

Directors' Report 2024 -25

Dear Members,

Your Directors take pleasure in presenting the 2nd Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended on 31st March 2025.

1. Financial Results

The financial performance of the Company, for the financial year ended 31st March, 2025 is summarised below:

Particulars	Rs. In Lakhs	
	2024-25	2023-24
Total Income	183.44	21.13
Earnings before Interest, Depreciation & Tax	(318.15)	(26.46)
Profit/(Loss) Before Taxation	(376.53)	(26.57)
Profit / (Loss) After Taxation	(376.53)	(26.57)
Earnings Per Share (Rs.)	(376.53)	(26.57)

2. Review of Operations

During the period under review, Total Revenue of the Company was Rs. 183.14 Lakhs and Loss for the period was Rs. 376.53 Lakhs.

3. Subsidiaries/ Associates / Joint Venture

The Company does not have any subsidiaries, associates and joint ventures.

4. Dividend

In view of losse, the Directors have decided not to declare any dividend for the year.



5. Transfer to Reserves

No amount has been transferred to Reserves during the year under review.

6. Share Capital

The paid up Equity Share Capital of the Company was Rs. 10.00 Lacs as on 31st March, 2025. However, Authorised Capital of the Company was Rs. 2.00 Crore 31st March, 2025.

7. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

8. Material Changes and Commitments

During the period under review, there were no material Changes or Commitments affecting financial position of the Company.

9. Particulars of Loans, Guarantees and Investments

The Company has neither given any loans/guarantees to any other entities during the financial year.

10. Related Party Transactions

There were no related party transactions entered into by the Company during the period which attracted the provisions of Section 188 of the Companies Act, 2013 as all related party transactions that were entered into by the Company during the year were on an arm’s length basis and were in the ordinary course of the Company’s business. Hence there are no transactions which are required to be disclosed in Form AOC-2.

11. Director’s Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

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- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made there from;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended as at 31st March, 2025 and of the profit of the Company for the said period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the Company being an unlisted public company, is not required to lay down internal financial controls to be followed by the Company; and
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Annual Return for the financial year ended 31st March, 2025 is prepared as per the provisions of Section 92(3) of the Act, and Rule 12 of Companies (Management and Administration) Rules, 2014. The Company is required to host a copy of annual return on the website, if any of the Company and a web link of the same to be given in the Directors' Report. Since, the company doesn't have any website hence the Company is not required to host the same.

13. Board of Directors & Key Managerial Personnel

A. Board of Directors:

As on 31st March 2025, the Board of Directors of the Company consisted of 3 (three) directors, as per details given in the table below:



Sr. No.	Name of the Director	Category
1	Mr. Rajendra Sawant	Director
2	Mr Gurnam Singh	Non Executive Director (w.e.f. 23/12/2024)
3	Mr. Neeraj Kant	Non Executive Director (w.e.f. 31/12/2024)

Mr. Shashibhushan Upadhyay (DIN:07314313) tendered his resignation from Directorship of the Company with effect from 31st July, 2024. Mr. Venkatesh Varadachari (DIN:10190113) tendered his resignation from Directorship of the Company with effect from 23rd December, 2024. Mr. Shriram Venkat Panse (DIN:09599556) tendered his resignation from Directorship of the Company with effect from 31st December, 2024. The Board places on record its deep sense of appreciation for the immense contribution made by them in the growth of the Company during their tenure as Directors of the Company.

Mr. Rajendra Sawant retire by rotation and being eligible offer himself for reappointment. The Board recommends his reappointment.

B. Key Managerial Personnel:

During the period under review, provisions related to appointment of the Key Managerial Personnel were not applicable.

14. Declaration of Independence

During the period under review, provisions related to appointment of Independent Directors were not applicable to the Company.

15. Board Meetings

The Board of Directors of the Company met 6 times during the year under review on May 14, 2024, August 2, 2024, November 7, 2024, December 23, 2024, December 31, 2024 and February 7, 2025. All the Directors attended all the meetings. Further, the time gap between the two Board Meetings was not more than 120 days.

16. Corporate Social Responsibility (CSR)

Provisions of section 135 of the Companies Act, 2013(the Act), were not applicable to the Company.

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17. Risk Management Policy

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Board of Directors of the Company. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews, adequacy of which has periodically assessed by the Board of Directors.

18. Adequacy of Internal Financial Controls

Adequate systems for internal controls provide assurances on the efficiency of operations, security of assets, statutory compliance, appropriate authorization, reporting and recording transactions. The scope of the audit activity is broadly guided by the annual audit plan approved by the top management and audit committee. The Internal Auditor prepares regular reports on the review of the systems and procedures and monitors the actions to be taken.

19. A. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Information relating to energy conservation and technology absorption and Foreign exchange, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2025 is as under:

a) Energy Consumption:

The major manufacturing of the company is vendored out to Mukand Ltd. Hence, there is nothing to report in this clause.

b) Technology Absorption:

Nil.

c) Foreign Exchange:

Nil.



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B. Particulars of Employees

During the year under review, the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable.

20. Presentation of Financial Results

The financial results of the Company for the financial year ended 31st March, 2025 have been disclosed as per Schedule III to the Companies Act, 2013.

21. Auditors

A. Cost Auditors:

During the period under review, provisions related to Appointment of Cost Auditor were not applicable to the Company.

B. Secretarial Auditor:

During the period under review, provisions related to Appointment of Secretarial Auditor were not applicable to the Company.

C. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, the current auditors of the Company, M/s.DHC & Co. LLP, Chartered Accountants (Firm Registration No. 103525W) were appointed by the shareholders at the 1st Annual General Meeting held on August 5, 2024 to hold office until the conclusion of the 6th AGM.

The Statutory Auditors in their Report does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor.

