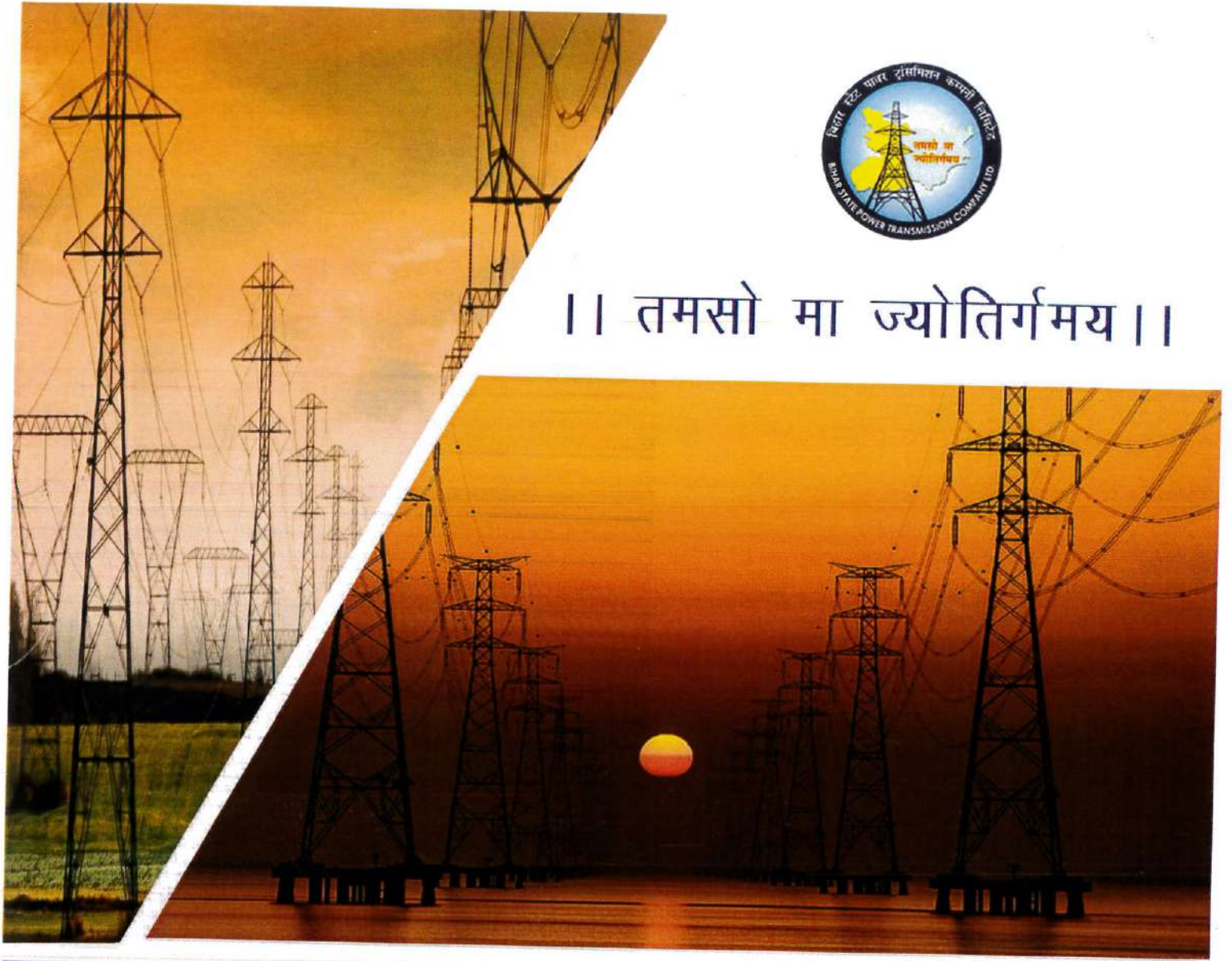




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**ANNUAL ACCOUNT
2024-25**



**Bihar State Power Transmission
Company Limited**

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF **BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Bihar State Power Transmission Company Limited which comprise the Balance sheet as at 31st March 2025, the statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow Statement for the year ended on that date and notes to the Standalone financial statements including significant accounting policies and other explanatory information(hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

As per "Annexure -A"

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone 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 the Indian Accounting Standards (Ind AS) specified 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 these standalone 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 Standalone 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 controls 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 system 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 the 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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 purpose 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 and except for the matters annexed in 'Basis for qualified opinion'.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account except for the matters annexed in 'Basis for qualified opinion'.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder except for the matters annexed in 'Basis for qualified opinion'.
 - e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company.
 - f) With respect to the adequacy of the internal financial controls over financial reporting with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**".
 - g) Pursuant to Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and
 - 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 explanation given to us:
 - i. The company has disclosed number of cases of pending litigations in Standalone Financial Statement for the FY 2024-25 in point no. 15 of notes to account. Though, the financial impact of case pertaining to service matters has not been quantified.



