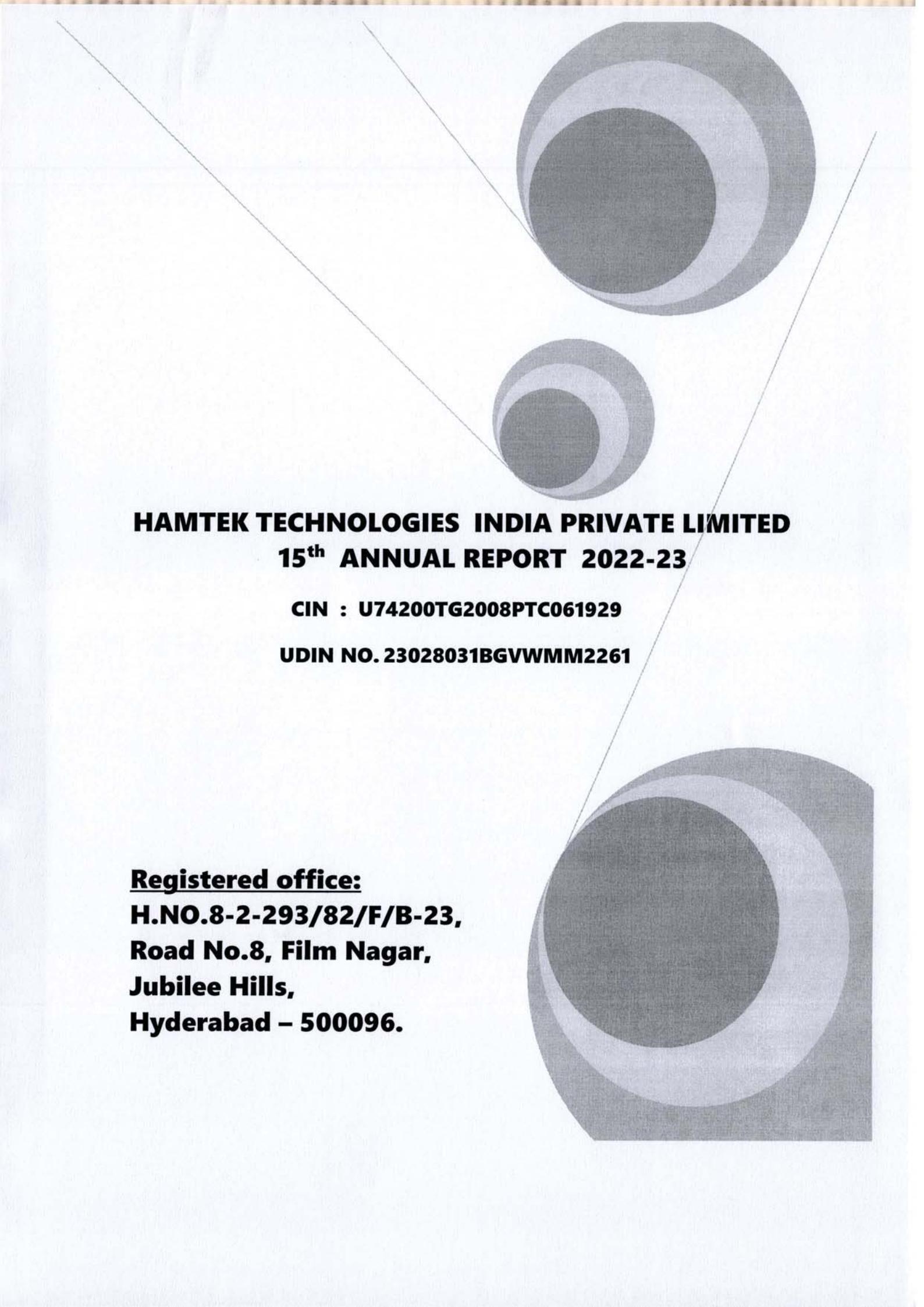


REFER ANNEXURE-3A2-3

**Audited Consolidated Financial Statement for the Year Ended
March 31, 2023**



HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED
15th ANNUAL REPORT 2022-23

CIN : U74200TG2008PTC061929

UDIN NO. 23028031BGVWMM2261

Registered office:
H.NO.8-2-293/82/F/B-23,
Road No.8, Film Nagar,
Jubilee Hills,
Hyderabad – 500096.

