**Walker Chandiok & Co LLP**
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# Independent Auditor's Report

**To the Members of Aditya Infotech Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Aditya Infotech Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary and joint venture, the aforesaid consolidated 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint venture, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture 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 consolidated 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 together with the audit evidence obtained by the other auditors in terms of their report referred to in paragraph 12 and 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



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**Emphasis of Matter**

4. We draw attention to note 52 of the consolidated financial statements which describes Group's share of loss of ₹ 294.50 million in respect of loss incurred due to fire by its joint venture, AIL Dixon Technologies Private Limited, as per the principles of Ind AS 28, basis assessment of related insurance and other claim receivables by the Group management. Our opinion is not modified in respect of this matter.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

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

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

6. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group and its joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its joint venture.

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**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

10. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls with reference to consolidated 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture 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 consolidated 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 Group and its joint venture to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. 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.

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**Other Matters**

12. We did not audit the financial statements of the subsidiary incorporated outside India, whose financial statements reflect total assets of ₹ 20.37 million and net assets of ₹ 18.13 million as at 31 March 2024, total revenues of ₹ 20.14 million and net cash outflows amounting to ₹ 2.78 million for the year ended on that date, as considered in the consolidated financial statements.

    Further, the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

13. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 42.73 million for the year ended 31 March 2024 before further adjustments as explained in note 52, in respect of the joint venture, whose financial statements has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint venture, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

14. As required by section 197(16) of the Act based on our audit, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the subsidiary company located outside India and joint venture company incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

15. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 13 above, of companies included in the consolidated financial statements and covered under the Act, we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

16. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;

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b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 16(h)(v) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditor of its joint venture company, covered under the Act, none of the directors of the Holding Company and its joint venture company, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

f) The modification relating to maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 16(b) above and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; 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 explanations given to us and based on the consideration of the report of the other auditors on separate financial statement and other financial information of the joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Note 46 to the consolidated financial statements;

ii. The Holding Company and its joint venture company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its joint venture company covered under the Act, during the year ended 31 March 2024;

iv. a. The respective managements of the Holding Company and its joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture that, to the best of their knowledge and belief, as disclosed in note 54(h) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its joint venture company to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or its joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b. The respective managements of the Holding Company and its joint venture company have represented to us and the other auditor of such joint venture that, to the best of their knowledge and belief, as disclosed in the note 54(i) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or its joint venture 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; and

c. Based on such audit procedures performed by us and that performed by the auditor of the joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

d. (i) The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend;

(ii) As stated in note 47 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

v. Based on our examination which included test checks, performed by us on the Holding Company and by the respective auditors of the joint venture of the Holding Company which are companies incorporated in India and audited under the Act, the Holding Company and its joint venture, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at the database level to log any direct data changes by the Holding Company, as described in note 56 to the consolidated financial statements. Further, during the course of our audit, we and respective auditors of the joint venture did not come across any instance of audit trail feature being tampered with, where such feature are enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal

**Deepak Mittal**
Partner
Membership No.: 503843

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 24503843BKFAQR8866

Place: Gurugram
Date: 02 August 2024

Walker Chandiok & Co LLP

**Annexure 1**

**List of entities included in consolidated financial statements for the year ended 31 March 2024**

1. Aditya Infotech Limited, Holding Company, India

**Wholly owned subsidiary**

2. Shenzhen CP Plus International Limited, Shenzhen, China

**Joint venture**

3. AIL Dixon Technologies Private Limited, India

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**Annexure A to the Independent Auditor's Report of even date to the members of Aditya Infotech Limited on the consolidated financial statements for the year ended 31 March 2024**

**Independent Auditor's Report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Aditya Infotech Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its joint venture as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its joint venture, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its joint venture, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Group 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. 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 the Group's business, including adherence to the Group'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.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 were established and maintained and if such controls operated effectively in all material respects.

4. 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 includes obtaining an understanding of such internal financial controls, 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.

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**Annexure A to the Independent Auditor's Report of even date to the members of Aditya Infotech Limited on the consolidated financial statements for the year ended 31 March 2024**

5. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its joint venture company as aforesaid.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

6. A company's internal financial controls 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 controls with reference to financial statements include 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 Consolidated Financial Statements**

7. 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**

8. In our opinion and based on the consideration of the report of the other auditor on internal controls with reference to financial statements of its joint venture company, the Holding Company and its joint venture company, which are companies covered under the Act, have, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 issued by the Institute of Chartered Accountants of India.

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

**Annexure A to the Independent Auditor's Report of even date to the members of Aditya Infotech Limited on the consolidated financial statements for the year ended 31 March 2024**

**Other Matter**

9. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 42.73 million for the year ended 31 March 2024 before further adjustments as explained in note 52, in respect of the joint venture, which is a company covered under the Act, whose internal financial controls with reference to financial statements has not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such joint venture company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Deepak Mittal**
Partner
Membership No.: 503843

UDIN: 24503843BKFAQR8866

Place: Gurugram
Date: 02 August 2024

ADITYA INFOTECH LIMITED

CIN: U74899DL1995PLC066784

**Consolidated Balance Sheet as at 31 March 2024**

(All amounts are in Indian Rupees millions, unless otherwise stated)

| | Note | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 214.82 | 264.28 |
| Right of use assets | 5 | 476.69 | 368.52 |
| Capital work in progress | 6 | 2.36 | 1.83 |
| Investment property | 7 | 3.79 | 4.08 |
| Other intangible assets | 8A | 7.75 | 11.33 |
| Intangible assets under development | 8B | 152.64 | 63.79 |
| Investment accounted for using the equity method | 9A | - | 294.50 |
| Financial assets | | | |
| Investments | 9B | 6.08 | 5.11 |
| Others financial assets | 10 | 46.59 | 179.17 |
| Deferred tax assets (net) | 11 | 79.58 | 66.53 |
| Income tax assets (net) | 12 | 8.03 | 8.03 |
| Other non current assets | 13 | 111.25 | 41.63 |
| | | 1,109.58 | 1,308.80 |
| **Current assets** | | | |
| Inventories | 14 | 5,092.05 | 5,110.50 |
| Financial assets | | | |
| Trade receivables | 15 | 7,342.70 | 6,149.58 |
| Cash and cash equivalents | 16 | 394.67 | 1,476.45 |
| Other bank balances | 17 | 311.69 | 2,238.22 |
| Loans | 18 | 82.52 | - |
| Other financial assets | 19 | 1,814.48 | 632.68 |
| Other current assets | 20 | 294.07 | 171.39 |
| **Total current assets** | | 15,332.18 | 15,778.82 |
| **Total assets** | | 16,441.76 | 17,087.62 |
| | | | |
| EQUITY AND LIABILITIES | | | |
| **Equity** | | | |
| Equity share capital | 21 | 20.50 | 20.50 |
| Other equity | 22 | 4,221.59 | 3,095.44 |
| **Equity attributable to owners of Holding Company** | | 4,242.09 | 3,115.94 |
| Non-controlling interests | | - | - |
| **Total equity** | | 4,242.09 | 3,115.94 |
| | | | |
| **Non current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 23 | 280.16 | 427.81 |
| Lease liabilities | 5 | 179.13 | 96.84 |
| Provisions | 24 | 89.44 | 72.61 |
| **Total non current liabilities** | | 548.73 | 597.26 |
| | | | |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 25 | 3,774.36 | 3,668.17 |
| Lease liabilities | 5 | 129.11 | 75.86 |
| Trade payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 26 | 79.99 | 115.05 |
| Total outstanding dues of creditors other than micro and small enterprises | 26 | 5,922.31 | 8,974.96 |
| Other financial liabilities | 27 | 1,359.96 | 247.58 |
| Provisions | 28 | 84.73 | 64.79 |
| Current tax liabilities (net) | 29 | 26.07 | 33.53 |
| Other current liabilities | 30 | 274.41 | 194.48 |
| **Total current liabilities** | | 11,650.94 | 13,374.42 |
| **Total equity and liabilities** | | 16,441.76 | 17,087.62 |

Material accounting policy information 3

The accompanying notes form an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal
Partner
Membership No.: 503843

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

ADITYA INFOTECH LIMITED

Hari Shanker Khemka
Chairman
DIN:00514501

Aditya Khemka
Managing Director
DIN:00514552

Yogesh Sharma
Chief Financial Officer

Roshni Tandon
Company Secretary

Place: Gurugram
Date: 02 August 2024

Place: Noida
Date: 02 August 2024

ADITYA INFOTECH LIMITED

CIN: U74899DL1995PLC066784

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in Indian Rupees millions, unless otherwise stated)

| | Note | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| **Income:** | | | |
| Revenue from operations | 31 | 27,824.26 | 22,845.47 |
| Other income | 32 | 135.34 | 110.09 |
| **Total income** | | **27,959.60** | **22,955.56** |
| | | | |
| **Expenses:** | | | |
| Purchases of stock-in-trade | 33 | 22,698.63 | 21,083.83 |
| Changes in inventories of stock in trade | 34 | 20.77 | (2,093.31) |
| Employee benefits expense | 35 | 1,338.57 | 1,052.46 |
| Finance costs | 36 | 309.09 | 232.23 |
| Depreciation and amortization expenses | 37 | 157.13 | 88.52 |
| Other expenses | 38 | 1,536.86 | 1,217.01 |
| **Total expenses** | | **26,061.05** | **21,560.74** |
| | | | |
| **Profit before share of profit in joint venture and tax** | | **1,898.55** | **1,394.82** |
| Share of profit in joint venture (also refer note 52) | | - | 94.87 |
| **Profit before exceptional items and tax** | | **1,898.55** | **1,489.69** |
| **Exceptional items** | 39 | | |
| Share of loss in joint venture (also refer note 52) | | 294.50 | - |
| Others | | (42.14) | 57.87 |
| **Profit before tax** | | **1,646.19** | **1,431.82** |
| | | | |
| **Tax expense:** | 40 | | |
| Current tax expense | | 506.93 | 346.35 |
| Deferred tax expense/(credit) | | (8.00) | 0.50 |
| Earlier years tax adjustments (net) | | (4.46) | 1.86 |
| **Total tax expense** | | 494.47 | **348.71** |
| | | | |
| **Profit after tax** | | **1,151.72** | **1,083.11** |
| | | | |
| **Other comprehensive income** | | | |
| | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined employee benefit plans | | (19.97) | 1.36 |
| Income tax effect of above | | 5.03 | (0.34) |
| Share of other comprehensive income in joint venture | | - | 0.13 |
| **Items that will be reclassified to profit or loss** | | | |
| Exchange differences on translation of financial statements of foreign operations | | (0.63) | 0.01 |
| **Other comprehensive income** | | **(15.57)** | **1.16** |
| | | | |
| **Total comprehensive income for the year** | | **1,136.15** | **1,084.27** |
| | | | |
| **Profit after tax attributable to:** | | | |
| Owners of the Holding Company | | 1,151.72 | 1,083.11 |
| Non-controlling interests | | - | - |
| | | | |
| **Other comprehensive income attributable to:** | | | |
| Owners of the Holding Company | | (15.57) | 1.16 |
| Non controlling interests | | - | - |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Holding Company | | 1,136.15 | 1,084.27 |
| Non-controlling interests | | - | - |
| | | | |
| **Earnings per equity share** | | | |
| Basic and diluted | 41 | 11.24 | 10.57 |
| | | | |
| Material accounting policy information | 3 | | |

The accompanying notes form an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal
Partner
Membership No.: 503843

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ADITYA INFOTECH LIMITED

Place: Gurugram
Date: 02 August 2024

For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

Hari Shanker Khemka
Chairman
DIN:00514501

Aditya Khemka
Managing Director
DIN:00514552

Yogesh Sharma
Chief Financial Officer

Roshni Tandon
Company Secretary

Place: Noida
Date: 02 August 2024

ADITYA INFOTECH LIMITED
CIN: U74899DL1995PLC066784
Consolidated Cash Flow Statement for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

| | Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| A | **Cash flow from operating activities** | | |
| | Profit before tax | 1,646.19 | 1,431.82 |
| | | | |
| | **Adjustments for:** | | |
| | Depreciation and amortization expenses | 157.13 | 88.52 |
| | Interest income on bank deposits | (104.98) | (60.85) |
| | Interest income on security deposits | (1.55) | (0.50) |
| | Dividend income | (0.06) | (0.19) |
| | Liabilities no longer required written back | (6.25) | (15.34) |
| | (Gain)/Loss on currency fluctuation and translation | (9.07) | 6.24 |
| | Profit on sale of property, plant and equipment (net) | (2.02) | (0.01) |
| | Rental income | (4.22) | (4.68) |
| | Balances written off | 7.56 | 18.25 |
| | Share of loss/(profit) in joint venture | 294.50 | (87.43) |
| | Finance costs | 279.09 | 201.16 |
| | Interest expense on lease liabilities | 26.06 | 13.40 |
| | Gain on extinguishment of lease | (1.82) | (2.22) |
| | (Gain)/ loss on measurement of investment at FVTPL | (0.98) | 1.82 |
| | **Operating profit before working capital changes** | **2,279.58** | **1,589.99** |
| | | | |
| | **Movement in working capital** | | |
| | Decrease/(increase) in inventories | 18.45 | (2,083.75) |
| | Increase in trade receivables | (1,200.68) | (895.07) |
| | Increase in other current assets and non current assets | (192.29) | (3.19) |
| | Increase in other financial assets | (320.89) | (96.58) |
| | Increase in other financial liabilities | 1,095.57 | 49.89 |
| | Increase/(decrease) in other current liabilities | 79.93 | (22.78) |
| | Increase in provisions | 43.03 | 1.66 |
| | Decrease/(increase) in trade payables | (3,096.79) | 2,439.60 |
| | **Cash (used in)/ generated from operating activities post working capital changes** | **(1,294.09)** | **979.76** |
| | Income tax paid(net) | (509.96) | (422.14) |
| | **Net cash (used in)/generated from operating activities (A)** | **(1,804.05)** | **557.62** |
| | | | |
| B | **Cash flow from investing activities** | | |
| | Additions to property, plant and equipment, capital work in progress, other intangible assets and intangible under development | (188.75) | (71.17) |
| | Sale of property, plant and equipment | 124.63 | 0.72 |
| | Loan to related party | (80.00) | - |
| | Proceeds from/(investments) in fixed deposits (net) | 1,199.74 | (1,295.33) |
| | Proceeds from redemption of bonds | - | 52.60 |
| | Rental income | 4.22 | 4.68 |
| | Dividend income | 0.06 | 28.69 |
| | Interest received | 104.98 | 60.85 |
| | **Net cash flow from/ (used in) investing activities (B)** | **1,164.88** | **(1,218.96)** |
| | | | |
| C | **Cash flow from financing activities** | | |
| | (Repayment)/proceeds from related party loans | (273.93) | 300.00 |
| | Proceeds from long-term borrowings | 49.42 | 25.00 |
| | Repayments of long-term borrowings | (197.07) | (389.09) |
| | Repayment of short-term borrowings | (17,054.76) | (5,616.09) |
| | Proceeds from short-term borrowings | 17,426.24 | 7,868.07 |
| | Buy back of equity shares | - | (799.58) |
| | Finance cost paid | (279.09) | (201.16) |
| | Dividend paid during the year | (10.00) | (38.50) |
| | Principal payment of lease liabilities | (77.36) | (43.94) |
| | Interest payment of lease liabilities | (26.06) | (13.40) |
| | **Net cash (used in)/flow from financing activities (C)** | **(442.61)** | **1,091.31** |
| | | | |
| | Net increase/(decrease) in cash and cash equivalents (A+B+C) | (1,081.78) | 429.98 |
| | Cash and cash equivalents at the beginning of the year | 1,476.45 | 1,046.47 |
| | **Cash and cash equivalents at the end of the year** | **394.67** | **1,476.45** |