- ii. The Company has not entered into any long-term contracts including derivative contracts.
- iii. There weren't any amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity ("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;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
(c) Based on the audit procedures that have been 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. No dividend has been declared or paid by the company during the year.
- vi. Based on our examination, which included test checks, the Company has used 3 types of accounting software (1. Prosix Software for Salary Register, 2. SAP Software for Inventories and 3. Tally Software for Accounting). *Prosix software which has no feature of recording audit trail /edit log facility* however, SAP software (for Inventories) has a feature of recording audit trail (edit log) facility and the same has operated throughout the year




and Tally ERP software for Accounting has also a feature of recording audit trail (edit log) which is enabled from 25th September 2024 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. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. In terms of section 143(5) of the Companies Act, 2013, we give in “**Annexure-C**”, our report on the directions issued by the Comptroller and Auditor General of India.
3. As required by Companies (Auditor's Report) order, 2020 Issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the “**Annexure-D**” statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

For ANAND RUNGTA & CO.

Chartered Accountants

FRN: 000681C


S.K. SHAHI

Partner.

Membership No: 071510

UDIN:25071510BMLBOI6544



Date: 12.11.2025

Place: Patna

BIHAR STATE POWER TRANSMISSION COMPANY LIMITED

Annexure-“A” to the Independent Auditor’s Report
(Refer to first para, under ‘Basis of Qualified Opinion’ of our Report of even date on accounts for the year ended 31st March, 2025)

1. Non Compliance of Indian Accounting Standards (Ind AS):

- a. Amounts remaining unrecoverable / unpaid for fairly long period are categorized as Current Assets and Current Liabilities are not as per Ind AS1.*
- b. Ind AS 16 not complied due to non-componentization of fixed assets pending maintenance of fixed assets register.*
- c. Fair Value Measurement and Financial Instruments Disclosures: Financial Assets & Liabilities has not been valued at Fair Value and accordingly no adjustments has been made in its' book value as per Ind AS 32; 107; 109& 113.*
- d. Disclosure in respect of prior period item is not as per Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors).*
- e. Accounting policy 3 mention that tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment as per Ind AS 36 but Impairment losses for PPE; if any, are not recognized by the company as per Ind AS 36 (Impairment of Assets) and no such review report was made available to us.*
- f. Employee Benefit: Although Actuarial Gain / Losses (Adjustment) are recognized as Other Comprehensive Income (OCI) as per Ind AS 19 (Employee Benefits); but its' corresponding impact is not being reflected in “Other Equity” in Balance Sheet.*
- g. EPS of previous year figure are not adjusted with "Prior period items" as per Ind AS 33 (Earnings per Share).*
- h. Company is still evaluating the impact on account on implementation of Ind AS 116; as referred in point 20 of Company Information and Significant Accounting Policies.*



2. Capital Work In Progress (Note 3); Financial Assets Others – Non Current (Note 5) & Financial Assets – Trade Receivables (Note 7)

In absence of Capital Work in Progress Register, details regarding work status of the same worth ₹219885.50 lakhs have not been made available to us. Further ageing of Advance for Capital Works (₹16693.54 Lakhs); which include opening balance of advance to BRED A and balance Confirmation & details of Trade Receivables (₹524099.54 lakhs) were not provided during audit; hence provision required against above; if any could not be ascertained.

3. Financial Assets - Cash and Cash Equivalents (Note No.8)

- Bank Balance confirmation certificate of all the accounts except BSPTCL – E-Tax A/c (37015740242), BSPTCL Net Banking Etax, SBI – Bihar Sharif (11097389070), SBI (Civil Circle Muzaffarpur), SBI – TRZ Bhagalpur, SBI TRZ Muzaffarpur, State Bank of India – Sweep A/c, SBI (Civil Circle Bhagalpur), SBI Darbhanga, SBI Patna Circle, SBISaving Tr. Circle Patna(3774), SBI TRZ Bhagalpur, SBI TRZ Patna and State Bank of India were not made available to us.
- In SBI-Patna Circle and SBI-Patna (East) includes old outstanding entries since 2013 and 2019 respectively; without details.
- Bank Statement/BRS of following accounts have not been provided to us for our verification:

| Bank Account | Dr. Balance Amount ₹ |
|-----------------------------|---------------------------------|
| Axis Bank (Sweep A/c) | 5.00 |
| SBI A/c -11041920723 | 57093.27 |
| SBI A/c 31160072095 | 14396.10 |
| SBI-Patna Division, Central | 0.00 |
| SBI Patna(W) Division | 0.00 |
| SBI-Trans Div Bhagalpur CC | 20000.00 |