22. Maintenance of Cost Records:

During the year under review the Company was not required to maintain the Cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

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23. Significant and Material orders passed by the Regulators or Courts:

During the year, no significant and material orders were passed by any of the Regulators or Courts.

24. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaints were received by the Committee formed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

25. Confirmation of Compliance of Secretarial Standards:

The Company has complied with applicable Secretarial Standards during the year under review.

26. Acknowledgement:

The Board of Directors thanks the Banks, Central and State Government Authorities, Shareholders, Customers, Suppliers, Employees and Business Associates for their continued co-operation and support to the Company.

For and on behalf of the Board of Directors



Mr. Neeraj Kant
Director
DIN: 06598469



Mr. Rajendra Sawant
Director
DIN: 09756916

Date: 15th May, 2025
Place: Mumbai



INDEPENDENT AUDITOR'S REPORT

To the Members of Mukand Heavy Engineering Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mukand Heavy Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended March 31, 2025 and notes to the financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2025, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements, and our auditor's report thereon.



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Our opinion on the financial statements does not cover the other information and we do not express 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 Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 SAs 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 this financial statements.

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

- Identify and assess the risks 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 a 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 statements 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 achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in



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“Annexure 1”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure 2”;
- g. With respect to the other matter to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 on Contingent Liabilities to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



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(iv) (a) The Management has represented that, to the best of its knowledge and belief, and as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The management has represented that, to the best of its knowledge and belief, and as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W



Pradhan Dass

Partner

Membership No.219962

UDIN: 25219962BMHXJG4493

Place: Bengaluru

Date: May 15, 2025



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Mukand Heavy Engineering Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2025

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work-in-progress.

(B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
 - (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on physical verification carried out during the year.
 - (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.



A handwritten signature in blue ink, appearing to be "D. H. C.", written over a horizontal line.

- (iv) The provisions of sections 185 and 186 of the Act are not applicable to the Company as the company has not granted any loan or made any investment or provided any guarantee or security during the year. Accordingly, reporting under clause (iv) of paragraph 3 of the order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder is not applicable to the Company.
- (vii)
 - (a) The Company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, in all cases during the year.
 - (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix)
 - (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
 - (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly, reporting under clause (ix) (e) of paragraph 3 of the Order is not applicable.
 - (f) The Company does not have any subsidiary, associate or joint venture as defined under the Act and accordingly, reporting under clause (ix) (f) of paragraph 3 of the Order is not applicable.



- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the IND AS financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (e) As informed by the Company, the Group to which the Company belongs has 18 (Eighteen) CIC as part of the Group (including the CICs exempt from registration and CICs not registered).



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- (xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs. 366.11 Lakhs and Rs. 26.56 Lakhs respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For DHC & Co.
Chartered Accountants
ICAI Firm Registration No. 103523W



Pradhan Dass
Partner
Membership No. 0219962
UDIN: 25219962 BM HX JG 4493



Place: Bengaluru
Date: May 15, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Mukand Heavy Engineering Limited on the Ind AS financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Mukand Heavy Engineering Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



A handwritten signature in blue ink, appearing to be 'DHC'.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W



Pradhan Dass

Partner

Membership No. 219962

UDIN : 25219962 BMHX364493



Place: Bengaluru

Date : May 15, 2025

Balance Sheet as at 31 March, 2025

(Rs. in Lakhs)

Particulars	Note No	As at 31st March, 2025	As at 31st March, 2024
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	791.87	5.25
(b) Capital Work in progress		11,408.39	-
(c) Intangible Assets under Development		200.47	-
(d) Financial Assets			
i) Others	4	24.21	0.75
(e) Non-Current Tax Assets (Net)	5	6.93	-
(f) Other non-current assets	6	851.07	2.36
Total Non - Current Assets		13,282.94	8.36
2 Current Assets			
(a) Inventories	7	0.12	0.12
(b) Financial Assets			
i) Trade receivables	8	59.95	24.94
ii) Cash and cash equivalents	9	11.11	6.99
iii) Others	4A	50.00	-
(c) Other current assets	10	1,636.18	0.69
Total Current Assets		1,757.36	32.73
Total Assets		15,040.30	41.09
II EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	11	10.00	10.00
(b) Other equity	12	(403.10)	(26.57)
Total Equity		(393.10)	(16.57)
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
i) Borrowings	13	12,601.92	30.00
ii) Other financial liabilities	14	784.52	-
(b) Provisions	15	1.02	-
Total Non -Current Liabilities		13,387.46	30.00
2 Current liabilities			
(a) Financial liabilities			
i) Trade payables due to Micro Enterprises & Small Enterprises	16	3.78	-
Other than Micro Enterprises & Small Enterprises		57.67	3.86
ii) Other financial liabilities	17	1,905.45	0.10
(b) Other liabilities	18	76.35	23.70
(c) Provisions	19	2.69	-
Total Current Liabilities		2,045.94	27.66
Total Equity and Liabilities		15,040.30	41.09
Statement of Material Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 40		