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ADITYA INFOTECH LIMITED

ADITYA INFOTECH LIMITED
CIN: U74899DL1995PLC066784
Consolidated Cash Flow Statement for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Balances with scheduled banks and cash in hand:** | | |
| - Cash in hand | 1.17 | 1.22 |
| - In current accounts | 2.14 | 8.38 |
| - In cash credit account | 7.09 | 56.28 |
| - Cheques in hand | 77.82 | 493.27 |
| - Deposits with original maturity of less than 3 months | 306.45 | 917.30 |
| **Total cash and cash equivalents (refer note 16)** | 394.67 | **1,476.45** |

Also refer note 23 for changes in liabilities arising from financing activities

**Note: The above consolidated cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash flow.**

The accompanying notes form an integral part of these consolidated financial statements

This is Consolidated statement of cash flows referred to in our report of even date

**For Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal

**Deepak Mittal**
Partner
Membership No.: 503843

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ADITYA INFOTECH LIMITED

Place: Gurugram
Date: 02 August 2024

**For and on behalf of Board of Directors of ADITYA INFOTECH LIMITED**

**Hari Shanker Khemka**
Chairman
DIN:00514501

**Aditya Khemka**
Managing Director
DIN:00514552

U.Sh

**Yogesh Sharma**
Chief Financial Officer

**Roshni Tandon**
Company Secretary

Place: Noida
Date: 02 August 2024

ADITYA INFOTECH LIMITED

CIN: U74899DL1995PLC066784

**Consolidated Statement of Changes in Equity for the year ended 31 March 2024**

(All amounts are in Indian Rupees millions, unless otherwise stated)

**A. Equity share capital** (refer note no. 21)

**Current Reporting Period**

| Particulars | Opening balance as at 1 April 2023 | Issue during the year | Changes in equity share capital during the year | Balance as at 31 March 2024 |
|---|---|---|---|---|
| Equity share capital | 20.50 | - | - | 20.50 |

**Previous reporting period**

| Particulars | Opening balance as at 1 April 2022 | Issue during the year | Changes in equity share capital during the year* | Balance as at 31 March 2023 |
|---|---|---|---|---|
| Equity share capital | 25.00 | - | 4.50 | 20.50 |

*Refer note 21(f)

**B. Other equity** (refer note no. 22)

| Particulars | Reserves and Surplus | | | Foreign currency translation reserve | Capital Redemption Reserve | Total attributable to owners of the Holding Company | Total |
|---|---|---|---|---|---|---|---|
| | Retained earnings | General | Capital reserve | | | | |
| **Balance as at 31 March 2022** | 2,669.87 | 170.42 | 0.06 | 4.40 | - | 2,844.75 | 2,844.75 |
| Profit for the year | 1,083.11 | - | - | - | - | 1,083.11 | 1,083.11 |
| Other comprehensive income for the year (net of tax impact) | 1.02 | - | - | - | - | 1.02 | 1.02 |
| Share of other comprehensive income in joint venture (net of tax impact) | 0.13 | - | - | - | - | 0.13 | 0.13 |
| Exchange differences on translation of financial statements of foreign operations | - | - | - | 0.01 | - | 0.01 | 0.01 |
| Premium paid on buy back of equity shares* | (644.86) | - | - | - | - | (644.86) | (644.86) |
| Tax paid on buy back of equity shares* | (150.22) | - | - | - | - | (150.22) | (150.22) |
| Transfer to Capital Redemption Reserve upon buy back of equity shares* | (4.50) | - | - | - | 4.50 | - | - |
| Dividend paid during the year | (38.50) | - | - | - | - | (38.50) | (38.50) |
| **Balance as at 31 March 2023** | 2,916.05 | 170.42 | 0.06 | 4.41 | 4.50 | 3,095.44 | 3,095.44 |
| Profit for the year | 1,151.72 | - | - | - | - | 1,151.72 | 1,151.72 |
| Other comprehensive income for the year (net of tax impact) | (14.94) | - | - | - | - | (14.94) | (14.94) |
| Exchange differences on translation of financial statements of foreign operations | - | - | - | (0.63) | - | (0.63) | (0.63) |
| Dividend paid during the year (refer note 47) | (10.00) | - | - | - | - | (10.00) | (10.00) |
| **Balance as at 31 March 2024** | 4,042.83 | 170.42 | 0.06 | 3.78 | 4.50 | 4,221.59 | 4,221.59 |

*Refer note 21(f)

The accompanying notes form an integral part of these consolidated financial statements.

This is Consolidated statement of changes in equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Deepak Mittal
Partner
Membership No.: 503843

Place: Gurugram
Date: 02 August 2024

ADITYA INFOTECH LIMITED

For and on behalf of Board of Directors of
ADITYA INFOTECH LIMITED

Hari Shanker Khemka
Chairman
DIN:00514501

Aditya Khemka
Managing Director
DIN:00514552

Yogesh Sharma
Chief Financial Officer

Rashmi Tandon
Company Secretary

Place: Noida
Date: 02 August 2024

1 Group Overview

The consolidated financial statements comprise financial statements of Aditya Infotech Limited ("the Holding Company" or "the Company"), its subsidiary company (collectively referred as "Group") and joint venture for the year ended 31 March 2024. The Company is a Public limited Group having CIN no. U74899DL1995PLC066784 and was incorporated on 27th March 1995 with Registrar of Companies, New Delhi. The Company's registered office is situated at F-28, Okhla Industrial Area, Phase-I, New Delhi - 110020 and corporate office is situated at A- 12, Sector-4, Noida - 201301. The Company is engaged in trading of security and surveillance equipment and components under 'CP Plus' brand. Further, the Holding Company is also engaged in trading of security and surveillance equipment and components manufactured by Dahua Technologies Group.

2 Basis of preparation of Consolidated financial statements

(a) These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements have been prepared on the historical cost basis, except for the following assets and liabilities:
a) Certain financial assets and liabilities that are measured at fair value; and
b) Defined benefit plans-plan assets measured at fair value.

The consolidated financial statements have been prepared and presented in INR, which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest million unless, except when otherwise indicated.

Assets and liabilities are classified as current and non-current as per Holding Company's normal operating cycle which is based on the nature of business of the Holding Company. Current assets do not include elements which are not expected to be realised within 1 year and current liabilities do not include items which are due after 12 month, the period of 12 months being reckoned from the reporting date.

The consolidated financial statements were approved for issue by the Company's Board of Directors on 02 August 2024.

Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. changes in circumstances surrounding the estimates. Appropriate changes in estimates are made as management becomes aware of changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

(b) Basis of consolidation

Subsidiary

Subsidiary is a entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control is acquired until the date on which control ceases to exist.

The Group combines the financial statements of the holding company and its subsidiary line by line, by adding together like items of assets, liabilities, equity, income and expenses. Intra group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units

(c) Joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over the subsidiary. The Group's investments in joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Group's share of profit or loss of a joint venture is presented on the face of the consolidated statement of profit and loss.

(d) Foreign currency translation

The consolidated financial statements are presented in Indian Rupee, which is the functional and presentation currency and include the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the Group operates (i.e. their functional currency) and translated as follows:

- assets and liabilities are translated at the closing exchange rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates;
- All resulting exchange differences are recognised in other comprehensive income;

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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ADITYA INFOTECH LIMITED *

**3 Material accounting policy information**

**(a) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the transaction price for each separate performance obligation taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The transaction price is net of estimated customer returns, rebates and other similar allowances.

**(i) Sale of security and surveillance equipment and components**

Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration which Group expects to receive in exchange of those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer, based on the terms of contract with customers which generally coincides with dispatch of products to the customers in case of domestic sales and on the basis of bill of lading in the case of export sales.

Revenue from the sale of goods is recognised when the control of the product is transferred, the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group has a present right to payment for the asset;
- The Group has transferred physical possession of the asset, whereby the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or to restrict the access of other entities to those benefits.

Provision for contractual warranty is recognised as per the principles defined under Ind AS 37 Provisions, Contingent liabilities and Contingent assets.

When the consideration is received, before the Group transfers goods to the customer, the Group presents the consideration as contract liability.

**(ii) Rendering of services including business support and technical training services**

(a) Revenue from business support services is recognised over a period of time when the services are rendered as per the terms of the respective contracts with the customers.

(b) Revenue from other services including technical training services are recognised at a point in time as and when the services are rendered as per the terms of the respective contracts with the customers.

**(iii) Dividend income**

Dividend is recognised when right to receive the payment is established.

**(iv) Interest income**

Interest income from a financial asset is recognised and accrued using effective interest rate method.

**(v) Insurance and other claims**

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

**Assets and liabilities arising from rights of return:**

**(i) Right of return assets**

Right of return asset represents the Holding Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Holding Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned goods.

**(ii) Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Holding Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**(b) Inventory**

Inventories are stated at the lower of cost determined on weighted average cost basis and net-realisable value. Cost includes freight, taxes and duties net of GST input tax credit, wherever applicable. Customs duty payable on material in bonded warehouse is added to the cost of the material.

Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.

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

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately. Depreciation on Property, Plant and Equipment is provided using written down value method on depreciable amount. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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ADITYA INFOTECH LIMITED

The estimates of useful life of Property, Plant and Equipments are as follows:

| Particulars | Useful life as per Schedule II of the Act |
|---|---|
| Building | 60 Years |
| Computers and Peripherals | |
| - Computers | 3 Years |
| - Servers | 6 Years |
| Office Equipment | 5 Years |
| Furniture, Fixture and Fittings | 10 Years |
| Motorcycles and scooters | 10 Years |
| Motor cars | 8 Years |
| Plant and machinery | 15 Years |

**De-recognition of Property, plant & equipment**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in consolidated profit or loss.

**(d) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research costs are expensed as incurred. Development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the product and the costs can be measured reliably. The costs, which can be capitalized include the cost of material, direct labor, overhead costs that are directly attributable to prepare the asset for its intended use.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

| Intangible assets | Amortisation period |
|---|---|
| Computer Software | 6 years |
| Trademark | 10 years |

**De recognition of Intangible Assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated profit or loss when the asset is derecognised.

**(e) Intangible assets under development**

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost less accumulated impairment loss, if any. Cost includes related acquisition expenses, development costs, borrowing costs and other direct expenditure.

**(f) Investment properties**

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred

Investment properties are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on investment properties is provided on the written down value method computed on the basis of useful lives as prescribed in the Schedule II of the Act:

| Investment property | Useful life as per Schedule II of the Act |
|---|---|
| Building | 60 years |

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

**De-recognition**

Investment properties are de-recognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in consolidated profit or loss in the period of de-recognition.

**(g) Impairment of non-financial assets- property, plant and equipment, intangible assets and investment property**

At the end of each reporting period, the Group reviews the carrying amount of property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units.

An impairment loss is recognised in the consolidated statement of profit and loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generated unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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ADITYA INFOTECH LIMITED

**(h) Cash and cash equivalents**

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**(i) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**(j) Earnings per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as share split, fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**(k) Provisions, Contingent liabilities and Contingent assets**

**(i) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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 at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. The expense relating to a provision is presented in the consolidated statement of profit and loss.

**(ii) Contingent liabilities**

A contingent liability is recognised for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Group.
- Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

**(iii) Contingent assets**

Contingent assets are not recognised in the consolidated financial statements. Contingent assets are disclosed in the consolidated financial statements to the extent it is probable that economic benefits will flow to the Group from such assets.

**(l) Leases: Right-of-use asset and Lease liabilities**

The Group's lease asset classes primarily consist of leases for land and buildings- warehouse and office premises and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right of use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), and low value leases. For these short-term, and low value leases, the Group recognises the lease rentals as an operating expense in the consolidated statement of profit and loss account.

**(i)Right-of-use assets**

At the commencement date, the right of use assets is measured at cost. The cost includes an amount equal to the lease liabilities plus adjusted for the amount of prepaid or accrued lease payments. After the commencement date, the right of use assets is measured in accordance with the accounting policy for property, plant and equipment i.e. right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight line basis over the period of the lease term.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

**(ii)Lease liabilities**

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the consolidated Balance Sheet and lease payments have been classified as financing cash flows. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used.

**(iii)Lease term**

At the commencement date, the Group determines the lease term which represents non-cancellable period of initial lease for which the asset is expected to be used, together with the periods covered by an option to extend or terminate the lease, if the Group is reasonably certain at the commencement date to exercise the extension or termination option.

**(iv)Short term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets exemption to leases that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of use of underlying asset.

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(v) Others

The following is the summary of practical expedients elected on initial application:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and low value asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**(m) Foreign Currencies**

The Group's Financial Statements are presented in INR which is also the Group's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year end and the gain or loss, is recognised in the Consolidated statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**(n) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(o) Retirement and other employee benefits**

**(i) Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a Government administered fund and charged as an expense to the consolidated statement of profit and loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

**(ii) Defined benefit plan**

Gratuity

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to consolidated profit or loss in subsequent periods.

Past service costs are recognised in consolidated profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income.

**(iii) Other long-term employee benefits (compensated absences)**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the consolidated Statement of profit and loss in the year in which such gains or losses are determined.

**(iv) Short-term and other long-term employee benefits**

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**(p) Taxes**

**Current tax**

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted as at the reporting date.

Current income tax relating to item recognized outside the consolidated statement of profit and loss is recognized outside profit or loss (either in other comprehensive income or equity). Current tax items are recognized in correlation to the underlying transactions either in OCI or directly in equity.

The Group's management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

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**Deferred tax**

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Indirect taxes**

GST input tax credit on materials purchased/ services availed for production/ input services are taken into account at the time of purchase and availing services. GST input tax credit on purchase of capital items wherever applicable are taken into account as and when the assets are acquired. The GST input tax credit so taken is utilised for payment of GST on supply of goods and services. The unutilised GST input tax credit is carried forward in the books of accounts as 'balance with government authorities'.

**(q) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

**A. Initial Recognition and Measurement**

All Financial Assets except trade receivables are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting. . Trade receivables that do not contain a significant financing component are measured at the transaction price.

**B. Subsequent Measurement**

**a) Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories is measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

**C. Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

• All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
• Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

**(i) Trade receivables**

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**(ii) Other financial assets**

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

**Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains subsequently all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated profit or loss if such gain or loss would have otherwise been recognised in consolidated profit or loss on disposal of that financial asset.

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**Financial liabilities**

**A. Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the consolidated Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest method.

**Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**De-recognition of financial liabilities**

A financial liability is de recognised when the obligation under the liability is discharged or 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

**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 realise the assets and settle the liabilities simultaneously.

**(r) Fair value measurement**

The Group measures financial instruments 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 principal or the most advantageous market must be accessible by the Group. 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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(s) Derivative financial instruments**

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss.

**(t) Exceptional items**

Items which are material by virtue of their size and nature are disclosed separately as exceptional items to ensure that financial statements allows an understanding of the underlying performance of the business during the year and to facilitate comparison with prior year.

**(u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

**Identification of segments:**

In accordance with Ind AS 108 Operating Segments, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Results of the operating segments are reviewed regularly by the Chief Operating Decision Maker, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

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(v) **Significant estimates and judgements**

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

- Recognition and estimation of tax expense including deferred tax – Note 3(p), Note 11 and Note 40
- Estimated impairment of financial assets and non-financial assets – Note 3(g) and Note 3(q)
- Assessment of useful life of property, plant and equipment, investment property and intangible assets – Note 3(c), (d), (f) and Note 4, Note 7 and Note 8A
- Estimation of assets and obligations relating to employee benefits – Note 3(o) and Note 45
- Valuation of inventories – Note 3(h)
- Recognition and measurement of contingent liabilities – Note 3(k) and Note 46
- Leases – Note 3(l) and Note 5
- Fair value measurement – Note 3(r) and Note 42
- Provision for warranty – Note 3(n) and Note 24 and 28
- Expected credit loss – Note 3(q) and Note 15

(w) **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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

(i) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

(ii) Ind AS 1 – Presentation of Financial Statements - The amendments to Ind AS 1 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. This amendment did not have any material impact on the Group's consolidated financial statements and disclosures.