4. **Financial Asset - Other (Current) (Note No. 10):**
- Consist of Amount recoverable from employees of ₹ 0.89 lakhs which is due for more than ten years; no provision has been made against this doubtful of recovery amount.
 - Other Claims and Receivables of ₹3267.62 lakhs: Ageing has not been provided to us.
5. **Other Current Asset (Note No.-12)**
- It includes a sum of ₹ 3,538.48 lakhs on account of BSEB Restructuring balance and Entry Tax ₹ 1000.00 lakhs. No details in respect of the same were furnished and no provision against the same has been made in the accounts, which appears to be doubtful of recovery.
 - It includes Deposit amounting to ₹1794.90 lakhs, no proper details in respect of this has been made available to us
 - Ageing of Advance for O&M Supplies (₹742.98 lakhs) was not provided during audit; hence provision required against above; if any could not be ascertained.
6. **Equity Share Capital (Note 13):**
- (a). Number of shares in Note 13.2 (Reconciliation of the number of shares outstanding) share issued during the year is wrongly written as 422980005 in place of 422980004. Further in Note 13.2, 13.3 & 13.4 number of shares as at 31.03.2025 wrongly mentioned as 10260722164 instead of 10260722163.
 - (b) Statutory Register could not be made available to us, hence we could not verified the share certificate serial numbers issued to the shareholders.
7. **Other Equity (Note 14):** The Government of Bihar provides fund for construction of fixed assets in form of Equity and Loan in ratio of 20:80 respectively against which shares are allotted to GOB. In Note no 14 (Other Equity) ₹91046.09 lakhs are reflected under share application pending allotment is received during F.Y. 2024-25 for which share allotment is still pending. As per Companies Act 2013, share should be allotted within 60 days from the date of receipt of share application money. Share application money pending for allotment more than 60 days amounted to ₹4045.00 lakhs



8. Financial Liabilities –Others (Current) (Note No. 20) :

- a. In Other Liabilities there is an amount of ₹ 1.50 lakhs payable to Raj Construction which is continuing for more than two year, without any details.
- b. Staff Related Liability amounting to ₹2415.91 lakhs: This Consist of Administrator CPS, Keepback against gratuity, Payable for gratuity ₹112.91 lakhs debit balance, ₹ 17.01 lakhs, ₹ 3.63 lakhs respectively which is due since more than three years, without any details.
- c. Liability to Supplies/Works amounts to ₹4100.30 lakhs out of which ₹31.49 lakhs outstanding for more than three years, but details/proper documents could not be made available to us.
- d. The list of vendors who are registered under the MSME Act, 2006 have not been prepared. Because of this total outstanding dues and interest payable on such dues to Micro, small and medium enterprises as required under the MSME Development Act 2006 could not be provided for in the books of accounts.
- e. Invoked bank guarantee included under Other Liability (Note No.20) amounting to ₹885.64 lakhs out of which ₹841.62 lakhs outstanding since opening, no details has been made available to us.

9. Under Note No. 22 (Other current liabilities):

- a. Statutory Dues includes TCS amounting to ₹14.25 lakhs debit balance out of which ₹ 3.96 lakhs debit balance and professional tax ₹0.32 lakhs, which are pending since previous year without adjustment. Inter Unit Accounts and Inter Company Balances are amounting to ₹ 1402.16 lakhs and ₹12248.24 lakhs respectively, but its' details/reconciliation could not be made available to us.
- b. Advance given to BSPHCL of ₹ 239.67 lakhs included under Inter Company Balances (Note No. 22) against construction of 3rd to 5th Floors over BREDA Building/Bhawan with AC and lift. But no construction status and ownership status/details have been made available to us. Further, it should be accounted for as advance for construction works instead of in the name of BSPHCL (Inter Company Balances).

10. Corporate Social Responsibility:

- a. Figure disclosed in Point No. 21 in Note on accounts in column "Amount unspent during the year shown as Nil instead of ₹ 0.97 lakhs.
- b. During the year CSR provision made amounted to ₹513.37 lakhs whereas Utilisation Certificate for amount spent during the year ₹512.40 lakhs has not been made available to us.