As per our attached report of even date

For DHC & CO.
Chartered Accountants
ICAI FR NO. 103525W

Pradhan Dass
Partner
Membership No: 219962
Bengaluru
Date : May 15, 2025



For and on behalf of the Board of Directors of
Mukand Heavy Engineering Limited

Gurnam Singh
Director
DIN : 10877089
Mumbai
Date : May 15, 2025

Rajendra Sawant
Director
DIN : 09756916
Mumbai
Date : May 15, 2025



Statement of Profit and Loss for the year ended 31 March, 2025

(Rs. in Lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
I. Revenue from operations	20	183.14	21.13
II. Other income	21	0.30	-
III. Total Income (I + II)		183.44	21.13
IV. Expenses:			
Cost of Material Consumed	22	129.46	16.27
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-	-
Employee benefits expense	23	58.76	-
Finance costs	24	37.96	0.11
Depreciation and amortization expense	25	10.42	0.01
Other Expenses	26	477.36	31.31
Expenditure Transferred to Capital Accounts/ Capital work in Progress (Excluding Finance Cost)		(153.99)	-
Total expenses (IV)		559.97	47.70
V. Loss for the year before Exceptional Items and tax (III-IV)		(376.53)	(26.57)
VI. Exceptional Items		-	-
VII. Loss before tax (V- VI)		(376.53)	(26.57)
VIII. Tax expense:			
Current tax		-	-
Deferred tax charge/(credit)		-	-
IX. Loss for the period (VII-VIII)		(376.53)	(26.57)
X. Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss			
(a)I. Remeasurement of Defined Benefit scheme		-	-
II. Income tax effect		-	-
(ii) Items that will be reclassified to Profit or Loss		-	-
Other Comprehensive Income for the year (net of tax) (X)		-	-
XI. Total Comprehensive Income for the year (IX+X)		(376.53)	(26.57)
XII. Earnings per equity share of ₹ 10/- each	27		
Basic		(376.53)	(26.57)
Diluted		(376.53)	(26.57)
Statement of Material Accounting Policies adopted by the Company and Notes forming part of the Financial Statements	1 to 40		

As per our attached report of even date

For DHC & CO.
Chartered Accountants
ICAI FR NO. 103525W

Pradhan Dass
Partner
Membership No: 219962
Bengaluru
Date : May 15, 2025



For and on behalf of the Board of Directors of
Mukand Heavy Engineering Limited

Gurnam Singh
Director
DIN : 10877089
Mumbai
Date : May 15, 2025

Rajendra Sawant
Director
DIN : 09756916
Mumbai
Date : May 15, 2025



Mukand Heavy Engineering Limited
CIN : U28162MH2023PLC415488

Statement of Cash Flows for the year ended March 31, 2025

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Profit before income tax	(376.53)	(26.57)
Adjustments for:		
Depreciation and amortisation expense	10.42	0.01
Finance Cost	37.96	0.11
Operating profit before working capital changes	(328.15)	(26.45)
(Increase) / Decrease in trade receivables	(35.01)	(24.94)
(Increase) / Decrease in inventories	-	(0.12)
(Increase) / Decrease in other financial assets	(73.46)	(0.75)
(Increase) / Decrease in other current/non-current assets	(1,635.49)	(0.69)
Increase / (Decrease) in trade payables	57.59	3.86
Increase / (Decrease) in other financial liabilities	2,458.24	0.10
Increase / (Decrease) in other current liabilities	52.65	23.70
Increase / (Decrease) in provisions	3.71	-
Cash generated from operations	500.08	(25.29)
Income taxes (paid) / refund - net	(6.93)	-
Net cash inflow / (outflow) from operating activities	493.16	(25.29)
Cash flows from investing activities		
Purchase of property, plant and equipment (including CWIP)	(12,067.46)	(5.25)
Advances given for Purchase of CWIP	(843.71)	(2.36)
Fixed Deposit purchased (Margin Money)	(5.00)	-
Net cash inflow / (outflow) from investing activities	(12,916.16)	(7.61)
Cash flows from financing activities		
Issue of Share	-	10.00
Proceeds / (repayment) of borrowings (net)	12,571.92	30.00
Interest paid	(144.78)	(0.11)
Net cash inflow / (outflow) from financing activities	12,427.13	39.89
Net increase / (decrease) in cash and cash equivalents	4.12	6.99
Cash and cash equivalents at the beginning of the financial year	6.99	-
Cash and cash equivalents at end of the year (Refer Note 9)	11.11	6.99

Note:

- All figures in bracket are outflow.
- The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 - Statement of Cash Flows.

As per our attached report of even date


For DHC & CO.

Chartered Accountants
ICAI FR NO. 103525W

Pradhan Dass
Partner
Membership No: 219962
Bengaluru
Date : May 15, 2025



For and on behalf of the Board of Directors of
Mukand Heavy Engineering Limited


Gurnam Singh
Director
DIN : 10877089
Mumbai
Date : May 15, 2025



Rajendra Sawant
Director
DIN : 09756916
Mumbai
Date : May 15, 2025



Statement of changes in equity for the year ended 31 March 2025

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2025	As at 31st March, 2024
Balance at the beginning of the reporting year	10.00	-
Changes in Equity Share capital during the year	-	10.00
Balance at the end of the reporting year	10.00	10.00

Particulars	(Rs. in Lakhs)			
	Reserve and Surplus			
	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined Benefit scheme through OCI
Balance as at 1st April, 2024	-	-	(26.57)	(26.57)
Loss for the year FY 24-25	-	-	(376.53)	(376.53)
Other comprehensive income	-	-	-	-
Reclassification of Other Comprehensive Income to Retained Earning	-	-	-	-
Balance as at 31st March, 2025	-	-	(403.10)	(403.10)

Particulars	(Rs. in Lakhs)			
	Reserve and Surplus			
	Securities Premium	General Reserve	Retained Earnings	Remeasurement of Defined Benefit scheme through OCI
Balance as at 15th December, 2023	-	-	-	-
Loss for the period	-	-	(26.57)	(26.57)
Other comprehensive income	-	-	-	-
Reclassification of Other Comprehensive Income to Retained Earning	-	-	-	-
Dividend paid	-	-	-	-
Balance as at 31st March, 2024	-	-	(26.57)	(26.57)

As per our attached report of even date


For DHC & CO.
Chartered Accountants
ICAI FR NO. 103525W



Pradhan Dass
Partner
Membership No: 219962
Bengaluru
Date : May 15, 2025

For and on behalf of the Board of Directors of
Mukand Heavy Engineering Limited


Gurnam Singh
Director
DIN : 10877089
Mumbai
Date : May 15, 2025




Rajendra Sawant
Director
DIN : 09756916
Mumbai
Date : May 15, 2025

Note 1: Background of the Company

Mukand Heavy Engineering Limited is a Company limited by shares, incorporated and domiciled in India on December 15, 2023. The Company is predominantly engaged in designing, manufacturing, erecting and commissioning EOT Cranes, other materials handling and process plant equipment. The registered office of the Company is located at Bajaj Bhawan, Jammalal Bajaj Marg 226, Nariman Point Mumbai, Maharashtra, India, 400021.