(iii) Ind AS 12 – Income Taxes - The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
The Group previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Group has grossed-up the Deferred tax assets (DTA) and Deferred tax liabilities (DTL) recognised in relation to leases w.e.f. 1 April 2022. However, the said gross-up has no impact on the net deferred tax liabilities/expense presented in the consolidated financial statements.

(iv) New Standards/Amendments notified but not yet effective: - 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. As at 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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CIN: U74899DL1995PLC066784
Notes to consolidated financial statements for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

4 Property, plant and equipment

| Particulars | Land | Building | Plant and machinery | Computers | Office equipment | Vehicles | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 March 2022** | 50.04 | 162.16 | 2.39 | 13.53 | 16.59 | 36.19 | 18.82 | 299.72 |
| Additions | - | - | - | 11.96 | 2.13 | 28.13 | 1.98 | 44.20 |
| Disposals | - | - | - | - | 7.19 | 3.50 | 0.47 | 11.16 |
| **Balance as at 31 March 2023** | 50.04 | 162.16 | 2.39 | 25.49 | 11.53 | 60.82 | 20.33 | 332.76 |
| Additions | - | - | 2.45 | 23.06 | 5.91 | 56.21 | 7.78 | 95.41 |
| Disposals | - | 108.04 | 1.81 | 2.43 | 6.96 | 8.88 | 11.09 | 139.21 |
| **As at 31 March 2024** | 50.04 | 54.12 | 3.03 | 46.12 | 10.48 | 108.15 | 17.02 | 288.96 |
| | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | |
| **Balance as at 31 March 2022** | - | 15.58 | 0.83 | 6.78 | 6.62 | 10.37 | 8.32 | 48.50 |
| Charge for the year | - | 7.15 | 0.29 | 7.74 | 3.83 | 8.63 | 2.79 | 30.43 |
| Disposals | - | - | - | - | 6.83 | 3.22 | 0.40 | 10.45 |
| **Balance as at 31 March 2023** | - | 22.73 | 1.12 | 14.52 | 3.62 | 15.77 | 10.71 | 68.48 |
| Charge for the year | - | 5.48 | 0.21 | 12.45 | 3.20 | 20.47 | 2.93 | 44.74 |
| Disposals | - | 18.23 | 0.96 | 1.81 | 5.06 | 5.61 | 7.41 | 39.08 |
| **As at 31 March 2024** | - | 9.98 | 0.37 | 25.16 | 1.76 | 30.63 | 6.23 | 74.14 |
| | | | | | | | | |
| **Net block as at 31 March 2023** | 50.04 | 139.43 | 1.27 | 10.97 | 7.91 | 45.04 | 9.62 | 264.28 |
| **Net block as at 31 March 2024** | 50.04 | 44.14 | 2.66 | 20.96 | 8.72 | 77.52 | 10.79 | 214.82 |

**(i) Contractual obligations**

Refer note 46 for contractual commitments for acquisition of property, plant and equipment as at 31 March 2024 and 31 March 2023.

**(ii) Capitalised borrowing costs**

There were no borrowing costs capitalised for the years ended 31 March 2024 and 31 March 2023.

**(iii) Property, plant and equipment pledged as security for borrowings**

Property, plant and equipment have been pledged as security for borrowings, refer note 23 for details.

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(All amounts are in Indian Rupees millions, unless otherwise stated)

5 Leases

a) Right of use assets

| Particulars | Leasehold land* | Office and warehouse | IT equipment | Vehicles | Total |
|---|---|---|---|---|---|
| Right-of-use assets | | | | | |
| As at 31 March 2022 | 213.95 | 124.01 | - | 4.82 | 342.78 |
| Additions | - | 164.35 | 5.09 | 11.19 | 180.63 |
| Deletions | - | (55.66) | - | (1.66) | (57.32) |
| As at 31 March 2023 | 213.95 | 232.69 | 5.09 | 14.35 | 466.09 |
| Additions | - | 233.21 | - | 4.25 | 237.46 |
| Deletions | (27.27) | - | - | - | (27.27) |
| As at 31 March 2024 | 186.68 | 465.90 | 5.09 | 18.60 | 676.28 |
| Accumulated depreciation | | | | | |
| As at 31 March 2022 | 6.02 | 57.22 | - | 1.90 | 65.14 |
| Charge for the year | 3.01 | 47.69 | 1.27 | 1.90 | 53.88 |
| Disposals | - | (21.07) | - | (0.38) | (21.45) |
| As at 31 March 2023 | 9.03 | 83.84 | 1.27 | 3.42 | 97.57 |
| Charge for the year | 2.85 | 98.71 | 1.70 | 3.28 | 106.55 |
| Disposals | (4.52) | - | - | - | (4.52) |
| As at 31 March 2024 | 7.36 | 182.55 | 2.97 | 6.69 | 199.59 |
| Net Block as at 31 March 2023 | 204.92 | 148.85 | 3.82 | 10.94 | 368.52 |
| Net Block as at 31 March 2024 | 179.32 | 283.35 | 2.12 | 11.90 | 476.69 |

*Also refer note 52

b) Lease Liability

| Particulars | Total |
|---|---|
| As at 31 March 2022 | 74.75 |
| Additions | 177.76 |
| Accretion of interest | 13.40 |
| Payments | (57.34) |
| Deletions | (35.87) |
| As at 31 March 2023 | 172.70 |
| Additions | 237.46 |
| Accretion of interest | 26.06 |
| Payments | (103.42) |
| Gain on extinguishment and modification of lease | (1.82) |
| Deletions | (22.74) |
| As at 31 March 2024 | 308.24 |

| Lease liability | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Current | 129.11 | 75.86 |
| Non-current | 179.13 | 96.84 |
| | 308.24 | 172.70 |

c) Group as a lessee

The Group has leases for the land, office building, warehouse facilities, IT equipment and vehicles. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security without prior permission of the lessor. Further, the Group is required to pay maintenance fees in accordance with the lease contracts.

i) The amounts recognized in consolidated statement of profit and loss:-

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Depreciation expense of right of use assets | 106.54 | 53.88 |
| Interest expense on lease liabilities | 26.06 | 13.40 |
| Expense relating to short term leases | 38.08 | 47.75 |
| Gain on extinguishment /modification of lease | (1.82) | (2.22) |
| Net impact on consolidated statement of profit and loss | 168.86 | 112.81 |

ii) Amounts recognized in the consolidated cash flow statement

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Payment of lease liabilities- principal and interest | 103.42 | 57.34 |

iii) Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The Group has recognised Rs. 38.08 million pertaining to 31 March 2024 and Rs. 46.77 million pertaining to 31 March 2023 in respect of short term leases entered into by the Group.

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iv) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in consolidated balance sheet:

| Right of use asset | 31 March 2024 | | 31 March 2023 | |
|---|---|---|---|---|
| | No. of right of use assets leased | Range of remaining term (in years) | No. of right of use assets leased | Range of remaining term (in years) |
| Office building | 37 | 2-6 | 28 | 2-6 years |
| Warehouse facilities | 8 | 2-3 | 9 | 2-3 years |
| Vehicles | 17 | 2-4 | 12 | 2-5 years |
| Land | 2 | 50-76 | 3 | 50-76 years |
| IT Equipment | 2 | 1-2 | 2 | 2-3 years |

v) Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| 31 March 2024 | Minimum lease payments due | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Lease payments | 139.66 | 86.70 | 61.70 | 80.18 | 368.24 |

| 31 March 2023 | Minimum lease payments due | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Lease payments | 88.35 | 83.60 | 27.47 | 15.35 | 214.77 |

vi) Information about extension and termination options

31 March 2024

| Right of use assets | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|---|---|---|---|---|---|
| Office building | 37 | 2-6 | 4.00 | - | - | 37 |
| Warehouse facilities | 8 | 2-3 | 2.50 | - | - | 8 |
| Vehicles | 17 | 2-4 | 3.00 | - | - | 17 |
| Land | 2 | 50-76 | 63.00 | - | - | 2 |
| IT Equipment | 2 | 1-2 | 1.50 | - | - | 2 |

31 March 2023

| Right of use assets | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|---|---|---|---|---|---|
| Office building | 28 | 2-6 | 4.00 | - | - | 28 |
| Warehouse facilities | 9 | 2-3 | 2.50 | - | - | 9 |
| Vehicles | 12 | 2-5 | 3.50 | - | - | 12 |
| Land | 3 | 50-76 | 63.00 | - | - | 3 |
| IT Equipment | 2 | 2-3 | 2.50 | - | - | 2 |

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## 6 Capital Work in Progress

| | Amount |
|---|---:|
| **Balance as at 31 March 2022** | - |
| Additions | 1.83 |
| Capitalised | - |
| **Balance as at 31 March 2023** | 1.83 |
| Additions | 0.53 |
| Capitalised | - |
| **Balance as at 31 March 2024** | 2.36 |

(i) Ageing of capital work in progress:

As at 31 March 2024

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Project in progress | 0.53 | 1.83 | - | - | 2.36 |

As at 31 March 2023

| Particulars | Amount in capital work in progress for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Project in progress | 1.83 | - | - | - | 1.83 |

(ii) Capital work in progress, whose completion is overdue or exceeded its cost compared to its original plan: Nil (31 March 2023: Nil)

(iii) Capital work in progress represents costs incurred on construction/development activities for the Noida property (also refer note 51).

(iv) Refer note 46B for contractual commitments of capital work in progress as at 31 March 2024 (31 March 2023: Rs. Nil)

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**7 Investment property**

| Particulars | Non factory Building | Total |
|---|---|---|
| **Balance as at 31 March 2022** | 5.36 | 5.36 |
| Additions | - | - |
| Disposals | - | - |
| **Balance as at 31 March 2023** | **5.36** | **5.36** |
| Additions | - | - |
| Disposals | - | - |
| **Balance as at 31 March 2024** | **5.36** | **5.36** |
| | | |
| **Accumulated depreciation** | | |
| **Balance as at 31 March 2022** | 0.97 | 0.97 |
| Charge for the year | 0.31 | 0.31 |
| Disposals | - | - |
| **Balance as at 31 March 2023** | **1.28** | **1.28** |
| Charge for the year | 0.29 | 0.29 |
| Disposals | - | - |
| **Balance as at 31 March 2024** | **1.57** | **1.57** |
| | | |
| **Net block as at 31 March 2023** | **4.08** | **4.08** |
| **Net block as at 31 March 2024** | **3.79** | **3.79** |

**(i) Amount recognised in consolidated statement of profit and loss for investment property**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Rental income | 1.39 | 1.34 |
| Less: direct operating expenses that generated rental income* | - | - |
| Less: direct operating expenses that did not generate rental income* | - | - |
| **Profit from leasing of investment property before depreciation** | 1.39 | 1.34 |
| Less: depreciation expense | (0.29) | (0.31) |
| **Profit from leasing of investment property after depreciation** | 1.10 | 1.03 |

*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

**(ii) Fair value of investment property**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Office space at Janki Centre, Andheri, Mumbai | 30.84 | 27.72 |
| Total | 30.84 | 27.72 |

The Group has appointed a registered valuer in accordance with Rule 2 of Companies (Registered Valuer and Valuation) Rules, 2017 for the valuation of investment property. The fair value of investment property has been determined by external, independent property valuers, having appropriate qualifications and recent experience in the location and category of the property being valued. The Group obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. The fair value measurement of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. Fair value has been determined using combination of market approach and cost approach. The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available whereas cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved.

**(iii) Contractual obligations**

There are no contractual obligations outstanding as at 31 March 2024 and 31 March 2023.

**(iv) Capitalised borrowing costs**

There were no borrowing costs capitalised for the years ended 31 March 2024 and 31 March 2023.

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8A. Intangible assets

| Particulars | Computer Software | Trademark | Total |
|---|---|---|---|
| **Balance as at 31 March 2022** | 10.57 | 11.55 | 22.12 |
| Additions | 3.02 | - | 3.02 |
| Disposals | - | - | - |
| **Balance as at 31 March 2023** | 13.59 | 11.55 | 25.14 |
| Additions | 1.98 | - | 1.98 |
| Disposals | - | - | - |
| **Balance as at 31 March 2024** | 15.57 | 11.55 | 27.12 |
| | | | |
| Accumulated amortisation | | | |
| **Balance as at 31 March 2022** | 6.64 | 3.30 | 9.94 |
| Charge for the year | 2.22 | 1.65 | 3.87 |
| Disposals | - | - | - |
| **Balance as at 31 March 2023** | 8.86 | 4.95 | 13.81 |
| Charge for the year | 3.91 | 1.65 | 5.56 |
| Disposals | - | - | - |
| **Balance as at 31 March 2024** | 12.77 | 6.60 | 19.37 |
| | | | |
| **Net block as at 31 March 2023** | 4.73 | 6.60 | 11.33 |
| **Net block as at 31 March 2024** | 2.80 | 4.95 | 7.75 |

(All amounts are in Indian Rupees millions, unless otherwise stated)

**8B. Intangible assets under development**

| Particulars | Intangible assets under development | Total |
|---|---|---|
| **Balance as at 31 March 2022** | 41.67 | 41.67 |
| Additions | 24.72 | 24.72 |
| Capitalised | 2.60 | 2.60 |
| **Balance as at 31 March 2023** | **63.79** | **63.79** |
| Additions | 90.83 | 90.83 |
| Capitalised | 1.98 | 1.98 |
| **Balance as at 31 March 2024** | **152.64** | **152.64** |

**(i) Ageing of intangible asset under development:**

As on 31 March 2024

| Particulars | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Intangible assets under development | 88.85 | 22.12 | 41.67 | - | 152.64 |

As on 31 March 2023

| Particulars | Amount in intangible assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 Years | |
| Intangible assets under development | 22.12 | 41.67 | - | - | 63.79 |

(ii) Intangible assets under development, whose completion is overdue or exceeded its cost compared to its original plan: Nil (31 March 2023: Nil)

**(iii) Contractual obligations**

Refer note 46 for contractual commitments for acquisition of intangible assets as at 31 March 2024 (31 March 2023: Rs. Nil)

**(iv) Capitalised borrowing costs**

There were no borrowing costs capitalised for the years ended 31 March 2024 and 31 March 2023.

