179
<b>CURRENT LIABILITIES</b>		
Trade Payables	10	347,065
Other Payable	10	34,500
Current Tax Payable	10	21,254
Advance from Customer	10	<u>12,512,934</u>
<b>TOTAL LIABILITIES</b>		<u>133,553,932</u>
 <b>TOTAL EQUITY &amp; LIABILITIES</b>		 <u><u>129,350,942</u></u>

The notes on pages 12 to 20 form an integral part of the financial statements.  
**Auditor's report on page 5 – 7.**

**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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	<u>Notes</u>	<u>2024</u> <u>RS</u>
<b>Revenue</b>		-
Cost of Sales		-
<b>Gross profit</b>		-
Administrative Costs	5	2,603,861
Depreciation		-
		<u>2,603,861</u>
<b>Profit from Operating Activities</b>		
Finance Costs	3	2,599,129
<b>Profit before Taxation</b>		<u>(5,202,990)</u>
Taxation for the Year	4	-
<b>Profit after taxation</b>		<u>(5,202,990)</u>

The notes on pages 12 to 20 form an integral part of the financial statements.  
**Auditor's report on page 5 – 7.**

**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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	<u>Share Capital</u> RS	<u>Shareholders' Fund</u> RS	<u>Retained Earnings</u> RS	<u>Total Equity</u> RS
At 1 <sup>st</sup> April 2023	-	1,000,000	-	1,000,000
Profit for the period		-	<u>(5,202,990)</u>	<u>(5,202,990)</u>
<b>Balance as at 31th March 2024</b>	<b>-</b>	<b><u>1,000,000</u></b>	<b><u>(5,202,990)</u></b>	<b><u>(4,202,990)</u></b>

The notes on pages 12 to 20 form an integral part of the financial statements.  
**Auditor's report on page 5 – 7.**



**VARINDERA CONSTRUCTIONS INTERNATONAL LTD**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

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	<b>2024</b>
	<b>RS</b>
<b>Cash Flows from Operating Activities</b>	
Profit/ (Loss) before Tax	(5,202,990)
Non-Cash Adjustment	-
Interest expenses	-
Net Changes in Working Capital	(105,580,054)
<b>NET CASH FROM OPREATING ACTIVITES</b>	<b><u>(110,783,044)</u></b>
<b>Investing Activities</b>	
Acquisition of Investment	(5,326,435)
<b>Net Cash used in investing activities</b>	<b><u>(5,326,435)</u></b>
<b>Financing Activities</b>	
Shareholders Injection	1,000,000
Loan Taken	120,638,179
<b>Net cash from financing activities</b>	<b><u>121,638,179</u></b>
<b>Net Changes in cash and cash equivalents</b>	
Cash and cash equivalents at beginning of year	5,528,700
<b>Cash and cash equivalents at the end of period (Note 12)</b>	<b><u>5,528,700</u></b>
Cash and cash equivalents consist of:	
Cash at bank	<b><u>5,528,700</u></b>

The notes on pages 12 to 17 form an integral part of the financial statements.  
**Auditor's report on page 5 – 7.**

**1. GENERAL INFORMATION**

VARINDERA CONSTRUCTIONS LIMITED (“the Company”) is a Company incorporated on 10<sup>th</sup> July 2023 and domiciled in the Republic of Mauritius having its registered office situated at Unity College Rose Belle Grand Port Mauritius, Republic of Mauritius. Its main activity is to operate as Contractor for construction of Building (residential) - Firm of builders and / or Contractors.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the company’s financial statements are set out below:

**(a) Statement of Compliance**

The financial statements comply with Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS), interpretations as adopted by International Accounting Standards Board (IASB).

**(b) Basis of Measurement**

The financial statements are prepared under the historical cost convention except for property, plant and equipment, which are recorded at fair value. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise their judgment or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in note 18.

**2.1 New standards, amendments and interpretations adopted during the year.**

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new and amended IFRS:

**Definition of accounting estimates (Amendments to IAS 8)**

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively. The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates if accounting policies require items in financial statements that are subject to measurement uncertainty.
- Entities develop accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.1 New standards, amendments and interpretations adopted during the year. (Continued)**

**Definition of accounting estimates (Amendments to IAS 8) (Continued)**

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The amendment does not have significant impact on the Company's financial statements.

**Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- accounting policy information may be material because of its nature, even if the related amounts are immaterial.
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier.

The amendment has impact on the Company's financial statements where only material accounting policies are disclosed for the current year.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.1 New standards, amendments and interpretations adopted during the year. (Continued)**

**(ii) New standards, interpretations and amendments issued but not yet effective.**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

**Classification of liabilities as current or non-current (Amendments to IAS 1)**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or noncurrent, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024.

The amendment is not expected to have significant impact on the Company's financial statements.

**Financial instruments**

Financial assets and liabilities are recognized on the statement of financial position when the Company has become party to the contractual provisions of the financial instruments.

**Trade and other receivables**

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of future cash flows, discounted at the effective interest rate. The amount of provision is recognized in profit or loss.

**Trade payables**

Trade payables are recognized initially at fair value and subsequently at amortized cost, using the effective interest method.