11. Others:

- a. Notes to Account:
 - i. The company has disclosed only number of cases of pending litigations in notes to account point no. 15; without quantifying the amount; except for Income tax. Further details of Contingent Liability/legal cases could not be made available to us.
 - ii. Notes to accounts does not have serial no. 6 & 7.
 - iii. Number of Employee as on 31.03.2025 in Actuarial measurement is taken as 2180 but as per point no.14 of Notes to Accounts it is 2197.
- b. During the course of audit, GST reconciliation, Income Tax Computation and Acknowledgement could not be made available to us for our verification.
- c. Schedules of Balance sheet (Assets & Liabilities) items could not be made available to us for our verification.
- d. No detail for holding of annual general meeting for FY 2023-24 has been provided to us.
- e. Financial Statements has not been prepared exactly as per Division-II of Schedule-III of the Companies Act'2013.
- f. Note no. S-1 to S-6 and Notes forming part of Profit & Loss Account (regarding Transmission Business and SLDC Business) are attached but not referred in Financial Statements.



- g. *List of work order issued and its status as on 31.03.2025 could not be made available to us.*
- h. *As per 125th Board Minutes building of BSPTCL, (BPTI, Gaurichak, Sipra, Patna) has been transferred to BSPHCL. But no accounting impact was taken in financial statement, although we were explained that it is because of absence of consideration amount in the board decision.*
- i. *There is no reference number / Note number for Schedule of Change in Working Capital; which is supplement of Statement of Cash Flow.*
- j. *Property Plant & Equipment (Note No. 2): Addition in Land ₹2181.92 lakhs, building ₹60.02 lakhs and Intangible Assets ₹3565.45 no details and title deed of Land have been made available to us.*
- k. *There are difference of ₹ 838.54 lakhs between inventory as per ERP system and books of accounts. Hence Inventories (Note No.6) as well as Revaluation Reserve(Note No. 14) both are overstated by the same amount.*
- l. *During the review of bank's loan account, we found that quarterly installment repayment for December 2024 and March 2025 of Canara Bank loan amounting to ₹2078.00 lakhs (Principal ₹1342.00 lakhs+ Interest ₹736.00 lakhs) has been debited to interest account; resulting overstatement of Canara Bank loan by ₹1342.00 lakhs (under Note No. 16), Interest on State plan loan by ₹1002.09 lakhs(under Note No. 26), Property plant and Equipments by ₹63.87 lakhs(Note No. 2) and Capital Work in Progress by ₹276.04 lakhs (Note No. 3). Due to above excess capitalization under PPE Depreciation and Amortization expense is also overstated by ₹0.94 lakhs(under Note No. 27). Accordingly Total Comprehensive Income is understated by ₹1003.03 lakhs (₹1002.09 lakhs due to impact of above interest and ₹0.94 lakhs of above depreciation).*
- m. *Note no. 15 deferred income non depreciated assets: Details of Deferred Income ₹134.98 lakhs and Fund from Govt. ₹5161.92 lakhs received during the year could not be made available to us.*



n. Other operative income (Note No. 23):

- i. Supervision charges ₹1639.29 lakhs received at the time of allotment of work order and full amount booked as income on cash basis instead of accrual basis. Further all deposit work order could not be made available to us.*
 - ii. Other SLDC charges, it's previous year figure not bifurcated as Supervision charges & other SLDC Charges.*
- o. Other Income under Other Income (Note No. 24) includes Income from scrap sale ₹1.03 lakhs instead of penalty for delay transportation.*
- p. Loss on sale of scrap ₹247.97 lakhs (Other Expenses-Note No. 28) but in absence of details it's adjustment in book value of assets & stores could not be verified.*

For ANAND RUNGTA & CO.
Chartered Accountants
FRN: 000681C



(S.K. Shahi)

Partner

Membership No: 071510



Place: Patna

Date: 12.11.2025

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Bihar State Power Transmission Company Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bihar State Power Transmission Company Limited (the "Company") as of March 31st 2025 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India (the "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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on



Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that

- (1) pertains 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion:

According to information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31st, 2025:

- 1. Non confirmation of third parties balance and its statements of accounts.*
- 2. Non maintenance of Fixed Assets register and non- conduct of physical verification.*
- 3. Non availability and non - conduct of Physical verification of inventories.*
- 4. Non preparation of all the Schedules of Assets and Liabilities.*

Qualified Opinion

In our opinion, because of the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31st, 2025 based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.



We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2025 standalone financial statements of the Company, and the material weakness does not affect our opinion except to the extent as reported in Annexure "A" on the standalone financial statements of the Company.

For ANAND RUNGTA & CO.
Chartered Accountants
FRN: 000681C


(S.K. Shahi)

Partner.

Membership No: 071510

Place: Patna

Date: 12.11.2025