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| 9 Investments | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|---|
| | No of shares | No of shares | Amount | Amount |
| **9A Investment in equity instrument** | | | | |
| **Investment in joint venture accounted for using the equity method** | | | | |
| Investment - AIL Dixon Technologies Private Limited (also refer note 52) | 9,500,000 | 9,500,000 | - | 294.50 |
| **Total** | **9,500,000** | **9,500,000** | **-** | **294.50** |
| **9B Other investments** | | | | |
| **Quoted Investments** | | | | |
| **Investment in equity instruments measured at fair value through profit & loss** | | | | |
| Tamilnad Mercantile Bank Limited, Equity Shares of Rs. 10 each | 12,525 | 12,525 | 6.08 | 5.11 |
| **Total** | **12,525** | **12,525** | **6.08** | **5.11** |
| **Total** | | | **6.08** | **299.61** |
| Aggregate amount of quoted investments and market value thereof | | | 6.08 | 5.11 |
| Aggregate amount of unquoted investments | | | - | 294.50 |
| | | | **6.08** | **299.61** |

| 10 Other financial assets (non-current) | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Fixed deposit with remaining maturity of more than 12 months* | 20.39 | 166.04 |
| Security deposits (carried at amortised cost) | 26.20 | 13.13 |
| | **46.59** | **179.17** |

*includes deposits aggregating to Rs. 20.30 million (31 March 2023: Rs. 32.30 million) held as margin money and Rs. 0.09 million (31 March 2023: Rs 0.08 million) pledged with government authorities

| 11 Deferred tax assets (net) | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Deferred tax assets/(liabilities) on account of :-** | | |
| Property, plant and equipment, investment property and intangible assets | 3.82 | 0.28 |
| Allowance for expected credit losses | 14.49 | 14.49 |
| Employee benefits | 17.14 | 10.66 |
| Warranty provision | 26.70 | 23.92 |
| Right of use assets | (74.83) | (41.17) |
| Lease liabilities | 77.58 | 43.46 |
| Other temporary differences | 16.21 | 16.17 |
| Investment carried at FVTPL | (1.53) | (1.28) |
| | **79.58** | **66.53** |

**(i) Movement in deferred tax assets (net)**

| Particulars | As at 31 March 2023 | Recognised/ (reversed) through profit and loss | Recognised in other comprehensive income | As at 31 March 2024 |
|---|---|---|---|---|
| **Assets/(Liabilities)** | | | | |
| Property, plant and equipment, investment property and intangible assets | 0.28 | 3.54 | - | 3.82 |
| Allowance for expected credit losses | 14.49 | - | - | 14.49 |
| Employee benefits | 10.66 | 1.45 | 5.03 | 17.14 |
| Right of use assets | (41.17) | (33.67) | - | (74.83) |
| Lease liabilities | 43.46 | 34.11 | - | 77.58 |
| Warranty provision | 23.92 | 2.78 | - | 26.70 |
| Investment carried at FVTPL | (1.28) | (0.25) | - | (1.53) |
| Other temporary differences | 16.17 | 0.04 | - | 16.21 |
| Total | **66.53** | **8.01** | **5.03** | **79.58** |

| Particulars | As at 1 April 2022 | Recognised/ reversed through profit and loss | Recognised in other comprehensive income | As at 31 March 2023 |
|---|---|---|---|---|
| **Assets/(Liabilities)** | | | | |
| Property, plant and equipment, investment property and intangible assets | 0.48 | (0.20) | - | 0.28 |
| Allowance for expected credit losses | 18.13 | (3.64) | - | 14.49 |
| Employee benefits | 12.17 | (1.17) | (0.34) | 10.66 |
| Right of use assets | (17.54) | (42.44) | - | (41.17) |
| Lease liabilities | 18.81 | 43.46 | | 43.46 |
| Warranty provision | 22.34 | 1.58 | - | 23.92 |
| Investment carried at FVTPL | (1.69) | 0.41 | - | (1.28) |
| Other temporary differences | 14.67 | 1.50 | - | 16.17 |
| Total | **67.37** | **(0.49)** | **(0.34)** | **66.53** |

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| 12 Income tax assets (net) | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Advance tax paid (net of provision for taxation) | 8.03 | 8.03 |
| | 8.03 | 8.03 |

| 13 Other non-current assets | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Amounts paid under protest with statutory authorities | 111.25 | 41.63 |
| | 111.25 | 41.63 |

| 14 Inventories | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| (Valued at lower of cost or net realisable value, unless otherwise stated) | | |
| Traded goods | 5,040.82 | 5,061.59 |
| Others | 51.23 | 48.91 |
| | 5,092.05 | 5,110.50 |

Notes
(i) Inventories of traded goods include goods in transit amounting to Rs. 44.47 million (31 March 2023: Rs. 120.00 million)
(ii) Inventories are net off of Rs. 208.69 million (31 March 2023: Rs. 136.56 million) representing write down of inventories to net realisable value, as assessed by the management.

| 15 Trade receivables | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Secured, considered good | - | - |
| Unsecured | | |
| - considered good - from others | 7,363.75 | 6,168.72 |
| considered good - from related parties | 2.26 | 2.60 |
| - which have significant increase in credit risk | 28.82 | 30.39 |
| | 7,394.83 | 6,201.71 |
| Less: Allowance for expected credit loss | 52.13 | 52.13 |
| Total | 7,342.70 | 6,149.58 |

Ageing schedule

As at 31 March 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | 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 | 3,351.54 | 3,733.83 | 223.49 | 47.15 | 8.19 | 1.81 | 7,366.01 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – which have significant increase in credit risk | - | 0.17 | 0.33 | 4.98 | 3.37 | 19.97 | 28.82 |
| Less: Allowance for bad and doubtful debts | - | - | - | - | - | - | (52.13) |
| Total | 3,351.54 | 3,734.00 | 223.83 | 52.13 | 11.56 | 21.78 | 7,342.70 |

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | 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 | 3,069.01 | 2,871.92 | 191.24 | 4.00 | 0.44 | 0.07 | 6,136.69 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables- considered good | - | 22.68 | 10.21 | - | - | 1.74 | 34.63 |
| (iv) Disputed Trade Receivables – which have significant increase in credit risk | - | 0.45 | 7.11 | 1.64 | 1.22 | 19.97 | 30.38 |
| Less: Allowance for bad and doubtful debts | - | - | - | - | - | - | (52.13) |
| Total | 3,069.01 | 2,895.04 | 208.57 | 5.64 | 1.66 | 21.80 | 6,149.58 |

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| 16 Cash and cash equivalents | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 2.14 | 8.38 |
| In cash credit account | 7.09 | 56.28 |
| Cash in hand | 1.17 | 1.22 |
| Cheques in hand | 77.82 | 493.27 |
| Fixed deposits with original maturity of less than three months | 306.45 | 917.30 |
| | 394.67 | 1,476.45 |

| 17 Bank balances other than cash and cash equivalents | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Fixed deposit with original maturity of more than three months and upto twelve months* | 311.69 | 2,238.22 |
| | 311.69 | 2,238.22 |

*includes fixed deposits aggregating to Rs. 311.69 million (31 March 2023: Rs. 748.31 million) held as margin money with bank and collaterals against bank guarantees.

| 18 Loans | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| (Unsecured good) | | |
| Loans to related parties (refer note 43)* | 82.52 | - |
| | 82.52 | - |

*Loan is repayable within one year and carries interest rate of 11% p.a.

Details of loans given, inter corporate given, investments made and guarantee given covered u/s 186 (4) of the Companies Act, 2013.

| Name of party | Business relationship | Purpose of loan | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|---|
| AIL Dixon Technologies Private Limited | Joint venture company | General corporate purpose | 82.52 | - |

| 19 Other financial assets | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Security deposit | 2.55 | 4.22 |
| Vendor claim receivable | 587.71 | 330.87 |
| Other receivable from related parties (refer note 43) | - | 0.18 |
| Fixed deposits with remaining maturity upto 12 months* | 872.44 | - |
| Other receivable from customers | 351.78 | 297.41 |
| | 1,814.48 | 632.68 |

*includes deposits aggregating to Rs. 670.29 million (31 March 2023: Rs. Nil million) held as margin money and deposits aggregating to Rs. 0.11 million (31 March 2023: Rs 0.09 million) pledged with government authorities

| 20 Other current assets | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Prepaid expenses | 30.56 | 28.36 |
| Balances with statutory authorities | 134.11 | 57.14 |
| Advance to employees | 3.24 | 7.36 |
| Advances to vendors | 37.24 | 78.53 |
| Right to Return asset | 88.92 | - |
| Other recoverable* | | |
| Considered doubtful | 30.89 | 30.89 |
| Less : Allowance for impairment (net) | (30.89) | (30.89) |
| | 294.07 | 171.39 |

*During the financial year 2015- 16, the holding company had reported an instance of misappropriation of funds/ current assets by certain employees and accordingly, a provision amounting to Rs. 30.89 million [31 March 2023: Rs. 30.89 million]; net of recovery of Rs. Nil million [31 March 2023: Rs. 6.95 million] from the alleged perpetrators is being carried as at 31 March 2024. A criminal complaint and recovery suit was filed in relation to the said matter and the criminal complaint is pending before District Court, Surajpur and the recovery proceedings are pending before the Honourable High Court of Delhi, for disposal.

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## 21 Equity Share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Authorized shares (also refer note 53)** | | | | |
| Equity shares of ₹ 10 each with voting rights | 5,050,000 | 50.50 | 5,050,000 | 50.50 |
| | **5,050,000** | **50.50** | **5,050,000** | **50.50** |
| **Issued, subscribed and fully paid up (also refer note 53)** | | | | |
| Equity share capital of face value of ₹ 10 each | 2,050,000 | 20.50 | 2,050,000 | 20.50 |
| | **2,050,000** | **20.50** | **2,050,000** | **20.50** |

**a. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Balance at the beginning of the year | 2,050,000 | 20.50 | 2,500,000 | 25.00 |
| Issued during the year | - | - | - | - |
| Buy back during the year [refer note 21(f) below] | - | - | (450,000) | (4.50) |
| **Balance at the end of the year** | **2,050,000** | **20.50** | **2,050,000** | **20.50** |

**b. Rights, preferences and restrictions attached to equity shares (also refer note 53)**

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered/to be entered into with the investors/shareholders from time to time.

**c. Details of shareholders holding more than 5% shares in the Holding Company**

| Name of the equity shareholder | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Number | % shareholding | Number | % shareholding |
| Hari Shanker Khemka | 394,385 | 19.24% | 394,385 | 19.24% |
| Rishi Khemka | 389,500 | 19.00% | 389,500 | 19.00% |
| Aditya Khemka | 1,222,299 | 59.62% | 1,222,299 | 59.62% |

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

d. No equity shares have been issued pursuant to contract without payment being received in cash or allotted as fully paid up by way of issue of bonus shares in the current reporting year and the last five years immediately preceding the current year.

**e. Shareholding of promoters***

**As at 31 March 2024**

| Shares held by promoters at the end of the year | | | % of Change during the year |
|---|---|---|---|
| Promoter name | No. of shares | % of total shares | |
| Shri Hari Shanker Khemka | 394,385 | 19.24% | 0.00% |
| Shri Aditya Khemka | 1,222,299 | 59.62% | 0.00% |
| Shri Rishi Khemka | 389,500 | 19.00% | 0.00% |
| | **2,006,184** | **97.86%** | |

**As at 31 March 2023**

| Shares held by promoters at the end of the year | | | % of Change during the year |
|---|---|---|---|
| Promoter name | No. of shares | % of total shares | |
| Shri Hari Shanker Khemka | 394,385 | 19.24% | -59.80% |
| Shri Aditya Khemka | 1,222,299 | 59.62% | 65.59% |
| Shri Rishi Khemka | 389,500 | 19.00% | -48.07% |
| | 2,006,184 | 97.86% | |

* Promoter here means promoter as defined in the Companies Act, 2013.

f. Buy back of shares

During the previous year, the Board of Directors in its meeting held on 04 January 2023, had approved a proposal of buyback of 450,000 Equity shares (representing 18% of total paid up Equity shares capital of the Holding Company) at price of Rs. 1,443/- (Indian Rupees One Thousand Four Hundred Forty-three only) per Equity shares which opened on 23 February 2023, for fifteen days and settlement of buyback offer date was 24 February 2023. Accordingly, the Holding Company had bought back and extinguished a total of 450,000 Equity shares at a buyback price of Rs. 1,443/- (Indian Rupees One thousand four hundred forty three only) per Equity share. The buyback resulted in a Cash outflow of Rs. 800.62 million (buyback value Rs.649.35 million plus buyback tax amount Rs. 151.27 million under section 115QA of the Income Tax Act 1961). Other than the above buy back of shares during the previous year, the Group has not undertaken any buy back of shares transaction during the last five years immediately preceeding the current year.

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ADITYA INFOTECH LIMITED

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| 22 Other equity | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Foreign currency translation reserve** | | |
| Opening balance | 4.41 | 4.40 |
| Add: (Deletion)/ Addition during the year | (0.63) | 0.01 |
| **Closing balance (A)** | 3.78 | 4.41 |
| **Capital reserve** | | |
| Opening balance | 0.06 | 0.06 |
| Change during the year | - | - |
| **Closing balance (B)** | 0.06 | 0.06 |
| **General reserve** | | |
| Opening balance | 170.42 | 170.42 |
| Add: Addition during the year | - | - |
| **Closing balance (C)** | 170.42 | 170.42 |
| **Capital Redemption Reserve** | | |
| Opening balance | 4.50 | - |
| Add: Addition during the year | - | 4.50 |
| **Closing balance (D)** | 4.50 | 4.50 |
| **Retained earnings** | | |
| Opening balance | 2,916.05 | 2,669.87 |
| Add: Profit for the year | 1,151.72 | 1,083.11 |
| Add: Other comprehensive income for the year (net of tax impact) | (14.94) | 1.15 |
| Less : Premium paid on buy back of equity shares [refer note 21(f)] | - | (644.86) |
| Less : Tax paid on buy back of equity shares [refer note 21(f)] | - | (150.22) |
| Less: Transfer to Capital Redemption Reserve upon buy back of equity shares [refer note 21(f)] | | (4.50) |
| Less: Dividend paid during the year (refer note 47) | (10.00) | (38.50) |
| **Closing balance (E)** | 4,042.83 | 2,916.05 |
| Total (A+B+C+D+ E) | 4,221.59 | 3,095.44 |

**Nature and purpose of other reserves**

**General reserve**

It represents appropriation of profits of the Group and is available for distribution as dividend.

**Capital Reserve**

It is not available for distribution to the shareholders.

**Foreign currency translation reserve**

Foreign currency translation reserve represents exchange differences on translation of foreign operations which are recognised in other comprehensive income.

**Retained earnings**

Retained earnings is used to record balance of consolidated statement of profit and loss and other equity adjustments.

**Capital Redemption Reserve**

It represents nominal value of the shares bought back as an appropriation from retained earnings.

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ADITYA INFOTECH LIMITED ★

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23. Borrowings

| | Non-current | | Current maturities | |
|---|---|---|---|---|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| **Secured** | | | | |
| **Term loans** | | | | |
| Indian rupee loan from banks* | 237.55 | 360.01 | 122.50 | 107.81 |
| **Vehicle loans** | | | | |
| Indian rupee loan from banks | 42.61 | 16.28 | 18.20 | 13.24 |
| Indian rupee loan from other parties | - | 1.52 | 1.52 | 3.47 |
| **Unsecured** | | | | |
| Loan from related parties (also refer note 43)** | - | 50.00 | - | 13.80 |
| | 280.16 | 427.81 | 142.22 | 138.35 |
| Amount disclosed under Short-term borrowings as "Current maturities of long-term borrowings" under note 25 | - | - | 142.22 | 138.35 |
| | 280.16 | 427.81 | - | - |

*includes interest accrued amounting to Rs. Nil million (31 March 2023: Rs.0.34 million)
**includes interest accrued amounting to Rs. 0.30 million (31 March 2023: Rs.0.30 million)