The financial statements for the year ended March 31, 2025, were approved by the Board of Directors and authorized for issue on May 15, 2025.

Note 2: Material Accounting Policies followed by the Company

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, on accrual basis.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value or amortised cost:

i) Certain financial assets and liabilities

The financial statements are presented in Indian Rupees ('INR') which is also the Company's functional and presentation currency, and all values are rounded to nearest lakhs, except when otherwise indicated.

(iii) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months.
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle i.e. 12 months.
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.



(b) Property, Plant and Equipment (PPE)

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-cenvatable taxes and duties, directly attributable costs of bringing the asset to its present location and condition and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act. Depreciation commences when the assets are ready for their intended use. Depreciation in respect of assets used for long term engineering contracts is provided on the estimated useful life of the assets. Assets costing less than Rs. 5,000/- are fully depreciated at the rate of 100% in the year of purchase.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(c) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily consist of lease for land and buildings. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements, except for leases with a term of 12 months or less (short-term leases) and low value



leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. ROU assets are revaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease Liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(d) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



(I) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

Initial Recognition & Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in following categories:

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments (either through profit and loss or through other comprehensive income, if designated)

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:



a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On derecognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity Instruments

For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

Reclassification of financial assets

The Company normally does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company changes its business model. Changes to the business model are expected to be infrequent. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments'.

Derecognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.



If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- At amortised cost
- At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:

The Company is classifying the following under amortised cost;

- Borrowings from banks
- Borrowings from others
- Finance lease liabilities
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.



Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Derecognition of financial liabilities:

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(III) Financial guarantees contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS109 and the amount recognised less cumulative amortisation.

(IV) Derivative financial instruments

Derivative financial instruments such as forward contracts are taken by the Company to hedge its foreign currency risks, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise (other than in case of hedge accounting).

(V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(f) Fair value measurement:

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities



- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost formulae used for determination of cost is 'First in First Out' for raw materials and 'Weighted Average Cost' for stores and spares. Machinery spares, stand-by equipment and servicing equipment are recognised as inventory when the useful life is less than one year and the same are charged to the Statement of Profit and Loss as and when issued for consumption.

(h) Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

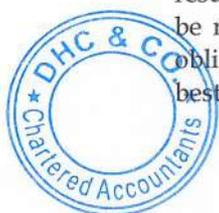
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Provisions and Contingencies

Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities & contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operational decision maker monitors the operating results of its business Segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(m) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share



Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(n) Revenue Recognition

Engineering construction business:

The revenue recognition of Engineering Contracts under progress requires forecasts to be made of total budgeted costs with the outcomes of underlying contracts, which further require assessments and judgements to be made on changes in scope of work and other payments to the extent they are probable and they are capable of being reliably in the Statement of Profit and Loss.

Revenue from Engineering Contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration measured. However, where the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenues in excess of invoicing are classified as contract assets (which is referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred to as unearned revenues). The billing schedules agreed with customers include periodic performance-based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Engineering Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation or transaction price of an existing obligation could undergo a change. In the event, transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and Company has an enforceable right to payment for performance completed to date.

In case of performance obligations, where any of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Claims made on account of variation in contract work and extension of time, both, are recognised as revenue only when and to the extent of the acceptance of the claim and or variation by the customers.



Unbilled Revenue

Difference between revenue as per percentage of completion method and billing milestone are considered as unbilled revenue and receivable from such revenue are shown as other financial assets.

(o) Significant accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **Fair value measurement of financial instruments:** When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments.
- ii. **Allowances for uncollected accounts receivable:** Trade receivables do are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.
- iii. **Impairment of non-financial assets:** The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market



transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

- iv. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against Company as it is not possible to predict the outcome of pending matters with accuracy.

(p) Changes in accounting policies and disclosures:

1. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company/ Group w.e.f. April 1, 2024. The Company/ Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



Note 3: Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Plant and Equipment	Office Equipments	Furniture & Fixtures	Computers	Total
Gross Carrying Amount					
As at 1 April 2024	5.25	-	-	-	5.25
Additions (Refer Note No. 30)	776.12	5.58	3.04	12.31	797.04
Disposals	-	-	-	-	-
As At 31 March 2025	781.37	5.58	3.04	12.31	802.30
Accumulated depreciation					
As at 1 April 2024	0.01	-	-	-	0.01
Depreciation charge during the year	8.87	0.38	0.13	1.04	10.42
Disposals	-	-	-	-	-
As At 31 March 2025	8.88	0.38	0.13	1.04	10.42
Net Carrying Amount as at 31 March, 2025	772.49	5.21	2.91	11.26	791.87

(Rs. in Lakhs)

Particulars	Plant and Equipment	Office Equipments	Furniture & Fixtures	Computers	Total
Gross Carrying Amount					
Cost as at 15 December 2023	-	-	-	-	-
Additions	5.25	-	-	-	5.25
Disposals	-	-	-	-	-
As At 31 March 2024	5.25	-	-	-	5.25
Accumulated depreciation					
As at 15 December 2023	-	-	-	-	-
Depreciation charge during the period	0.01	-	-	-	0.01
Disposals	-	-	-	-	-
As At 31 March 2024	0.01	-	-	-	0.01
Net Carrying Amount as at 31 March 2024	5.25	-	-	-	5.25

Note:

- 3(a) The company does not own any immovable properties.
3(b) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2025.
3(c) The Company does not hold any Benami Property and does not have any proceedings initiated or pending for holding benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
3(d) Property, Plant and Equipment are free from any encumbrances.
3(e) Refer Note 28 for Disclosure of contractual commitment for the acquisition of PPE/CWIP.