M. ANANDAM & CO.,
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Hamtek Technologies India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hamtek Technologies India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and for Internal Financial Controls over Financial Reporting

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

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

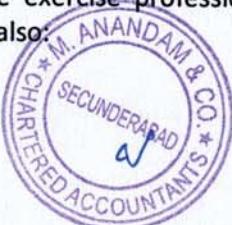
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with respect to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) 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.

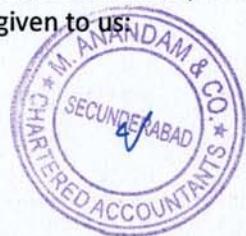
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) In our opinion considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system with respect to financial statements in place and such internal financial controls with respect to financial statements were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting with specific reference to smaller, less complex companies issued by the ICAI.
- (g) Being a private limited company, the provisions of section 197 of the Companies Act, 2013 are not applicable to the Company.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations on its financial position in its financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend was declared or paid during the year by the Company.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020, ('the Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)

M.V.Ranganath

Partner

Membership No. 028031

UDIN: 23028031BGVWMM2261

Place: Secunderabad

Date: 27-09-2023



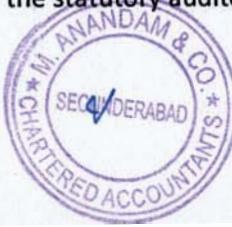
Annexure "A" to the Independent Auditor's Report

With reference to Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Property, Plant and Equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such physical verification.
 - (c) According to the information and explanations given to us and based on our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% or more in the aggregate for each class of inventory.
- (b) The Company is sanctioned working capital limits in excess of Rs.5 Crore during the year from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with Banks for March'23 Quarter are not in agreement with the books of account. The difference in inventories of Rs.610 Thousands (Shortfall in Statement submitted to Banks) is due to valuation adjustment and the difference in trade receivables of Rs.9154 Thousands (Excess in Statement submitted to Banks) is due to closing entries relating to TDS accounted for.
- iii. (a) The Company has not made investments, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. The Company has not granted loans or made investments or given guarantees or securities and hence reporting under clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.



- b) There are no disputed statutory dues that have not been deposited on account of any dispute by the Company.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not defaulted in repayment of loans or other borrowings and in the payment of interest thereon to any lender.
b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
c) According to the information and explanations given to us and procedures performed by us, we report that the Company has applied the term loans for the purpose for which the loans were obtained.
d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.
e) The Company does not have any Subsidiaries, associates or Joint Ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) In our opinion and based on our examination and enquiries with the management, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
b) During the year, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii)(a) to (c) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is not applicable to the Company.
- xiv. In our opinion and based on our examination, the company is not required to have an internal audit system as per provisions of the Companies Act 2013. Hence, reporting under clause 3(xiv) of the Order is not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.



- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. Section 135 of the Companies Act, 2013 is not applicable to the company for the current year, and hence reporting under clause 3(xx)(a) & (b) of the Order is not applicable.

For M. Anandam & Co.,
Chartered Accountants
(Firm's Registration No. 000125S)



M.V. Ranganath

Partner

Membership No. 028031

UDIN: 23028031BGVWMM2261

Place: Secunderabad

Date: 27-09-2023



HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED
BALANCE SHEET AS AT 31st MARCH, 2023

Particulars	Note No	31st March, 2023	31st March, 2022
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	11,000	11,000
(b) Reserves and surplus	3	3,48,412	2,60,267
(2) Non-current liabilities			
(a) Long-term borrowings	4	48,861	63,157
(b) Deferred tax liabilities (net)	5	1,330	1,820
(c) Other non current liabilities	6	17,853	24,036
(d) Long-term provisions	7	1,877	1,557
(3) Current liabilities			
(a) Short term borrowings	8	65,563	51,720
(b) Trade payables	9	11,665	-
(i) Total outstanding dues to micro and small enterprises		3,25,579	3,23,744
(ii) Total outstanding dues of creditors other than micro and small enterprises			
(c) Other current liabilities	10	6,629	5,986
(d) Short term provisions	11	417	3,199
TOTAL		8,39,186	7,46,485
II. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipment	12	1,27,368	1,01,516
(ii) Intangible assets	12	352	444
(2) Current assets			
(a) Inventories	13	46,110	90,531
(b) Trade receivables	14	4,92,830	3,90,068
(c) Cash and bank balances	15	88,971	91,340
(d) Short term loans and advances	16	35,141	34,668
(e) Other current assets	17	48,414	37,918
TOTAL		8,39,186	7,46,485
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements.