23B. Details of Borrowings

| Particulars | Interest rate | Type of asset secured | Terms of repayments |
|---|---|---|---|
| *Term loans* | | | |
| **Tamilnad Mercantile Bank loan-I**<br>Rs. 62.55 million, Current Maturity Rs. 62.50 million (31 March 2023: Rs. 125.01 million, Current Maturity Rs. 62.50 million) | 8.25% | Secured by charge on immoveable property at Noida and Mumbai; collateral in form of bank fixed deposits and personal guarantee of the Promoters who are directors in the Company. | Repayable in 48 monthly installments commencing from April 2022 |
| **Tamilnad Mercantile Bank loan-II**<br>Rs. 175.00 million, Current Maturity Rs. 60.00 million (31 March 2023: Rs. 235 million, Current Maturity Rs. 5 million) | 8.25% | Secured by charge on immoveable property at Noida and Mumbai; collateral in form of bank fixed deposits and personal guarantee of the Promoters who are directors in the Company. | Repayable in 48 monthly installments commencing from March 2024 |
| **Yes Bank loan-I**<br>Rs. Nil, Current Maturity Rs. Nil (31 March 2023: Rs. Nil, Current Maturity Rs. 40.00 million) | 9.90% | Secured by charge on immoveable property at Noida and personal guarantee of the Promoters who are directors in the Company. | Repayable in 20 quarterly installments commencing from November 2018 |
| *Vehicle loans* | | | |
| **ICICI Bank vehicle loan**<br>Rs. Nil, Current Maturity Rs. Nil (31 March 2023: Rs. Nil, Current Maturity Rs. 3.29 million ) | 7.80% | Exclusive charge on underlying vehicle purchased. | Repayable in 36 monthly installments commencing from March 2021 |
| **Axis Bank vehicle loan- I**<br>Rs. Nil, Current Maturity Rs. Nil (31 March 2023: Rs. Nil, Current Maturity Rs. 2.41 million ) | 8.25% | Exclusive charge on underlying vehicle purchased. | Repayable in 36 monthly installments commencing from March 2021 |
| **Axis Bank vehicle loan-II**<br>Rs. 8.11 million, Current Maturity Rs. 8.17 million (31 March 2023: Rs. 16.28 million, Current Maturity Rs. 7.51 million) | 8.50% | Exclusive charge on underlying vehicle purchased. | Repayable in 36 monthly installments commencing from February 2023 |
| **Axis Bank vehicle loan-III**<br>Rs. 11.52 million, Current Maturity Rs. 3.04 million (31 March 2023: Rs. Nil, Current Maturity Rs. Nil) | 8.70% | Exclusive charge on underlying vehicle purchased. | Repayable in 60 monthly installments commencing from June 2023 |
| **Axis Bank vehicle loan-IV**<br>Rs. 16.40 million, Current Maturity Rs. 3.48 million (31 March 2023: Rs. Nil, Current Maturity Rs. Nil) | 8.80% | Exclusive charge on underlying vehicle purchased. | Repayable in 60 monthly installments commencing from February 2024 |
| **HDFC Bank vehicle loan-I**<br>Rs. 6.58 million, Current Maturity Rs. 3.51 million (31 March 2023: Rs. Nil, Current Maturity Rs. Nil) | 8.80% | Exclusive charge on underlying vehicle purchased. | Repayable in 39 monthly installments commencing from September 2023 |
| **Daimler Financial Services Private Limited vehicle loan**<br>Rs. Nil, Current Maturity Rs. 1.52 million (31 March 2023: Rs. 1.52 million, Current Maturity Rs. 3.43 million) | 7.40% | Exclusive charge on underlying vehicle purchased. | Repayable in 36 monthly installments commencing from September 2021 |

23.B Details of Borrowings for related parties

| Particulars | Interest rate | Type of asset secured | Terms of repayments |
|---|---|---|---|
| Loan from related parties<br>Rs. Nil, Current Maturity Rs. Nil (31 March 2023: Rs. 50 million, Current Maturity Rs. Nil) | 7.50% | Unsecured | Repayable on demand by lenders after giving minimum 12 months prior notice in writing |

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**23C. Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

| Particulars | Short term borrowings | Long term borrowings* |
|---|---|---|
| **Balance as at 31 March 2022** | 1,260.05 | 639.28 |
| **Cash flows:** | | |
| - Proceeds | 7,868.07 | 325.00 |
| - Repayment | (5,616.09) | (389.09) |
| **Non cash adjustments/ movements**** | 8.76 | 0.02 |
| **Balance as at 31 March 2023** | 3,520.79 | 575.21 |
| **Cash flows:** | | |
| - Proceeds | 17,426.24 | 49.42 |
| - Repayment | (17,328.69) | (197.08) |
| **Non cash adjustments/ movements**** | 8.64 | |
| **Balance as at 31 March 2024** | 3,626.98 | 427.56 |

*Long term borrowings include current maturities of long term borrowings
** Includes accrued interest

| 24 Provisions- non-current | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 45) | 13.12 | 10.85 |
| Compensated absences | 31.77 | 23.53 |
| **Other provisions** | | |
| Provision for warranty (also refer note 28) | 44.55 | 38.23 |
| | 89.44 | 72.61 |

| 25 Current borrowings | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Secured | | |
| Current maturities of long term debts (refer note 23) | 142.22 | 138.35 |
| Cash credit from banks [refer note (i) below] | - | 746.79 |
| Working capital demand loan [refer note (ii) below] | 3,618.34 | 2,509.10 |
| | 3,760.56 | 3,394.24 |
| Unsecured | | |
| Loan from related parties [refer note (iii) below] | 13.80 | 273.93 |
| | 13.80 | 273.93 |
| *includes interest accrued amounting to Rs. 0.30 million (31 March 2023: Rs.0.30 million) | | |
| Total | 3,774.36 | 3,668.17 |

Terms and conditions of short-term borrowings

(i) The Company has availed cash credit facilities from banks aggregating to Rs. Nil (31 March 2023: Rs. 746.79 million) carrying interest rates ranging from 08.75% to 09.85% and are repayable on demand. (also refer note 42B)

(ii) The Company has availed working capital demand loans from banks aggregating to Rs. 3,618.34 million (31 March 2023: Rs. 2,509.10 million) carrying interest rates ranging from 7.50% to 8.90% and are repayable on demand.

(iii) Unsecured loans from Related Parties

| Particulars | Interest rate | Type of asset secured | Terms of repayments |
|---|---|---|---|
| Loan from related parties-I<br>Rs. Nil (31 March 2023: Rs. 22.88 million) | 7.50% | Unsecured | Repayable on demand by lenders after giving minimum 12 months prior notice in writing |
| Loan from related parties-II<br>Rs. Nil (31 March 2023: Rs. 251.05 million) | 7.50% | Unsecured | Repayable within 1 year from the date of disbursement |
| Inter-corporate deposits<br>Rs. 13.50 million , Current Maturity Rs. Nil (31 March 2023: Rs. Nil, Current Maturity Rs. Rs. 13.50 million ) | 10.00% | Unsecured | Repayable on demand as per the mutual agreements between the parties |

| 26 Trade payables | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note (i) below) | 79.99 | 115.05 |
| Total outstanding dues of creditors other than micro and small enterprises | 5,922.31 | 8,974.96 |
| | 6,002.30 | 9,090.01 |

(i) Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | 79.99 | 115.05 |
| ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during | 0.03 | 0.11 |
| iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | - | - |
| iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | 0.05 | 0.03 |

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(ii) Ageing disclosure:

As at 31 March 2024:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) Micro, small and medium enterprises | 65.76 | 14.23 | - | - | - | | 79.99 |
| (ii) Others | 2,430.48 | 3,431.90 | 5.41 | 0.50 | 1.20 | | 5,869.49 |
| (iii) Disputed dues – MSME | - | - | - | - | - | | - |
| (iv) Disputed dues - Others | - | - | - | - | - | | - |
| (v) Unbilled | 52.82 | - | - | - | - | | 52.82 |
| Total | 2,549.06 | 3,446.13 | 5.41 | 0.50 | 1.20 | | 6,002.30 |

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Micro, small and medium enterprises | 75.02 | 40.03 | - | - | - | 115.05 |
| (ii) Others | 4,091.74 | 4,840.34 | 1.10 | 0.39 | 0.62 | 8,934.18 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| (v) Unbilled | 40.77 | - | - | - | - | 40.77 |
| Total | 4,207.53 | 4,880.37 | 1.10 | 0.39 | 0.62 | 9,090.01 |

| 27 Other financial liabilities - current | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Security deposits | 1.10 | 1.10 |
| Payable to employees | 121.36 | 95.59 |
| Other acceptances | 200.02 | 125.60 |
| Derivative contracts fair valued through profit or loss | - | 1.54 |
| Other liability- customer refund* | 105.86 | - |
| Book overdraft (also refer note 42B) | 927.03 | - |
| Other payable | 1.73 | - |
| Capital creditors | 2.86 | 23.75 |
| | 1,359.96 | 247.58 |

*A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

| 28 Provisions - current | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (refer note 45) | 16.01 | 2.61 |
| Compensated absences | 7.18 | 5.37 |
| **Other provisions** | | |
| Provision for warranty | 61.54 | 56.81 |
| | 84.73 | 64.79 |

| Movement in provision for warranty | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Opening balance | 95.04 | 88.74 |
| Provision created during the year | 67.87 | 68.43 |
| Provision utilised during the year | (56.80) | (62.13) |
| Closing balance | 106.09 | 95.04 |

| Provision for warranty | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Non-current | 44.55 | 38.23 |
| Current | 61.54 | 56.81 |
| | 106.09 | 95.04 |

| 29 Current tax liabilities (net) | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Provision for income tax (net of advance tax) | 26.07 | 33.53 |
| | 26.07 | 33.53 |

| 30 Other current liabilities | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Contract liability** | | |
| - Advance from customers | 16.05 | 21.19 |
| **Statutory dues payable** | | |
| - TDS and TCS payable | 66.74 | 56.62 |
| - GST payable | 147.08 | 75.30 |
| - Others | 44.54 | 41.37 |
| | 274.41 | 194.48 |

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| 31 Revenue from operations | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Operating revenue** | | |
| Sale of traded goods- security and surveillance equipments and components | 27,798.60 | 22,819.66 |
| Service revenue | 17.32 | 16.22 |
| | 27,815.92 | 22,835.88 |
| **Other operating revenue** | | |
| Business support services | 6.00 | 6.00 |
| Technical training services | 2.34 | 3.59 |
| | 8.34 | 9.59 |
| | **27,824.26** | **22,845.47** |

**(i) Assets and liabilities related to contract with customers:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| **Contract liabilities** | | |
| Advance from customers | 16.05 | 21.19 |
| **Trade receivables** | 7,342.70 | 6,149.58 |

**(ii) Right to return assets and refund liabilities**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Right to return asset | 88.92 | - |
| Refund liabilities arising from rights of return | 105.86 | - |

**(iii) Disaggregated revenue information under Ind AS 115:**

| Disaggregation by | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Type of goods/service** | | |
| Sale of goods | 27,798.60 | 22,819.66 |
| Sale of services | 17.32 | 16.22 |
| Other operating revenue | 8.34 | 9.59 |
| **Total revenue from contract with customers** | **27,824.26** | **22,845.47** |
| India | 27,737.20 | 22,734.54 |
| Outside India | 87.06 | 110.93 |
| **Total revenue from contract with customers** | **27,824.26** | **22,845.47** |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 27,798.60 | 22,819.66 |
| Services transferred at a point in time | 19.66 | 19.81 |
| Services transferred over the period of time | 6.00 | 6.00 |
| **Total revenue from contract with customers** | **27,824.26** | **22,845.47** |

**(iv) Performance obligation**

The Group's primary performance obligation under contract with customers for sale of goods and services is satisfied as the goods are delivered/ control is transferred to the customers and services are rendered.

**(v) Reconciliation of transaction price to revenue from contract with customers**

| Particulars | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| Contract price | (A) | 30,456.47 | 24,905.66 |
| Rebates/ discounts | (B) | 2,632.21 | 2,060.19 |
| Net revenue recognised | (C=A-B) | 27,824.26 | 22,845.47 |

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(All amounts are in Indian Rupees millions, unless otherwise stated)

| 32 Other income | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest income: | | |
| - on bank deposits | 104.98 | 60.85 |
| - on security deposits | 1.55 | 0.50 |
| - from customers | - | 2.52 |
| - others | 2.91 | - |
| - on bonds | - | 0.40 |
| Dividend income | 0.06 | 0.19 |
| Provisions/Liabilities no longer required written back | 6.25 | 15.34 |
| Gain on currency fluctuation and translation (other than considered as finance cost) | 9.07 | 1.27 |
| Rental income | 4.22 | 4.68 |
| Gain on investment measured at FVTPL | 0.98 | - |
| Profit on sale of property, plant and equipment | 2.02 | - |
| Gain on extinguishment and modification of lease [refer note 5(c)(i)] | 1.82 | 2.22 |
| Miscellaneous income | 1.48 | 22.12 |
| | **135.34** | **110.09** |

| 33 Purchase of Stock -in -trade | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Purchase of products and components | 22,698.63 | 21,083.83 |
| | **22,698.63** | **21,083.83** |

| 34 Changes in inventories of finished goods, Stock-in-trade and work-in-progress | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Inventory at the beginning of the year | 5,061.59 | 2,968.28 |
| Less: Inventory at the end of the year | (5,040.82) | (5,061.59) |
| | **20.77** | **(2,093.31)** |

| 35 Employee benefits expense | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Salaries, wages and bonus | 1,253.69 | 986.23 |
| Contribution to provident and other funds | 38.00 | 28.48 |
| Gratuity expense (refer note 45) | 10.85 | 10.89 |
| Staff welfare expenses | 36.03 | 6.86 |
| | **1,338.57** | **1,032.46** |

| 36 Finance costs | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Interest expense | | |
| Credit facilities/loans from banks | 260.74 | 172.08 |
| -Withholding tax and goods and service tax | 0.16 | 0.58 |
| -Delayed payment of income tax | 3.95 | 2.74 |
| -Loan from related parties (refer note 43) | 7.74 | 4.97 |
| -Others | 0.65 | 14.36 |
| Other finance and bank charges | 9.79 | 24.10 |
| Interest on lease liability (refer note 5) | 26.06 | 13.40 |
| | **309.09** | **232.23** |

| 37 Depreciation and amortization expense | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Depreciation and amortization expense (refer note 4 and 8) | 50.30 | 34.33 |
| Depreciation on right- of- use assets (refer note 5) | 106.54 | 53.88 |
| Depreciation on investment property (refer note 7) | 0.29 | 0.31 |
| | **157.13** | **88.52** |

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| 38 Other expenses | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Rent (also refer note 5) | 39.08 | 47.75 |
| Rates and taxes | 3.16 | 13.68 |
| Insurance | 28.99 | 18.88 |
| Travelling and conveyance expenses | 88.28 | 60.10 |
| Legal and professional expenses | 74.99 | 65.34 |
| Fees and subscription | 19.34 | 10.63 |
| Telephone and internet charges | 7.78 | 5.77 |
| Payment to auditors | 5.44 | 6.88 |
| Electricity and water expenses | 10.98 | 9.41 |
| Repair and maintenance- building | 6.42 | 2.70 |
| Repair and maintenance- others | 29.39 | 22.71 |
| Advertisement and business promotion expenses | 656.21 | 488.46 |
| Freight, cartage and handling charges | 201.51 | 155.52 |
| Product service and warranty expenses | 94.52 | 95.39 |
| Charity and donation | 0.83 | 0.90 |
| Corporate Social responsibility expenses (also refer note 48) | 19.65 | 10.74 |
| Warehouse handling charges | 59.74 | 47.26 |
| Technical testing and certification fees | 31.59 | 14.92 |
| Web and IT Services | 55.45 | 40.16 |
| Balances written off | 7.56 | 18.25 |
| Net (gain)/loss on currency fluctuation and translation (other than considered as finance cost) | - | 7.51 |
| Recruitment expenses | 5.23 | 4.90 |
| Office maintenance | - | 0.09 |
| Vehicle running and maintenance | 5.93 | 2.76 |
| Printing and stationery | 8.98 | 4.89 |
| Security expenses | 2.89 | 3.02 |
| Training expenses | 5.41 | 4.89 |
| Postage and courier charges | 1.07 | 1.02 |
| Loss on investment measured at fair value through profit or loss | - | 1.82 |
| Director's Sitting Fees | 0.73 | 0.70 |
| E- waste management (also refer note 46 (c)) | 7.06 | - |
| Miscellaneous expenses | 58.65 | 49.96 |
| | **1,536.86** | **1,217.01** |

| 39 Exceptional items | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Share in loss of joint venture (refere note 52) | 294.50 | - |
| Loss of stock in fire incident | - | 57.87 |
| Insurance claim received related to loss of stock | (42.14) | - |
| | **252.36** | **57.87** |

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(All amounts are in Indian Rupees millions, unless otherwise stated)

## 40 Income tax

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| **Tax expense comprises of:** | | |
| Current tax expense | 506.93 | 346.35 |
| Deferred tax expense/(credit) | (8.00) | 0.50 |
| Earlier years tax adjustments (net) | (4.46) | 1.86 |
| **Income tax expense reported in the consolidated statement of profit and loss** | **494.47** | **348.71** |