3(f) Capital Work-in-Progress (CWIP):

(i) Aging of CWIP as on 31 March 2025

(Rs. in Lakhs)

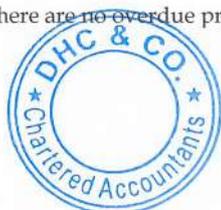
CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	11,408.39	-	-	-	11,408.39
Projects temporarily suspended	-	-	-	-	-
Total	11,408.39	-	-	-	11,408.39

(ii) Aging of Intangible Assets under Development as on 31 March 2025

(Rs. in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	200.47	-	-	-	200.47
Projects temporarily suspended	-	-	-	-	-
Total	200.47	-	-	-	200.47

There are no overdue projects or any project whose cost exceeds its original budget.



Mukand Heavy Engineering Limited
Notes forming part of Financial Statements

Note 11: Equity Share Capital

(a) Authorised & Issued Share capital: (Rs. in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital 20,00,000 Equity Shares of ₹ 10 each		200.00		200.00
Total		200.00		200.00
Issued Share Capital 1,00,000 Equity Shares of ₹ 10 each		10.00		10.00
Total		10.00		10.00

(b) Subscribed and paid capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
i) Equity shares of ₹ 10 each fully paid up	1,00,000	10.00	1,00,000	10.00
Total	1,00,000	10.00	1,00,000	10.00

(c) Reconciliation of number of equity shares

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the Year	1,00,000	10.00	-	-
Add : Issued during the year	-	-	1,00,000	10.00
Balance at the end of the Year	1,00,000	10.00	1,00,000	10.00

(d) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% of holding	No. of Shares	% of holding
Mukand Limited	99,900	99.90%	99,900	99.90%

(e) Rights, preferences and restrictions attached to shares

Mukand Heavy Engineering Limited ('the Company') has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Details of Promoters / Promoter Group Shareholding

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	% of holding	No. of Shares	% of holding
Mukand Limited	99,900	99.90%	99,900	99.90%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(g) There are no bonus shares issued and shares bought back since inception.

(h) There are no shares reserved for issue under options and contracts / commitments for date of shares/disinvestment.

(i) There are no unpaid calls from any Director and officer.

(j) No Dividend has been declared for the year ended March 31, 2025 by the company.

Note 12: Other Equity (Rs. in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Retained Earnings		(403.10)		(26.57)
Total		(403.10)		(26.57)

Note a : Movement in Reserves (Retained Earnings) (Rs. in Lakhs)

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year		(26.57)		-
Loss for the year / period		(376.53)		(26.57)
Balance at the end of the year		(403.10)		(26.57)

Retained Earnings

Retained Earnings are the balance (debit/credit) in the statement of Profit and loss.



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 4: Other Non-Current Financial Assets (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits	24.21	0.75
Total	24.21	0.75

Note 4A: Other Current Financial Assets (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Security Deposits (Refer Note No. 30)	50.00	-
Total	50.00	-

Note 5: Non-Current Tax Assets (Net) (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
TCS Receivable	6.93	-
Total	6.93	-

Note 6: Other Non-Current Assets (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advance to Capex Creditors	846.07	2.36
Other Bank Balance :		
Fixed Deposit (Margin Money- Under lien with Bank)	5.00	-
Total	851.07	2.36

Note 7: Inventories (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw Material	0.12	0.12
Total	0.12	0.12

Note 8: Trade receivables (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Considered good - Secured	-	-
Considered good - Unsecured	63.10	24.94
Which have significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Allowances as per expected credit loss model	(3.16)	-
Total	59.95	24.94

Note a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

Note b) The Company's Exposure to credit risk and loss allowances related to trade receivable and disclosed in Note No. 29.

Note c) Receivables are free from any encumbrances.

Note d) Trade Receivables Aging schedule:

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment as on 31 March 2025						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good unsecured	45.94	17.16	-	-	-	-	63.10
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	45.94	17.16	-	-	-	-	63.10

Particulars	Outstanding for following periods from due date of payment as on 31 March 2024						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good unsecured	24.94	-	-	-	-	-	24.94
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	24.94	-	-	-	-	-	24.94



Note 9: Cash and cash equivalents and Other Bank Balance

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Cash And Cash Equivalents		
Balances with banks in current account	11.11	6.99
Cash on hand	-	-
Total	11.11	6.99

Note 10: Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured, considered good unless otherwise stated		
GST Receivable	1,636.12	0.69
Interest Receivable	0.04	-
Prepaid Expenses	0.03	-
Total	1,636.19	0.69

Note 13: Borrowings

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Unsecured		
Inter corporate deposits - Mukand Ltd	12,601.92	30.00
Total	12,601.92	30.00

Note 13 (a) : During the year, Company has taken unsecured loan (ICD) of INR 12,602 lakhs from Mukand Limited (Holding Company) for the purpose of setting up capital project and to meet its working capital requirement. Loan is repayable up to 31 March 2027 and the rate of interest is 10.50% PA.

Note 13 (b) : The Company has not defaulted in the payment of interest and installments of the loans as at 31 March 2025.