**Equity instruments**

Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are classified as equity

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue recognition**

Revenue is recognized once sales of goods and services are rendered.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**Foreign currencies**

**(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the **Mauritian rupees**, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

**(ii) Transactions and balances**

Transactions denominated in foreign currencies are recorded in Mauritian rupees at the rates ruling at the transaction dates. Assets and liabilities expressed in foreign currencies are translated into Mauritian rupees at the rate ruling at the statement of financial position date. Exchange gains or losses are dealt with through the statement of comprehensive income.

**Provisions**

Provisions are recognized when the Company has a constructive obligation (legal or constructive) as a result of past events, which it is probable, will result in an outflow of economic benefit that can be reasonably estimated.

**Employee Benefits- defined benefit plan**

The present value of retirement benefits in respect of Workers Right Act gratuities is recognized in the statement of financial position as a non-current liability where material. No provision has been made because in the opinion of directors this liability is not material.

**State pension plan**

Contributions to the CSG are expensed to the statement of comprehensive income in the period in which they fall due.

**Property, plant and equipment**

Property plant and equipment are stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, plant and equipment (Continued)**

Depreciation is calculated to write off the cost of assets over their expected useful lives using the straight-line method to their residual values. The annual rates of depreciation used are:

Furniture & Fittings	10%
Motor Vehicles	15%
Equipment's	10%
Computer Equipment's	33%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal are determined by comparing proceeds received with carrying amount and are included in profit or loss.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company. Major renovations are depreciated over the useful life of the related asset.

**Deferred taxation**

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences arising for the Company.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The principal temporary differences arise from depreciation on plant and equipment. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



**VARINDERA CONSTRUCTIONS INTERNATIONAL LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AT 31st MARCH 2024**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Impairment**

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount

which is the higher of the asset's selling price and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognized in the Statement of Comprehensive income.

**(b) Related parties**

For the purpose of these financial statements, parties are considered to be related to the company if they have the ability, directly or indirectly, to control the company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the company is subject to common control or common significant influence. Related parties may be individuals or other entities.

**3. FINANCE COSTS**

	2024
	Rs
Bank Charges	8,451
Interest Paid	2,004,926
Exchange Loss	527,056
Valuation Charges	<u>58,696</u>
	<u>2,599,129</u>

**4. TAXATION**

The current tax on the company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	2024
	Rs
Profit / (Loss) before Taxation	<u>(5,202,990)</u>
Tax Calculated at a rate of 15%	-
Refund to MRA	-
Tax Charge	-
Payable to CSR Fund	-
Total Payable to the MRA	-

**5. ADMINISTRATIVE EXPENSES**

	2024
	Rs
ROAD MARKING, TRAFFIC SIGNS & ASPHALT WORKS and Architect Expenses	2,573,861
Audit Fee	<u>30,000</u>
	<u>2,603,861</u>

**6. CAPITAL WORK-IN-PROGRESS**

	2024
	<u>Rs</u>
Capital Work-in-progress	<u>5,326,435</u>

**Capital commitments: Rs. 85 Million (Eighty-Five Million in MUR): Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)**

**7. INVENTORIES**

	2024
	<u>Rs</u>
Stock of materials	<u>118,100,520</u>

**8. TRADE & OTHER RECEIVABLES**

	2024
	<u>Rs</u>
Trade Receivables	-
VAT	<u>3,95,287</u>
	<u>3,95,287</u>

**9. CASH & CASH EQUIVALENTS**

	2024
	<u>Rs</u>
Baroda Current Account	<u>1,953,700</u>
SBI(MAURITIUS) LTD	<u>3,575,000</u>
	<u>5,528,700</u>

**10. TRADE & OTHER PAYABLES**

	2024
	<u>Rs</u>
Trade Payables	347,065
Other Payable	34,500
Duties & Taxes (TDS Payable)	21,254
Advance from Customer	<u>12,512,934</u>
	<u>12,915,753</u>

**11. BORROWINGS**

	2024
	<u>Rs</u>
Borrowings	<u>120,638,179</u>

**12. EMPLOYEE BENEFITS**

No provision has been made for retirement benefits because in the opinion of directors this liability is not material.

**13. FINANCIAL RISK MANAGEMENT**

The company's activities expose it to a variety of financial risks through its financial assets and financial liabilities.

The most important components of financial risk are:

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**NOTES TO THE FINANCIAL STATEMENTS**

- Market risk (which includes currency risk and interest rate risk)
- Credit risk;
- Liquidity risk; and
- Capital management



**13. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(a) Market risk**

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

**(b) Credit risk**

At reporting date there were not significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset of each financial asset in the statement of financial position.

**(c) Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial instruments is summarized as follows:

	Less than 1 Yr. Rs	1 – 5 Years Rs	Total Rs
<b>Trade &amp; Other Receivables</b> 2024	-	-	-
<b>Trade &amp; Other Payables</b> 2024	347,065	-	347,065

**(d) Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2018.

**14. CONTINGENCIES**

At the reporting date the company has no contingent liabilities.

**15. EVENTS AFTER THE REPORTING DATE**

There are no events after the reporting period which may have a material effect on the financial statement as at 31st March 2024.

**16. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS**

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**- Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

**17. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS (CONTINUED)**

**- Limitation of sensitivity analysis**

Sensitivity analysis in respect of the market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from the results.

Sensitivity analysis does not take into account that the Company's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's views of possible near-term market changes that cannot be predicted with any certainty.