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Group at 25.168% (31 March 2023: 25.168%) and the reported tax expense in consolidated statement of profit or loss are as follows:

| | | |
|---|---|---|
| **Accounting profit before income tax** | **1,646.19** | **1,431.82** |
| At India's statutory income tax rate of 25.168% (31 March 2023: 25.168%) | 414.31 | 360.36 |
| | | |
| **Tax effect of amounts which are not deductible (taxable) in calculating taxable income:** | | |
| Difference in depreciation charged as per Income-tax Act, 1961 vis-à-vis depreciation as per books of accounts | 3.13 | (0.30) |
| Employee benefits | 2.92 | (0.72) |
| Expenses never allowed under Income- tax Act, 1961 | 6.16 | 6.14 |
| Others items disallowed/(allowed) under Income-tax Act, 1961 | 80.42 | (19.13) |
| | **506.93** | **346.35** |
| | | |
| Deferred tax expense/ (credit) recognised in consolidated statement of profit and loss | (8.00) | 0.50 |
| Earlier years tax adjustments (net) | (4.46) | 1.86 |
| **Income tax expense** | **494.47** | **348.71** |

## 41 Earnings per share

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Net profit attributable to equity shareholders of the Holding Company | 1,151.72 | 1,083.11 |
| Total number of equity shares outstanding at the beginning of the year (nominal value of equity share- Rs. 10 each) | 2,050,000 | 2,500,000 |
| Total number of equity shares outstanding at the end of the year (nominal value of equity share- Rs. 10 each) | 2,050,000 | 2,050,000 |
| Weighted average number of equity shares considered for calculation of earnings per share, after considering share split and bonus issue, subsequent to year- end* (nominal value of equity share- Re.1 each ) (refer note 53) | 102,500,000 | 102,500,000 |
| Basic and diluted earnings per share (in Rs.) (nominal value of equity share- Re. 1 each) | 11.24 | 10.57 |

*In accordance with provisions of Ind AS 33- Earnings per share

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## 42 Financial instruments

### i) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| | Carrying value | Carrying value |
| **Financial assets measured at fair value through profit or loss** | | |
| Investments | 6.08 | 5.11 |
| **Financial liabilities measured at fair value through profit or loss** | | |
| Derivative contracts | - | 1.54 |

Financial assets and labilities measured at amortised cost

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| | Carrying value | Carrying value |
| **Financial assets*** | | |
| Trade receivables | 7,342.70 | 6,149.58 |
| Cash and cash equivalents | 394.67 | 1,476.45 |
| Other bank balances | 311.69 | 2,238.22 |
| Other financial assets | 1,861.07 | 811.84 |
| **Total financial assets** | **9,910.13** | **10,676.09** |
| **Financial liabilities*** | | |
| Borrowings | 4,054.52 | 4,095.98 |
| Lease liabilities | 308.24 | 172.70 |
| Trade payables | 6,002.30 | 9,090.02 |
| Other financial liabilities | 1,359.96 | 246.04 |
| **Total financial liabilities** | **11,725.02** | **13,604.74** |

*There are no financial assets and liabilities which are measured at fair value through other comprehensive income.

### ii) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the consolidated financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

**Level 3:** Inputs which are not based on observable market data (unobservable inputs).The input factors considered are Estimated cash flows and other assumptions.

**Fair value of instruments measured at fair value through profit or loss**

Fair value of instruments measured at fair value through profit or loss for which fair value is disclosed is as follows, these fair values are calculated using Level 1 and 2 inputs:

| Particulars | Fair value hierarchy | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|---|
| **Financial assets** | | Carrying value | Fair value | Carrying value | Fair value |
| Investments | Level 1 | 6.08 | 6.08 | 5.11 | 5.11 |
| **Financial liabilities** | | | | | |
| Derivative contracts | Level 2 | - | - | 1.54 | 1.54 |

Significant inputs used in Level 2 fair value of derivatives measured at FVTPL is marked to market value as on balance sheet date of such derivative transaction.

**Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 1 and 2 inputs:

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | Carrying value* | Fair value | Carrying value* | Fair value |
| **Financial assets** | | | | |
| Trade receivables | 7,342.70 | 7,342.70 | 6,149.58 | 6,149.58 |
| Cash and cash equivalents | 394.67 | 394.67 | 1,476.45 | 1,476.45 |
| Other bank balances | 311.69 | 311.69 | 2,238.22 | 2,238.22 |
| Other financial assets | 1,861.07 | 1,861.07 | 811.84 | 811.84 |
| **Total financial assets** | **9,910.13** | **9,910.13** | **10,676.09** | **10,676.09** |
| **Financial liabilities** | | | | |
| Borrowings | 4,054.52 | 4,054.52 | 4,095.98 | 4,095.98 |
| Lease liabilities | 308.24 | 308.24 | 172.70 | 172.70 |
| Trade payables | 6,002.30 | 6,002.30 | 9,090.02 | 9,090.02 |
| Other financial liabilities | 1,359.96 | 1,359.96 | 246.04 | 246.04 |
| **Total financial liabilities** | **11,725.02** | **11,725.02** | **13,604.74** | **13,604.74** |

*Carrying value of these financial assets and financial liabilities represents the best estimated values.

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**Financial risk management**

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, loans and other financial assets measured at amortised cost | Ageing analysis | Diversification of bank deposits and regular monitoring |
| Liquidity risk | Borrowings, lease liabilities and other financial liabilities | Cash flow forecasts | Availability of funds and credit facilities. |
| Market risk - foreign exchange | Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting Sensitivity analysis | Forward foreign exchange contracts |

**A) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represent the maximum credit risk exposure. The Group monitors its exposure to credit risk on an ongoing basis.

**a) Credit risk management**

i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Group provides for expected credit loss based on the following:

| Asset groups | Basis of categorisation | Provision for expected credit loss |
|---|---|---|
| Low credit risk | Cash and cash equivalents, trade receivables, loans, and other financial assets | Life time expected credit loss |

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in consolidated statement of profit and loss.

| Credit rating | Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| Low credit risk | Cash and cash equivalents, trade receivables, investments and other financial assets | 9,910.13 | 10,676.09 |

**Cash and cash equivalents and other bank balances**

Credit risk related to cash and cash equivalents and bank deposits is managed by only diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Group deals with reputed banks.

**Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers The Group monitors the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of the customers to which the Group grants credit terms in the normal course of business. The Group has also obtained debtor insurance upto Rs. 500.00 millions (31 March 2023: 40 times of the premium paid) to cover its risks of bad debts. The Group also uses an expected credit loss model to assess the impairment loss on such receivables. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Group's historical experience for customers.

**Loans and other financial assets**

Loans and other financial assets measured at amortized cost includes security deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Group is in possession of the underlying asset except for loan given to joint venture company. Further, the Group creates provision by assessing individual financial asset for expectation of any credit loss basis expected credit loss model.

ii) **Concentration of financial assets**

The Group carries on the business of trading of security and surveillance equipments and related activities. Loans and other financial assets represents deposits given for business purposes and other receivables arising in normal course of operations.

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**b) Credit risk exposure**

**i) Provision for expected credit losses**

The Group provides for 12 month expected credit losses for following financial assets:

**As at 31 March 2024**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 394.67 | - | 394.67 |
| Other bank balances | 311.69 | - | 311.69 |
| Investments | 6.08 | - | 6.08 |
| Trade receivables | 7,394.83 | (52.13) | 7,342.70 |
| Other financial assets | 1,861.07 | - | 1,861.07 |

**As at 31 March 2023**

| Particulars | Estimated gross carrying amount at default | Expected credit losses | Carrying amount net of impairment provision |
|---|---|---|---|
| Cash and cash equivalents | 1,476.45 | - | 1,476.45 |
| Other bank balances | 2,238.22 | - | 2,238.22 |
| Investments | 299.61 | - | 299.61 |
| Trade receivables | 6,201.71 | (52.13) | 6,149.58 |
| Other financial assets | 811.84 | - | 811.84 |

**Reconciliation of expected credit loss for other financials asset and trade receivables:**

| Reconciliation of loss allowance | Trade receivables |
|---|---|
| **Loss allowance on 31 March 2022** | **66.58** |
| Allowance for expected credit loss (net) | (14.47) |
| **Loss allowance on 31 March 2023** | **52.13** |
| Allowance for expected credit loss (net) | - |
| **Loss allowance on 31 March 2024** | **52.13** |

**B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Further, the Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets which provide flexibility to liquidate at short notice such as fixed deposits with Bank etc.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

| 31 March 2024 | Less than 1 year | 1 - 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings | 3,774.36 | 280.16 | - | 4,054.52 |
| Trade payable | 6,002.30 | - | - | 6,002.30 |
| Other financial liabilities | 1,359.96 | - | - | 1,359.96 |
| **Total** | **11,136.62** | **280.16** | **-** | **11,416.78** |

| 31 March 2023 | Less than 1 year | 1 - 5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Non-derivatives** | | | | |
| Borrowings | 3,668.17 | 427.81 | - | 4,095.98 |
| Trade payable | 9,090.02 | - | - | 9,090.02 |
| Other financial liabilities | 246.04 | - | - | 246.04 |
| **Total** | **13,004.23** | **427.81** | **-** | **13,432.04** |

The Group had access to following funding facilities :

| Funding facilities | Total facility | Drawn | Undrawn* |
|---|---|---|---|
| As at 31 March 2024 | 4,840.00 | 3,570.34 | 1,269.66 |
| As at 31 March 2023 | 4,200.00 | 3,716.60 | 483.40 |

*As at 31 March 2024, the Holding Company had made payment through issuance of cheques drawn on cash credit accounts, to various vendors aggregating to Rs. 927.03 million in the normal course of business (that got cleared subsequent to the year end), against the undrawn facility of Rs. 1,269.66 million available to the Holding Company. Such amounts have been presented as 'Book overdraft' under note 27.

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**C) Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**a) Liabilities**

The Group has been availing the borrowings on a floating rate of interest based on bank MCLR. These borrowings are carried at amortised cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

Sensitivity of profit and loss due to change in interest rate with respect to variable rate borrowings:

| | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---|---|---|---|
| | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Impact on statement of profit and loss | (22.50) | (22.50) | (18.58) | 18.58 |

**b) Assets**

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. 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.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

**Particulars of unhedged foreign currency exposures as at the reporting date:**

| Particulars | Currency Symbol | As at 31 March 2024 Amount in foreign currency (millions) | As at 31 March 2024 Amount in Rs. millions | As at 31 March 2023 Amount in foreign currency (millions) | As at 31 March 2023 Amount in Rs. millions |
|---|---|---|---|---|---|
| **(i) Receivable/Loans/or any other FC asset** | | | | | |
| United States Dollar | USD | 0.10 | 8.03 | 0.11 | 8.66 |
| **Total** | | **0.10** | **8.03** | **0.11** | **8.66** |
| **(ii) Payable/Borrowings/or any other FC liability** | | | | | |
| United States Dollar | USD | 0.91 | 75.92 | 2.40 | 197.00 |
| Singapore Dollar | SGD | 0.01 | 0.31 | - | |
| **Total** | | **0.92** | **76.22** | **2.40** | **197.00** |

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax/equity is due to changes in the fair value of monetary assets and liabilities. Sensitivity due to unhedged foreign exchange exposures is as follows:

| Particulars | Currency Symbol | As at 31 March 2024 3% increase | As at 31 March 2024 3% decrease | As at 31 March 2023 3% increase | As at 31 March 2023 3% decrease |
|---|---|---|---|---|---|
| **(i) Receivable/Loans/or any other FC asset** | | | | | |
| United States Dollar | USD | 0.24 | (0.24) | 0.26 | (0.26) |
| **Total** | | **0.24** | **(0.24)** | **0.26** | **(0.26)** |

| Particulars | Currency Symbol | As at 31 March 2024 3% decrease | As at 31 March 2024 3% increase | As at 31 March 2023 3% decrease | As at 31 March 2023 3% increase |
|---|---|---|---|---|---|
| **(ii) Payable/Borrowings/or any other FC liability** | | | | | |
| United States Dollar | USD | 2.28 | (2.28) | 5.91 | (5.91) |
| Singapore Dollar | SGD | 0.01 | (0.01) | - | - |
| **Total** | | **2.29** | **(2.29)** | **5.91** | **(5.91)** |

**Foreign exchange derivatives and exposures outstanding at the year end:**

| Particulars | As at 31 March 2024 USD | As at 31 March 2024 Rs. | As at 31 March 2023 USD | As at 31 March 2023 Rs. |
|---|---|---|---|---|
| **Hedging on account of underlying exposure** | | | | |
| Hedged | 0.68 | 56.68 | 6.10 | 501.23 |
| Unhedged - Open Exposure | 0.92 | 76.22 | 2.40 | 197.00 |

**Foreign exchange derivatives contracts at the year end:**

| | Maturity Upto 6 months | Maturity More than 6 months |
|---|---|---|
| **As at 31 March 2024** | | |
| Foreign exchange forward contracts (highly probable forecast purchases) | | |
| Notional amount (USD) | 0.68 | |
| Average forward rate | 83.95 | |
| **As at 31 March 2023** | | |
| Foreign exchange forward contracts (highly probable forecast purchases) | | |
| Notional amount (USD) | 6.10 | |
| Average forward rate | 82.36 | |

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**43 Related party transactions**

In accordance with the requirements of Ind AS 24, 'Related Party Disclosures', the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

**a) Details of related parties:**

| Description of relationship | Names of related parties |
|---|---|
| **Joint Venture Company** | AIL Dixon Technologies Private Limited |
| **Key management personnel (KMP)** | |
| Chairman | Mr. Hari Shanker Khemka |
| Managing Director | Mr. Aditya Khemka |
| Independent Director | Ms. Ritu Khurana (till 01 November 2023) |
| Independent Director | Mr. Abhishek Dalmia |
| Independent Director | Ms. Ambika Sharma (w.e.f. 01 November 2023) |
| Independent Director | Mr. Manish Sharma (w.e.f. 01 November 2023) |
| Chief Financial Officer | Mr. Yogesh Sharma (w.e.f. 24 May 2024) |
| Company Secretary and Compliance Officer | Ms. Roshni Tandon (w.e.f. 24 May 2024) |
| Relative of Key management personnel | Rishi Khemka (Son of Mr. Hari Shanker Khemka) |
| Relative of Key management personnel | Ananmay Khemka (Son of Mr. Aditya Khemka) |
| Relative of Key management personnel | Shradha Khemka (Wife of Mr. Aditya Khemka) |
| **Enterprises having common KMPs/ under control of KMPs** | ARK Infosolution Pvt Ltd. |
| | Aditya Security & Safety LLP |
| | Trend Setter Promoters LLP |
| | Seth Parmanand Khemka Charitable Trust |
| | YPO Delhi Chapter |
| | YPO Gurgaon Chapter (w.e.f. 06 July 2023) |
| | Aditya Colonizers LLP |

*(This space has been intentionally left blank)*

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b) Statement of transactions with related parties -

| Particulars | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| (i) | **Sale of goods** | | |
| | ARK Infosolution Pvt Ltd. | 0.07 | 0.19 |
| | AIL Dixon Technologies Pvt. Ltd. | 0.62 | 1.70 |
| (ii) | **Business support services provided to** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 6.00 | 6.00 |
| (iii) | **Purchase of goods** | | |
| | Shenzhen CP Plus International Ltd. | - | 0.07 |
| | AIL Dixon Technologies Pvt. Ltd. | 11,986.92 | 9,463.37 |
| (iv) | **Repayment of loan** | | |
| | Hari Shanker Khemka | 12.50 | - |
| | Aditya Khemka | 10.00 | - |
| | Rishi Khemka | 300.00 | - |
| (v) | **Expenses incurred by the Company on behalf of** | | |
| | Aditya Safety & Security LLP | - | 0.18 |
| (vi) | **Remuneration Paid*** | | |
| | Hari Shanker Khemka | 34.80 | 28.21 |
| | Aditya Khemka | 188.38 | 158.62 |
| | Ananmay Khemka | 6.99 | 2.34 |
| (vii) | **Interest on loan taken** | | |
| | Hari Shanker Khemka | 0.78 | 1.36 |
| | Aditya Khemka | 0.63 | 1.09 |
| | Rishi Khemka | 4.98 | 1.17 |
| | Trend Setter Promoters LLP | 1.35 | 1.35 |
| (viii) | **Rent expense paid/ payable** | | |
| | Aditya Khemka | 7.50 | 6.00 |
| | Hari Shankar Khemka | 7.50 | 4.20 |
| | Shradha Khemka | - | 1.80 |
| | ARK Infosolution Pvt Ltd. | 1.59 | 0.53 |
| (ix) | **Rental income** | | |
| | ARK Infosolution Pvt Ltd. | 2.48 | 3.04 |
| | Aditya Safety & Security LLP | 0.13 | 0.12 |
| | Trend Setter Promoters LLP | 0.18 | 0.18 |
| (x) | **Electricity and water charges paid/ payable** | | |
| | ARK Infosolution Pvt. Ltd. | 0.28 | - |
| | Aditya Safety & Security LLP | - | 0.02 |
| (xi) | **Electricity and water charges paid/ payable (reimbursed)** | | |
| | ARK Infosolution Pvt. Ltd. | 0.98 | 1.13 |

* does not include provision made for gratuity and compensated absences as the same is determined for the Group as a whole.