Note 14: Other Financial Liabilities - Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Retention Money Payable	784.52	-
Total	784.52	-

Note 15: Provisions - Non Current

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits - Gratuity	1.02	-
Total	1.02	-

Note 16: Trade Payable

(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade Payable		
Micro Enterprises & Small Enterprises	3.78	-
Other than Micro Enterprises & Small Enterprises	57.67	3.86
Total	61.45	3.86

Note (a): Aging of Trade Payables is as given below:

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment as on 31 March 2025					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	3.78	-	-	-	-	3.78
(ii) Others	53.22	4.46	-	-	-	57.67
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	56.99	4.46	-	-	-	61.45

Particulars	Outstanding for following periods from due date of payment as on 31 March 2024					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	3.86	-	-	-	-	3.86
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	3.86	-	-	-	-	3.86



a) For Payables to related parties, refer Note No. 30.

b) Disclosure in respect of creditors registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) is as under:
(Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
The principal amount and the interest due thereon remaining unpaid to suppliers		
a i) Principal not due	3.78	-
ii) Interest due thereon	-	-
b i) Interest actually paid under section 16 of the MSMEDA	-	-
ii) Amount of payment made to suppliers beyond the appointed day	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid and beyond the appointed day during the year) but without adding interest under MSMEDA	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such dates when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under MSMEDA	-	-

The disclosure above is based on the information available with Company regarding the status of the suppliers under the MSME.

Note 17: Other Financial Liabilities - Current (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Accrued on ICD	231.63	0.10
Creditors for Capital Work in progress	1,668.31	-
Salary Payable	5.51	-
Total	1,905.45	0.10

Note (a): For payables due to related parties, refer Note No. 30.

Note 18: Other Current Liabilities (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory Dues Payable	74.97	2.21
Other Liability	1.38	21.49
Total	76.35	23.70

Note 19: Provisions - Current (Rs. in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Provision for Employee Benefits - Variable Pay	2.69	-
Total	2.69	-



Note: 20 Revenue from Operations

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Revenue from Product and Services		
Engineering Contracts	183.14	19.33
Job works		1.80
Total	183.14	21.13

Note: 21 Other income

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Interest on Fixed Deposit Receipt	0.30	-
Total	0.30	-

Note: 22 Cost of Material Consumed

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Opening Stock	0.12	
Add: Purchase	129.46	16.39
Add : Direct Expenses		
Less : Closing Stock	(0.12)	(0.12)
Total	129.46	16.27

Note : 23 Employee benefits expense

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Salaries and wages	53.86	-
Contributions to provident and other funds	4.61	-
Staff Welfare Expenses	0.29	-
Total	58.76	-

Note: 24 Finance Costs

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Interest Expenses (Refer Note No. 30)	376.41	0.11
Less: Interest Capitalized	(338.44)	-
Total	37.96	0.11



Note: 25 Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Depreciation of property, plant and equipment (Refer Note No. 3)	10.42	0.01
Total	10.42	0.01

Note: 26 Other expenses

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Stores, Spares, Components, Tools, etc consumed	4.36	-
Power and Fuel consumed	58.14	-
Sub-Contracting Expenses	35.05	1.71
Job Work Charges	-	1.50
Water Charges	2.44	-
Freight Charges	1.04	0.34
Bank Charges	0.32	-
Commercial Rent	300.00	13.71
Repairs & Maintenance	0.20	-
Services Charges-MIDC	7.77	-
Rate & Taxes	0.27	3.27
Insurance	16.13	-
Legal and Professional Fees (Refer Note 26A)	14.07	2.79
Security Service Charges	17.61	-
Provision for Doubtful Debts	3.16	-
Miscellaneous Expenses	16.81	8.00
Total	477.36	31.31

Note 26A : Audit Remuneration

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
For Statutory Audit fees	3.00	1.00
For Taxation Matter - Tax Audit	-	-
For Other Services	1.50	-
Out of Pocket Expenses	-	-
Total	4.50	1.00



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 27: Earnings per Share (EPS)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Net Profit After Taxation as per Statement of Profit & Loss (Rs. In Lakhs)	(376.53)	(26.57)
Net Profit for calculation of basic / diluted EPS [including Exceptional Items (net)] (Rs. In Lakhs)	(376.53)	(26.57)
Weighted average number of equity shares outstanding	1,00,000	1,00,000
Basic and diluted EPS (face value Rs.10/- per share) (in Rs.)	(376.53)	(26.57)



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 28: Contingent Liabilities and commitments

(Rs. in Lakhs)

Particulars	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st
i. Contingent liabilities		
a. Guarantees	-	-
ii. Capital Commitments (net of advances)	6,017.60	-
Total	6,017.60	-



Note 29: Financial Risk Management

The process of identification and evaluation of various risks inherent in the business environment and the operations of the Company and initiation of appropriate measures for prevention and/or mitigation of the same are dealt with by the concerned operational heads under the overall supervision of the Directors of the Company. The Directors periodically reviews the adequacy and efficacy of the overall risk management system. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix. The loss rates are computed using a 'roll rate' method based on the probability of receivable progressing through successive stages till full provision for the trade receivable is made.

The ageing analysis of trade receivables (gross) has been considered from the date the invoice falls due -

(Rs. in Lakhs)

Particulars	31st March 2025	31st March 2024
Not due	45.94	24.94
0 to 180 days past due date	17.16	-
More than 180 days past due date	-	-
	63.10	24.94

The following table summarizes the changes in loss allowances measured using life time expected credit loss model -

(Rs. in Lakhs)

Particulars	31st March 2025	31st March 2024
Opening Provision	-	-
Provision during the year	3.16	-
Reversal of provision	-	-
Closing provision	3.16	-

ii. Cash and bank balances

The Company held cash and cash equivalent and other bank balance of ₹ 11.11 Lakhs at March 31, 2025 (March 31, 2024: ₹ 6.99 Lakhs). The same are generally held with Nationalised scheduled bank. Also, Company invests its short term surplus funds in Nationalised schedule bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

iii. Others

Other than trade financial assets reported above, the Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages liquidity risk by monitoring rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.



Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

(Rs. in Lakhs)

Contractual maturities of financial liabilities 31 March 2025:	1 year or less	1-2 years	More than 2 years	Total
Long term borrowings	-	12,601.92	-	12,601.92
Short term borrowings	-	-	-	-
Trade payables	61.45	-	-	61.45
Other financial liabilities	1,905.45	784.52	-	2,689.97
Total	1,966.90	13,386.44	-	15,353.34

(Rs. in Lakhs)

Contractual maturities of financial liabilities 31 March 2024:	1 year or less	1-2 years	More than 2 years	Total
Long term borrowings	-	30.00	-	30.00
Short term borrowings	-	-	-	-
Trade payables	3.86	-	-	3.86
Other financial liabilities	0.10	-	-	0.10
Total	3.96	30.00	-	33.96

(C) Market risk

Market risk is the risk that arises from changes in market prices, such as interest rates (interest rate risk). They will affect the Company's income. The

objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lakhs)

Particulars	31st March 2025	31st March 2024
Variable rate borrowings	-	-
Fixed rate borrowings	12,601.92	30.00
Total borrowings	12,601.92	30.00

Sensitivity:

A change of 100 basis points in interest rates (in case of variable rate loan) would have following impact on profit after tax and equity -

(Rs. in Lakhs)

	31st March 2025	31st March 2024
Interest rates - increase by 100 basis points *	-	-
Interest rates - decrease by 100 basis points *	-	-

* Holding all other variables constant



Note 30: Related Party Disclosures

a) Details of related parties:

Description of relationship	Status	Name of the related party
i) KMP and their Relationship	Director	Mr. Neeraj Kant
	Director	Mr. Gurnam Singh
	Director	Mr. Rajendra Sawant
ii) Holding Company	Indian Company	Mukand Limited
iii) Fellow Subsidiary	Indian Company	Mukand Sumi Metal Processing Limited
iv) Other Related Party	Indian Company	Mukand Sumi Special Steels Limited

b) Details of Related Party Transactions:

(Rs. in Lakhs)

Name of the related party	Nature of Transaction	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Mukand Limited	Other Payments/Expenditure		
	Purchase of PPE / CWIP	2,346.00	-
	Interest on Inter Corporate Deposits	376.41	0.11
	Loan/ Inter Company Deposit	12,571.92	30.00
Mukand Sumi Special Steel Ltd	Leasehold Rent	300.00	13.71
	Security Deposit	50.00	-

c) Details of balances outstanding for Related Party Transactions

(Rs. in Lakhs)

Particulars	Nature of Transaction	As at 31st March, 2025	As at 31st March, 2024
Mukand Limited	Amount payable in respect of Borrowings	12,601.92	30.00
	Amount payable in respect of Interest Accrued on ICD (Net of TDS)	231.63	0.10
	Amount payable in respect of Capital Goods	772.67	-
Mukand Sumi Special Steel Ltd	Amount receivable in Security Deposit for services received	50.00	-
	Amount payable in respect of Services received	27.00	12.34

- d) Name of the related party and the related party relationship where control exists have been disclosed only when there have been transactions with those parties. Related parties as defined under para 9 of Ind AS 24 "Related Party Disclosures" have been identified by the Company based on the representations made by Key managerial personnel and information available with the Company and relied upon by the Auditors.
- e) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 31: There are no financial instruments which are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at the reporting date.

Note 32: Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as interest-bearing loans and borrowings less cash and cash equivalents & Current Investments. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio at March 31, 2025 is as follows:

Particulars	(Rs. in Lakhs)	
	31-Mar-25	31-Mar-24
Borrowings:		
Long term and Short term borrowings	12,601.92	30.00
Less: Cash & Cash Equivalents	(11.11)	(6.99)
Less : Current Investments	-	-
Adjusted net debt	12,590.81	23.01
Total Equity	(393.10)	(16.57)
Adjusted net debt to adjusted equity ratio	(32.03)	(1.39)



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 33: Employee Benefits

Defined contribution plans

The Company also contributes on a defined contribution basis to employees' provident fund and superannuation fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund (an exempted Trust). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the year towards defined contribution plans:

Particulars	(Rs. in Lakhs)	
	For the Year Ended 31st March, 2025	For the period 15th Dec, 2023 to 31st March, 2024
Employer's Contribution to PF	1.45	-
Employer's Contribution to FPF	0.49	-
Employer's Contribution to EDLI	0.03	-
Employer's Contribution to ESIC	-	-
Employer's Contribution to Superannuation Fund	1.63	-

Defined benefit plans

Compensated Leave

The leave obligations cover the Company's liability for earned leave and sick leave.

The compensated absences charged in the Statement of Profit and Loss for the year ended March 31, 2025 is Rs. NIL (previous year Rs. NIL).

Gratuity

The Company provides for gratuity for employees as per Company's Scheme/s. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is based on the employees last drawn basic salary, special allowance and dearness allowance per month and as per the Schemes applicable to those employees from time to time.

Note 34: Reconciliation of liabilities arising from Financing Activities

(Rs. in Lakhs)

Particulars	Opening Balance	Cash Movement	Total
31 March 2025			
Inter Corporate Deposits	30.00	12,571.92	12,601.92
Total	30.00	12,571.92	12,601.92

(Rs. in Lakhs)

Particulars	Opening Balance	Cash Movement	Total
31 March 2024			
Inter Corporate Deposits	-	30.00	30.00
Total	-	30.00	30.00

These cash movements are included in the cash flow statement: receipts from borrowing, repayment of borrowing.