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| Particulars | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|---|
| (xii) | **Purchase of property, plant and equipment** | | |
| | ARK Infosolution Pvt. Ltd. | - | 1.28 |
| (xiii) | **CSR Contribution** | | |
| | Seth Parmanand Khemka Charitable Trust | 19.65 | 10.64 |
| (xiv) | **Donation Paid** | | |
| | Seth Parmanand Khemka Charitable Trust | 0.30 | 0.83 |
| (xv) | **Professional charges paid/ payable** | | |
| | Trend Setter Promoters LLP | 1.80 | 1.65 |
| (xvi) | **Membership and subscription charges paid/ payable** | | |
| | YPO Delhi Chapter | 1.65 | 0.16 |
| | YPO Gurgaon Chapter | 1.00 | - |
| (xvii) | **Dividend Paid** | | |
| | Hari Shanker Khemka (along with Hari Shanker Khemka HUF) | 2.00 | 15.40 |
| | Aditya Khemka (along with Hari Shanker Khemka HUF) | 5.96 | 11.38 |
| | Rishi Khemka | 1.90 | 11.55 |
| | Shradha Khemka | 0.05 | 0.17 |
| | Ananmay Khemka | 0.09 | 0.00 |
| (xviii) | **Loan Proceeds** | | |
| | Rishi Khemka | - | 300.00 |
| (xix) | **Travelling expense reimbursement** | | |
| | ARK Infosolution Pvt. Ltd. | - | 0.05 |
| (xx) | **Commission and Brokerage** | | |
| | Aditya Colonizers LLP | - | 0.05 |
| (xxi) | **Advertisement and business promotion expenses** | | |
| | YPO Delhi Chapter | 0.01 | 0.58 |
| (xxii) | **Buy back of shares** [also refer note 21(f)] | | |
| | Hari Shanker Khemka (along with Hari Shanker Khemka HUF) | - | 259.74 |
| | Aditya Khemka (along with Hari Shanker Khemka HUF) | - | 191.87 |
| | Rishi Khemka | - | 2.94 |
| | Shradha Khemka | - | 194.81 |
| | Ananmay Khemka | - | 0.00 |
| (xxiii) | **Job work charges paid/ payable** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 0.32 | - |
| (xxiv) | **Loan given to** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 80.00 | - |
| (xxv) | **Interest Income on loan** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 2.92 | - |
| (xxvi) | **Sale of Leasehold Land and PPE** | | |
| | ARK Infosolution Pvt Ltd. | 119.74 | - |
| (xxvii) | **Director Sitting Fees** | | |
| | Abhishek Dalmia | 0.28 | 0.30 |
| | Ambika Sharma | 0.11 | - |
| | Manish Sharma | 0.14 | - |
| | Ritu Khurana | 0.20 | 0.40 |

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c) Outstanding balances at the year end

| Particulars | | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| (i) | **Trade Payables** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 399.33 | 2,795.80 |
| (ii) | **Trade Receivables** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 2.26 | 2.60 |
| (iii) | **Investment in Joint Venture*** | | |
| | AIL Dixon Technologies Pvt. Ltd. | - | 294.50 |
| (iv) | **Borrowings** | | |
| | Hari Shanker Khemka | - | 12.50 |
| | Aditya Khemka | - | 10.00 |
| | Rishi Khemka | - | 300.00 |
| | Trend Setter Promoters LLP | 13.50 | 13.50 |
| (v) | **Interest Payable** | | |
| | Hari Shanker Khemka | - | 0.21 |
| | Aditya Khemka | - | 0.17 |
| | Rishi Khemka | - | 1.05 |
| | Trend Setter Promoters LLP | 0.30 | 0.30 |
| (vi) | **Remuneration Payable** | | |
| | Hari Shanker Khemka | 0.65 | 0.62 |
| | Aditya Khemka | 13.19 | 10.26 |
| | Ananmay Khemka | 0.23 | 0.10 |
| (vii) | **Other Receivables** | | |
| | Aditya Safety & Security LLP | - | 0.18 |
| (viii) | **Loan to group companies (gross)** | | |
| | AIL Dixon Technologies Pvt. Ltd. | 82.52 | - |

*Also refer note 52 for adjustment relating to loss incurred by joint venture

**Terms and conditions with related parties**

(i) All transactions with related parties are made on the terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at respective year ends are unsecured and settlement is generally done in cash.

(ii)The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting date.

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## 44 Capital management

The Group's capital includes issued share capital and all other distributable reserves. The primary objective of the Group's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Group has both long and short term borrowings.

Group's gearing ratio is:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Long term borrowings | 280.16 | 427.81 |
| Short term borrowings (including current maturities of long term borrowings) | 3,774.36 | 3,668.17 |
| Less: Cash and cash equivalents | (394.67) | (1,476.45) |
| **Net debt (a)*** | **3,659.85** | **2,619.53** |
| **Total Equity (b)** | **4,242.09** | **3,115.94** |
| **Equity and net debt (c = (a) + (b))** | **7,901.94** | **5,735.47** |
| **Gearing Ratio (d = a/c)** | **0.46** | **0.46** |

*Excluding the impact of book overdaft (refer note 42B)

## 45 Employee benefits

The Group has adopted Indian Accounting Standard (Ind AS) - 19 for Employee Benefit as under :

### Defined contribution plans

The Holding Company makes contribution towards employee's provident fund and employee's state insurance. The Holding Company has contributed Rs. 38.00 million (31 March 2023: Rs. 28.48 million) during the year ended 31 March 2024 as contribution towards these schemes.

### Defined benefit plans

**Gratuity (unfunded)**

The Group has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

| | |
|---|---|
| Salary increases | Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability. |
| Discount rate | Reduction in discount rate in subsequent valuations can increase the plan's liability. |
| Mortality & disability | Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities. |
| Withdrawals | Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability. |

**Amounts recognised in the balance sheet:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|
| Present value of the obligation | 104.75 | 74.41 |
| Fair value of plan assets | 75.62 | 60.95 |
| Net liability/(prepaid assets) | 29.13 | 13.46 |

**Amounts recognised in statement of profit and loss:**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Actuarial loss recognised during the year | 19.97 | (1.36) |

**Expenses recognised in statement of profit and loss**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Current service cost | 11.61 | 9.77 |
| Past service cost | (1.33) | - |
| Interest cost (net) | 0.57 | 1.12 |
| **Cost recognised during the year** | **10.85** | **10.89** |

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Movement in the liability recognised in the balance sheet is as under:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Present value of defined benefit obligation at the beginning of the year | 74.41 | 64.59 |
| Current service cost | 11.61 | 9.77 |
| Past service cost | (1.33) | - |
| Interest cost | 5.48 | 4.56 |
| Actuarial (gain)/loss net | | |
| Actuarial loss on arising from change in demographic assumption | 5.52 | - |
| Actuarial loss on arising from change in financial assumption | 11.84 | (2.18) |
| Actuarial loss on arising from experience adjustment | 2.23 | 0.78 |
| Benefits paid | (5.01) | (3.11) |
| **Present value of defined benefit obligation at the end of the year** | **104.75** | **74.41** |

Movement in the plan assets recognised in the balance sheet is as under:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Present value of plan value assets at the beginning of the year | 60.94 | 44.27 |
| Transfer in/(out) plan assets | 0.16 | - |
| Interest income | 4.91 | 3.44 |
| Return on plan assets excluding amounts included in | (0.38) | (0.04) |
| Contributions by Employer | 15.00 | 16.39 |
| Benefits paid | (5.01) | (3.11) |
| **Present value of plan value assets at the end of the year** | **75.62** | **60.95** |

The Holding Company expects to make a contribution of Rs. 16.01 million (31 March 2023: Rs. 2.61 million) to the defined benefit plans during the next financial year.

For determination of the liability of the Group the following actuarial assumptions were used:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Discount rate | 7.20% | 7.50% |
| Salary escalation rate | 10.00% | 8.00% |
| Retirement age (Years) | | |
| Withdrawal rate | | |
| Less than 30 years | 11.00% | 3.00% |
| From 30 to less 44 years | 11.00% | 3.00% |
| 44 years and above | 11.00% | 3.00% |
| Weighted average duration of PBO | 7.44 | 12.43 |

Maturity profile of defined benefit obligation:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Weighted Average Duration (Years) as at valuation date | 7.44 Years | 12.43 Years |

The Expected maturity analysis of discounted defined benefit liability is as follows:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Within next 1 year | 9.97 | 2.61 |
| Between 1-5 years | 35.56 | 14.81 |
| Over 5 years | 59.23 | 31.57 |
| Total | 104.76 | 48.99 |

Sensitivity analysis for gratuity liability:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Present value of obligation at the end of the year | 104.75 | 74.41 |
| **a) Impact of the change in discount rate** | | |
| Impact due to increase of 0.5 % | -3.38% | -5.51% |
| Impact due to decrease of 0.5 % | 3.60% | 5.99% |
| **b) Impact of the change in salary increase** | | |
| Impact due to increase of 0.5 % | 2.36% | -3.81% |
| Impact due to decrease of 0.5 % | -2.41% | 3.92% |
| **b) Impact of the change in withdrawal rate** | | |
| Impact due to increase of 10 % | -0.41% | 0.31% |
| Impact due to decrease of 10 % | 0.36% | -0.36% |

Sensitivities due to mortality is not material.Hence impact of change is not calculated.
Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

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**46 Contingent Liabilities and Commitments**

**A. Contingent liabilities**

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| (i) Inland bank guarantees | 50.17 | 49.67 |
| | 50.17 | 49.67 |

**(ii) Income-tax matters**

(a) An Income Tax survey under section 133 A of Income- tax Act, 1961 was carried out at the Holding Company's premises on 18 February 2019. During the course of the survey, the tax officials raised certain concerns and insisted on declaration of additional income amounting to Rs. 403.82 million. The Holding Company's Board of Directors considered all the points raised by the survey team and were of the considered view that no additional income needs to be offered to tax as the actual income for the said assessment year has been correctly /duly accounted for in the books of accounts.

The Assessment proceedings for the said assessment year have got concluded by the Assessing Officer ('AO'), who vide order dated 30 September 2021 has raised tax demand of Rs.189.59 million (31 March 2023: Rs.189.59 million) and has also initiated penalty proceedings. The Holding Company has contested the said order before the Commissioner of Income Tax (Appeals) wherein the Holding Company has contended that the AO has erred both on facts and in law, in making the additions, ignoring the settled position of law that the statements recorded during the course of survey has no evidentiary value and cannot be regarded as conclusive evidence and that the AO has made additions without bringing on record any contrary evidence in respect of the submissions made by the Holding Company. The Holding Company had deposited Rs. 38.00 million under protest and the appeal in the matter is currently pending disposal. During the previous year 2022-23, the Holding Company received an order u/s 154 dated 09 May 2022 raising the demand of Rs. 7.80 million on account of wrong calculation of interest u/s 234D in the order dated 30 September 2021. Further, during the financial year 2023-24, rejoinder to remand report has been filed on 16 June 2023 however, the final hearing before Commisioner of Income Tax (Appeals) is yet to be fixed.

Based on inputs by tax experts, the management believes that the chances of any liability devolving on the Group in the above matter is not probable and accordingly, no adjustment is currently necessary in these consolidated financial statements at this stage.

**(iii) Indirect tax matters**

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **(a) VAT matters** | | |
| Demands raised under respective VAT Acts | 12.19 | 14.76 |
| Amounts paid under protest | 1.02 | 2.98 |

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **(b) GST matters*** | | |
| Demands raised under GST regulations (other than matters under*) | 4.95 | 4.53 |
| Amounts paid under protest | 0.49 | 0.24 |

| | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **(c) Customs matters** | | |
| Demands raised under Customs Act | 26.89 | 20.73 |
| Amounts paid under protest | 1.65 | 0.22 |

Based on inputs by tax experts, the management believes that the chances of any liability devolving on the Group in the above matters is not probable and accordingly, no adjustment is currently necessary in these consolidated financial statements at this stage.

*The Holding Company has received multiple show cause notices from Goods and Services Tax ("GST") authorities of the State of Tamil Nadu, Telangana, West Bengal, Karnataka, Punjab, Rajasthan and Kerala, in relation to dues under the Goods and Services Tax Regulations (both Central and State Goods and Service Tax Acts and Rules thereunder), aggregating to Rs.31.47 million for the financial years 2017-2018 to 2021-2022, on account of differences between ITC claimed in Form GSTR-3B vs ITC appearing in GSTR-2A, difference between turnover reported in GSTR-1 and GSTR-3B etc.

The Holding Company has already filed appropriate replies against the above show cause notices, against which the authorities are yet to respond. As assessed by the management, issues raised in the above notices are arbitrary in nature and the Holding Company's management believes that the likelihood of any liability devolving on the Holding Company is not probable and hence, no adjustment is considered necessary in these consolidated financial statements at this stage.

(iv) Claims by customers (alongwith interest) in the normal course of business may be payable as and when the outcome of the related matters are finally determined. Management based on the legal inputs and historic trends, believes that no material liability will devolve on the Group, in respect of such matters.

(v) In addition to above, the Group's share of joint venture's contingent liability amounts to Rs. 165.63 million (31 March 2023: Rs. Nil).

**B. Commitments**

Estimated amount of contract remaining to be executed on capital and other commitments not provided for (net of advances) is Rs. 613.90 million (31 March 2023: Rs. 11.45 million). Apart from above mentioned amount, certain purchase orders issued to suppliers are for open quantities, during the normal course of business.

**C. E- waste (Management)**

Ministry of Environment, Forest and Climate Change has issued E-Waste (Management) Rules, 2022, as amended ("E-waste Rules"), which requires the producers to obtain and implement extended producer responsibility targets as per Schedule III and Schedule IV of the said Rules. Basis management's internal assessment of E waste rules, management believes that the Holding Company has an obligation to fulfil the Extended Producer Responsibility targets, only if it is a participant in the market during a financial year. The obligation for the financial year are measured based on sales made in the preceding years.

During the current year, as per the directions given by Central Pollution Control Board (CPCB), the Company has fulfilled its obligation for the current financial year. Basis management assessment and in accordance with Appendix B of Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', the Group will have an e waste obligation for future years, only if it participates in the market in such years.

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47 Dividend

a) The Holding Company's Board of Directors at their meeting held on 23 October 2023 recommended dividend on equity shares @ Rs. 4.88 per equity share for the financial year 2022-23 that was approved by the shareholders in their Annual General Meeting held on 28 October 2023. The total outgo as dividend to the shareholders during the year amounted to Rs. 10 million.

b) The Holding Company's Board of Directors at their meeting held on 02 August 2024 have proposed final dividend on equity shares @ Rs. 1.76 per equity share for the financial year 2023-24 (total outgo being Rs. 180 million), subject to approval of shareholders in the ensuing Annual General Meeting.

48 Corporate Social Responsibility

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Amount required to be spent by the Holding Company during the year | 19.44 | 10.73 |
| Amount of expenditure incurred | 19.65 | 10.74 |
| Shortfall at the end of the year | - | - |
| Total of previous years shortfall | - | - |
| Reason for shortfall | - | - |
| Details of related party transactions | Refer Note 43 | Refer Note 43 |

Nature of CSR activities includes donation to education institutions, hospitals etc. through its related party. Such activities are covered under eligible CSR activities under Schedule VII of the Companies Act, 2013.

49 Segment information

The Group has only one operating segment and is primarily engaged in the business of trading of security and survelliance equipments. Accordingly, the figures appearing in these consolidated financial statements relate to the Group's single operating segment. The Board of Directors consider trading of security and survelliance equipments and related activities as the main business of the Group. Accordingly, there are no other separate reportable segments in terms of Ind AS 108 on 'Operating Segments'.

(a) There are no major customers having revenue of more than 10% of the reportable segment.

(b) Information about geographical areas: The Group sale goods and provides services to customers which are domiciled in India as well as outside India. The amount of revenue from external customers broken down by the location of the customers is as follows:

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Attributed to the Holding Company's country of domicile, India | 27,737.20 | 22,734.54 |
| Attributed to foreign countries | 87.06 | 110.93 |
| | **27,824.26** | **22,845.47** |

50 Other disclosures

**50.1** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment, received Presidential assent in September 2020. The Code has been published in the Gazette of India, however, the date on which the Code will come into effect is yet to be notified and final rules/ interpretation are yet to be issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code and the rules thereon becomes effective.

**50.2 Details of assets pledged**

The carrying values of assets pledged as security against borrowings are as under:

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 214.82 | 264.28 |
| Right-of-use assets | 18.47 | 204.92 |
| Investment property | 3.79 | 4.08 |
| Total | **237.08** | **473.28** |
| **Current assets** | | |
| Inventories | 5,092.05 | 5,110.50 |
| Trade receivables | 7,342.70 | 6,149.58 |
| Total | **12,434.75** | **11,260.08** |

50.3 Research and development costs incurred during the year ended 31 March 2024 that have been capitalised, aggregates to Rs. 89.75 million (31 March 2023: Rs. 21.87 million). Research and development costs that were not eligible for capitalisation and have been expensed off during the year ended 31 March 2024, aggregates to Rs. 63.24 million (31 March 2023: Rs. 56.03 million).

51. Pursuant to Transfer Memorandum dated 12 June 2018, the New Okhla Industrial Development Authority ("Noida Authority") transferred the allotment and lease of the land located at 12A, Sector 135, Noida, Uttar Pradesh, in Holding Company's favour, that the Group has been carrying as "Right of use Asset" as per Ind AS 116. As per the terms of the transfer memorandum and the lease deed, the Holding Company was required to undertake construction/ development activity on the said land within the prescribed timelines. The Noida Authority vide its letter dated 24 March 2022 had granted extension for completion of construction till 31 December 2022 and the Holding Company had initiated the construction and development activities by awarding of the contracts/ work orders for site clearing, soil investigation and architectural services. However, the Holding Company could not complete the construction activities by the prescribed date, consequent to which the Noida Authority, relying on the Government of Uttar Pradesh Ordinance dated 7 January 2022 ('Ordinance'), issued a show cause notice dated 19 January 2023 for cancellation of the lease deed and subsequently, vide its letter dated 19 May 2023 cancelled the lease deed and allotment of the said land.

The Holding Company approached the Noida Authority for revocation of cancellation and restoration of the allotment of said land and had also filed a letter dated 5 September 2023. On 20 December 2023, vide amendment to the Ordinance dated 7 January 2022, the State Government extended the time period for development of leased lands till 31 December 2024 for all allottees. Further, on 11 March 2024, the State Government vide its order number 1631/77-4-24/123/Appeal/23, set aside the Noida Authority's order dated 19 May 2023 and restored the allotment of said land in Company's favour, subject to payment of extension charges, that the Holding Company discharged on 24 May 2024. Subsequently, the Holding Company recommenced the construction and development activities at the project site that are currently progressing at full pace. The management, taking into consideration the current progress of work, is confident of completing the construction/ development activities on the said land within the prescribed timelines and accordingly, believes that no adjustment is necessary in these consolidated financial statements at this stage.

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52. In January 2024, the joint venture entity- AIL Dixon Technologies Private Limited ("AIL Dixon") had suffered loss of stock due to fire at the custom bonded warehouse resulting in destruction of stock of Rs. 1,769.94 million. The management of AIL Dixon promptly filed the claims with the warehouse owner and the insurance provider for recovery of such loss and had assessed full recovery of the loss upon conclusion of the insurance procedures.

As at 31 March 2023, the Holding Company held investment in AIL Dixon at a carrying value of Rs 294.50 million, and on the basis of audited financial information of AIL Dixon, its share of profit and share of other comprehensive loss for the year ended 31 March 2024 amounts to Rs 42.94 million and Rs. 0.21 million, respectively.

However, during the process of compiling of consolidated financial statements of Aditya Infotech Limited ("AIL"), the Group management has reassessed the claims towards loss of stock filed by AIL Dixon and taking into consideration factors like the warehouse owners net worth/ financial capability and insurance cover held vis-à-vis the value of goods stored, has concluded that full recovery of loss is not probable. Consequently, the Group management on prudent basis, has recognised its proportionate share in such loss equivalent to the amount of opening carrying value of its investment in AIL Dixon i.e. Rs. 294.50 million and has presented such loss as 'exceptional item' in the Consolidated Statement of profit and loss for the year.

53. Events after the reporting period

(i) On 8 July 2024, the Holding Company entered into Share Subscription and Purchase Agreement ("SSPA") with Dixon Technologies India Limited ("Dixon") and AIL Dixon Technologies Private Limited ("AIL Dixon") for acquiring 95,00,000 fully paid-up equity shares of Rs. 10 each representing balance 50% equity share capital of AIL Dixon- the joint venture company, for consideration other than cash through and in exchange of issuance of additional 7,305,805 equity shares of Re. 1 each representing 6.50% equity share capital on a fully diluted basis, of the Holding Company. Such acquisition is subject to fulfilment of certain condition precedents including receipt of regulatory approvals. Post fulfilment of all formalities and acquisition of control, AIL Dixon shall become wholly owned subsidiary of the Holding Company.

(ii) Subsequent to the year- end, the Board of Directors of the Holding Company at its meeting held on 12 June 2024 approved the following:
a) Increase in the authorised share capital from existing 5,050,000 equity shares to 15,000,000 equity shares of Rs. 10 each, which was subsequently approved by the shareholders through ordinary resolution passed in their Extra Ordinary General Meeting held on 17 June 2024;
b) Sub-division of the existing authorised share capital of the Holding Company from 15,000,000 equity shares of Rs. 10 each into 150,000,000 equity shares of Rs. 1 each and existing paid- up capital from 2,050,000 equity shares of Rs. 10 each to 20,500,000 equity shares of Rs. 1 each, which was approved by the shareholders through an ordinary resolution passed in their Extra Ordinary General Meeting held on 17 June 2024;
c) Post sub-division of the existing authorised and issued share capital as above, the Board had approved the bonus issue of four new equity shares for every one share held on record date, which was subsequently approved by the shareholders through an ordinary resolution passed in their Extra Ordinary General Meeting held on 17 June 2024. Consequently, the Holding Company allotted 82,000,000 equity shares of Rs. 1 each by way of bonus issue to its shareholders in the ratio of 4:1 on 17 June 2024.

54. Additional regulatory information not disclosed elsewhere in the consolidated financial statements
(a) The Group does not have any transactions with struck-off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
(b) The Group has not undertaken any 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).
(c) The Group has not been declared a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
(d) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
(e) The Group does not have any Benami property and no proceedings have been initiated or pending against the Group for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
(f) The Group does not have any charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
(g) The Group has not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.
(h) The Group has not advanced or provided loan to or invested funds in any entity(ies) including foreign entities (Intermediaries) or to any other person(s), with the understanding that the Intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(i) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(j) The Group has been sanctioned facilities from the banks on the basis of security of current assets. The periodic returns filed by the Group with such banks are in agreement with the books of accounts of the Group.

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**55. Additional disclosure required under Schedule III of the Act of the entities consolidated as subsidiary and joint venture**

As at 31 March 2024

| Name of the entity | Net assets i.e. total assets minus total liabilities | | Share in statement of profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount (Rs. in million) | As % of Consolidated profit/(loss) after tax | Amount (Rs. in million) | As % of Consolidated other comprehensive income | Amount (Rs. in million) | As % of Consolidated total comprehensive income | Amount (Rs. in million) |
| **Holding Company** | | | | | | | | |
| Aditya Infotech Limited | 101.85% | 4,320.36 | 125.55% | 1,446.00 | 95.98% | (14.94) | 125.96% | 1,431.05 |
| **Subsidiary** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Shenzhen CP Plus International Ltd. | 0.43% | 18.13 | 0.02% | 0.22 | 0.00% | - | 0.02% | 0.22 |
| **Joint Venture** | | | | | | | | |
| **Indian** | | | | | | | | |
| AIL Dixon Technologies Private Limited (also refer note 52) | 0.00% | - | -25.57% | (294.50) | 0.00% | - | -25.92% | (294.50) |
| Eliminations and consolidation adjustments | -2.27% | (96.40) | 0.00% | - | 4.02% | (0.63) | 0.06% | (0.63) |
| **Total** | **100%** | **4,242.09** | **100%** | **1,151.72** | **100%** | **(15.57)** | **100%** | **1,136.15** |

As at 31 March 2023

| Name of the entity | Net assets i.e. total assets minus total liabilities | | Share in statement of profit and loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount (Rs. in million) | As % of Consolidated profit | Amount (Rs. in million) | As % of Consolidated other comprehensive income | Amount (Rs. in million) | As % of Consolidated total comprehensive income | Amount (Rs. in million) |
| **Holding Company** | | | | | | | | |
| Aditya Infotech Limited | 93.05% | 2,899.31 | 94.30% | 1,021.33 | 87.82% | 1.02 | 94.29% | 1,022.35 |
| **Subsidiaries** | | | | | | | | |
| **Foreign** | | | | | | | | |
| Shenzhen CP Plus International Ltd | 0.59% | 18.53 | 0.09% | 1.00 | 0.00% | - | 0.09% | 1.00 |
| **Joint Venture** | | | | | | | | |
| **Indian** | | | | | | | | |
| AIL Dixon Technologies Private Limited | 9.45% | 294.50 | 6.13% | 66.37 | 11.58% | 0.13 | 6.13% | 66.50 |
| Eliminations and consolidation adjustments | -3.09% | (96.40) | -0.52% | (5.59) | 0.60% | 0.01 | -0.51% | (5.58) |
| Total | **100%** | **3,115.94** | **100%** | **1,083.11** | **100%** | **1.16** | **100%** | **1,084.27** |

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ADITYA INFOTECH LIMITED

ADITYA INFOTECH LIMITED
CIN: U74899DL1995PLC066784
Notes to consolidated financial statements for the year ended 31 March 2024
(All amounts are in Indian Rupees millions, unless otherwise stated)

56 Group information

(a) Information about subsidiaries and joint venture

| Name of the Company | Relationship with Holding Company | Nature of business | Country of incorporation | Proportion of ownership interest (%) | |
|---|---|---|---|---|---|
| | | | | 31 March 2024 | 31 March 2023 |
| Shenzhen CP Plus International Ltd. | Subsidiary | Business Consultancy Service | China | 100% | 100% |
| AIL Dixon Technologies Pvt. Ltd. (also refer note 53) | Joint venture | Manufacturing and trading of goods | India | 50% | 50% |

(b) Summarised financial information for joint venture

The table below provides summarised financial information for joint venture that is material to the Holding Company. The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not Aditya Infotech Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies, if any.

Summarised balance sheet

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 836.20 | 25.92 |
| Other assets | 4,505.66 | 5,284.19 |
| **Total current assets** | **5,341.86** | **5,310.11** |
| Property, plant and equipment | 952.59 | 493.89 |
| Capital work-in-progress | 10.97 | 264.31 |
| Right -of-use asset | 105.91 | 110.36 |
| Other non-current assets | 20.57 | 19.78 |
| **Total non-current assets** | **1,090.04** | **888.34** |
| **Current liabilities** | | |
| Financial liabilities | 5,480.48 | 5,311.47 |
| Other liabilities | 5.50 | 3.58 |
| **Total current liabilities** | **5,485.98** | **5,315.05** |
| **Non-current liabilities** | | |
| Financial liabilities | 162.51 | 195.76 |
| Other liabilities | 41.91 | 31.63 |
| **Total non-current liabilities** | **204.42** | **227.39** |
| **Net assets** | **741.50** | **656.01** |

Summarised statement of profit and loss

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Revenue | 12,652.52 | 9,845.81 |
| Other income | 1.68 | 2.98 |
| **Total income** | **12,654.20** | **9,848.79** |
| Cost of goods sold | 11,761.54 | 9,185.77 |
| Employee benefits expense | 170.94 | 88.19 |
| Finance costs | 35.04 | 15.67 |
| Depreciation and amortisation | 70.61 | 36.15 |
| Other expenses | 474.55 | 275.84 |
| **Profit before tax** | **141.52** | **247.17** |
| Tax expense | 55.62 | 57.43 |
| **Profit for the year** | **85.90** | **189.74** |
| Other comprehensive income | (0.42) | 0.27 |
| **Total comprehensive income** | **85.48** | **190.01** |

Reconciliation to carrying amount of investment

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---|---|
| Opening net assets | 713.04 | 523.03 |
| Profit/ (loss) for the year* | (1,684.05) | 189.74 |
| Other comprehensive income | (0.42) | 0.27 |
| **Closing net assets** | **(971.43)** | **713.04** |
| Holding Company's share in % | 50% | 50% |
| Company's share in Indian Rupees** | - | 356.52 |
| Less: Unrealised profit on upstream and downstream transactions** | - | (62.02) |
| **Carrying amount** | - | **294.50** |

* Includes adjustment on account of loss incurred by joint venture due to fire (also refer note 52)

** Unrecognised share of loss of the Group in the joint venture amounts to Rs. 590.47 million (31 March 2023: Rs. Nil)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ADITYA INFOTECH LIMITED

57 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
The Holding Company and its joint venture have used accounting software for maintaining their books of account, where the feature of recording audit trail has operated throughout the year for all relevant transactions recorded in the software except for the instance mentioned below:

For the holding company, the audit trail (edit logs) feature for any direct changes made at the database level was not enabled for the accounting software used for maintenance of accounting records and after sales services. However, the audit trail (edit log) at the application level of the accounting software were operating for all relevant transactions recorded in the software.

58 Certain previous year amounts have been reclassified for consistency with the current year presentation. Such reclassification did not have any impact on the current year consolidated financial statements.

59 The figures have been rounded off to the nearest million of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

In terms of our report attached of even date
**For Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Deepak Mittal

**Deepak Mittal**
Partner
Membership No.: 503843

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Place: Gurugram
Date: 02 August 2024

**For and on behalf of Board of Directors of**
**ADITYA INFOTECH LIMITED**

**Hari Shanker Khemka**
Chairman
DIN:00514501

**Aditya Khemka**
Managing Director
DIN:00514552

U. Che

**Yogesh Sharma**
Chief Financial Officer

**Roshni Tandon**
Company Secretary

Place: Noida
Date: 02 August 2024

ADITYA INFOTECH LIMITED