Note 35: Fair Value Measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in Lakhs)

Financial Assets and Liabilities as at 31st March, 2025	Carrying value				Fair Value			
	FVTPL	FVTOCI	Amoritized Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets-Non Current								
Others	-	-	24.21	24.21	-	-	-	-
Financial Assets-Current								
Trade receivable	-	-	59.95	59.95	-	-	-	-
Cash and Cash equivalents	-	-	11.11	11.11	-	-	-	-
Others	-	-	50.00	50.00	-	-	-	-
Total	-	-	145.27	145.27	-	-	-	-
Financial Liabilities-Non Current								
Borrowings	-	-	12,601.92	12,601.92				
Other Financial Liabilities - Retention Money	-	-	784.52	784.52				
Financial Liabilities-Current								
Trade Payables	-	-	61.45	61.45	-	-	-	-
Other Financial Liabilities	-	-	1,905.45	1,905.45	-	-	-	-
Total	-	-	15,353.34	15,353.34	-	-	-	-

(Rs. in Lakhs)

Financial Assets and Liabilities as at 31st March, 2024	Carrying value				Fair Value			
	FVTPL	FVTOCI	Amoritized Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets-Non Current								
Others	-	-	0.75	0.75	-	-	-	-
Financial Assets-Current								
Trade receivable	-	-	24.94	24.94	-	-	-	-
Cash and Cash equivalents	-	-	6.99	6.99	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	-	32.67	32.67	-	-	-	-
Financial Liabilities-Non Current								
Borrowings	-	-	30.00	30.00				
Other Financial Liabilities - Retention Money	-	-	-	-				
Financial Liabilities-Current								
Trade Payables	-	-	3.86	3.86	-	-	-	-
Other Financial Liabilities	-	-	0.10	0.10	-	-	-	-
Total	-	-	33.96	33.96	-	-	-	-

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables.
3. The fair values of the Company's interest-bearing borrowings and loans are determined by using Discounted cash flow method using discount rate that reflects the borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2025 was assessed to be insignificant.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 is the case for unlisted equity securities and/or shares which are thinly traded.



Mukand Heavy Engineering Limited
Notes forming Part of Financial Statements

Note 36: Financial Ratios

Sr. No.	Ratio	Numerator	Denominator	For year ended March 31, 2025	For year ended March 31, 2024	% Change in Ratio	Remarks
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.86	1.18	-27.42%	Decrease is on account of increase in the liability to Capital Creditors & Interest payable on ICD
2	Debt-Equity Ratio (in times)	Debt consists of borrowings	Total Equity	-32.06	-1.81	1670.66%	Increase is on account of increase in the ICD amount
3	Debt Service Coverage Ratio (in times)	Earnings for Debt Service = Net Profit after taxes + Non Cash Operating Expenses + Interest + Other Non Cash Adjustments	Debt Service = Interest and lease payments + Principal Repayments	-0.03	-0.88	-97.09%	Decrease is on account of increase in the ICD amount & Interest payable on ICD
4	Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Total Equity	-3765.28%	-531.40%	608.56%	Decrease is on account of increase in the loss during the year
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold	Average Inventory	1,105.86	278.02	297.76%	Increase is on account of increase in the COGS during the year
6	Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average Trade Receivables	4.32	1.69	154.59%	Increase is on account of increase in the Revenue from operations during the year
7	Trade Payables Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	3.96	8.49	-53.32%	Decrease is on account of increase in the Average Trade Payables
8	Net Capital Turnover Ratio (in times)	Revenue from Operations	Average Working Capital i.e. Total Current Assets less Total Current Liabilities	-1.29	8.33	-115.51%	Decrease is on account of increase in the liability to Capital Creditors & Interest payable on ICD
9	Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	-205.60%	-125.73%	63.52%	Decrease is on account of increase in the loss during the year
10	Return on Capital Employed (in %)	Profit before tax and finance cost	Capital Employed = Tangible Net worth + Total Debt + Deferred Tax Liabilities	-2.77%	-197.01%	-98.59%	Decrease is on account of increase in the loan / ICD amount



Note 37 : Additional Disclosures

- i) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ii) The Company does not have any subsidiary and hence the provisions of Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the Company.
- iii) The company was newly established in FY 2023-24, accordingly the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.
- iv) During the financial year 2024-25, the company did not engage in any transactions with companies that have been struck off under the provisions of the Companies Act, 2013.
- v) No Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- vi) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 38 - Segment Reporting

The company has identified its operating segments based on the nature of its products and other quantitative criteria in accordance with Ind AS 108. Based on the evaluation, the company has concluded that it has only one reportable business segment, no further segment reporting is required.

During the year ended 31-03-2025 at company level made sale to 3 (three) customers in Job work sale of Rs 183.14 Lakhs (PY Rs. 21.13 Lakhs) resulting in more than 10% of the total company revenue.

Note 39 - Slump Sale

On May 15, 2025, the Board of Directors of the Company approved the draft Business Transfer Agreement (BTA) between MHEL and Mukand Limited for acquiring a part of Mukand's Industrial Machinery Business consisting of EOT Cranes, other material handling and process plant equipment as a going concern via slump sale to be settled through issue of equity shares, subject to necessary adjustments and terms of the BTA.

Note 40 - Previous year's figures has been regrouped / reclassified, wherever necessary.


For DHC & CO.
Chartered Accountants
ICAI FR NO. 103525W

Pradhan Dass
Partner
Membership No: 219962
Bengaluru
Date : May 15, 2025



For and on behalf of the Board of Directors of
Mukand Heavy Engineering Limited

Gurnam Singh
Director
DIN : 10877089
Mumbai
Date : May 15, 2025


Rajendra Sawant
Director
DIN : 09756916
Mumbai
Date : May 15, 2025