As per our report of even date

For M.Anandam & Co.,
Chartered Accountants

M.V.Ranganath
Partner
M.No.028031



Place: Hyderabad
Date:27-09-2023

For and on behalf of the Board

K. Srinivasa Rao
Managing Director
DIN:02314246

P.C.S. Reddy
Director
DIN:02319839

HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

Particulars	Note No	(Amount in Thousands)	
		31st March, 2023	31st March, 2022
I. Revenue from operations	18	13,17,488	8,87,733
II. Other income	19	35,763	67,717
III. Total Income (I+II)		13,53,251	9,55,450
IV. Expenses			
Purchases of stock-in-trade	20	8,45,591	6,59,619
Changes in inventories of work-in-progress	21	44,420	(53,641)
Erection, commissioning, clearing & forwarding charges	22	2,22,122	2,17,805
Employee benefits expense	23	49,744	45,482
Finance costs	24	21,308	14,958
Depreciation and amortization expense	12	13,767	12,938
Other expenses	25	46,458	26,034
Total expenses (IV)		12,43,409	9,23,195
V. Profit before tax (III-IV)		1,09,841	32,254
VI. Tax expense			
Current tax		21,621	8,154
Earlier year tax		566	-
Deferred tax		490	367
VII. Profit for the year (V-VI)		88,144	24,468
VIII. Earnings per equity share (FV of Rs.10/- each)	27		
Basic		80.13	22.24
Diluted		80.13	22.24
Significant accounting policies	1		

The accompanying notes form an integral part of financial statements.

As per our report of even date
For M.Anandam & Co.,
Chartered Accountants

M.V.Ranganath
Partner
M.No.028031



Place: Hyderabad
Date:27-09-2023

For and on behalf of the Board

K. Srinivasa Rao
Managing Director
DIN:02314246

P.C.S. Reddy
Director
DIN:02319839

HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED

Note 1: Significant Accounting Policies

a) Basis for Accounting

The Financial Statements have been prepared on mercantile basis of accounting in accordance with the historical cost convention and in compliance with mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 and other relevant provisions of the Companies Act, 2013.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the result of operations during the reporting period. Although these estimates are based on management's knowledge of current events and actions, actual results could differ from those estimates.

c) Property, Plant & Equipment

Tangible Assets are stated at cost of acquisition or construction less accumulated depreciation. The actual cost capitalized comprises of cost of acquisition of the asset, clearing charges in case of imported assets, duties, taxes and other incidental expenditure incurred for acquiring the assets.

Intangible Assets

Computer Software is capitalised as Intangible Assets.

Depreciation & Amortization

Depreciation on Tangible Assets is provided on the Written down value method and at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

Computer software is amortized over a period of 3 years.

d) Revenue Recognition

(a) Sale of goods

Income from sales of goods is recognised upon passage of risks and rewards of ownership to the goods, which generally coincide with the despatch. Sales exclude taxes and levies.

(b) Income from services

Income from services is recognized upon rendering of the services. The income excludes taxes and levies.

e) Other Income

Interest income is recognised on time proportion basis taking in to account the amount outstanding and rate applicable.

f) Impairment of Assets

Impairment losses are provided to the extent the carrying amount exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of an asset at arm's length transaction between knowledgeable and willing parties less cost of disposal.

HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED

g) Inventories

Raw Materials and Work-in-Progress are valued at lower of cost and net realizable value. Cost is determined on first in first out basis (FIFO).

The cost of Work-in-Progress includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

h) Employee benefits

Defined benefit plans

The Company is recognising Gratuity and Leave Encashment on actuarial valuation basis taken from an independent actuary.

Defined contribution plans

Provident fund

Retirement benefits in the form of Provident Fund are defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contribution to the respective funds become due.

i) Foreign Currency Transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

b) Monetary items denominated in foreign currencies at the year end are translated at the year-end rates, the resultant gain or loss will be recognized in the statement of profit and loss .

c) Any gain or loss arising on account of exchange difference on settlement of transaction is recognized in the statement of profit and loss.

j) Taxes on Income

Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income-tax Act 1961.Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the date of balance sheet date.Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the asset will be realised in future.

k) Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED

Notes forming part of financial statements

Note 2: Share Capital		(Amount in Thousands)	
Particulars		31-Mar-23	31-Mar-22
Authorized Capital			
11,00,000 Equity Shares of Rs.10/- each (Previous Year: 11,00,000 Equity Shares of Rs.10/- each)		11,000	11,000
Issued, Subscribed and Paid-up Capital			
11,00,000 Equity Shares of Rs.10/- each (Previous Year: 11,00,000 Equity Shares of Rs.10/- each)		11,000	11,000
Total		11,000	11,000

2.1 The details of shareholders holding more than 5% shares

Name of the shareholders	31-Mar-23		31-Mar-22	
	Number of shares	% Share holding	Number of shares	% Share holding
K. Srinivasa Rao	7,98,000	72.55	7,98,000	72.55
P. Chandra Shekar Reddy	1,52,000	13.82	1,52,000	13.82
K. Sri Harsha	1,50,000	13.63	1,50,000	13.63

2.2 The reconciliation of the number of shares outstanding as at March 31, 2021 is set out as below:

Particulars	Number of Shares		Amount (Rs. in Thousand)	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
As at the beginning of the year	11,00,000	11,00,000	11,000	11,000
Add: Number of shares issued during the year	-	-	-	-
As at the end of the year	11,00,000	11,00,000	11,000	11,000

2.3 Rights, Preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of Rs 10 /- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees.

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

2.4 Promoter's Shareholding

Name of the Promoter	31-Mar-23		31-Mar-22	
	Number of	% Share	Number of	% Share
K. Srinivasa Rao	7,98,000	72.55	7,98,000	72.55
P. Chandra Shekar Reddy	1,52,000	13.82	1,52,000	13.82
K. Sri Harsha	1,50,000	13.63	1,50,000	13.63

There is no change in the promoters' shareholding during the year 2022-23 and 2021-22.

Note 3: Reserves and Surplus

Particulars	31-Mar-23	31-Mar-22
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening Balance	2,60,267	2,35,799
Add : Profit for the year	88,144	24,468
Closing balance	3,48,412	2,60,267

Note 4: Long-term borrowings

Particulars	31-Mar-23	31-Mar-22
From Banks - Secured		
Vehicle loans	6,233	7,948
From Directors - Unsecured	42,629	55,208
Total	48,861	63,157

4.1 Vehicle loans taken from HDFC Bank Ltd, Yes Bank Ltd and Axis Bank Ltd are hypothecated against vehicles. The rate of interest and repayment schedule are as follows:

4.2 Loans from Directors are Interest free Loan.

Name of the Bank	Maturity profile	
	31-Mar-24	31-Mar-25
HDFC Bank Ltd (Interest @ 7.3% to 7.5% p.a)	8,361	5,815
Axis Bank Ltd (Interest @9.41% p.a)	-	190
Yes Bank Ltd (Interest @ 7.5% p.a)	-	306
Total	8,361	6,311

Note 5: Deferred tax liabilities (Net)

Particulars	31-Mar-23	31-Mar-22
Deferred tax liabilities		
Opening balance	2,082	2,449
less: On account of depreciation and amortisation	-	(367)
Closing balance	2,082	2,082
Deferred tax Assets		
Opening Balance	262	262
Add: On account of depreciation and amortisation	480	-
Add: On account of Employee benefits	10	-
Closing balance	752	262
Deferred Tax Liabilities (Net)	1,330	1,820

Note 6: Other non current liabilities

Particulars	31-Mar-23	31-Mar-22
Advances from customers	17,853	24,036
Total	17,853	24,036

Note 7: Long term provisions

Particulars	31-Mar-23	31-Mar-22
Provision for employee		
(i) Gratuity	1,358	1,156
(ii) Leave encashment	519	402
Total	1,877	1,557

Note 8: Short Term Borrowings

Particulars	31-Mar-23	31-Mar-22
Secured Loans from Banks		
Cash Credit facility	56,595	45,010
Current maturities of long term debt (Refer Note. 4.2)	8,361	6,311
Credit Cards payable (Unsecured)	606	399
Total	65,563	51,720

Security details

8.1 Cash Credit facility taken from Bandhan Bank Ltd, ICICI Bank Ltd and HDFC Bank Ltd is secured by hypothecation of stocks, Book debts, movable and immovable property of the company as primary security.

8.2 Personal guarantee of all the directors of the company.

Note 9: Trade payables

Particulars	31-Mar-23	31-Mar-22
Total outstanding dues to micro and small enterprises	11,665	-
Total outstanding dues of creditors other than micro and small enterprises	3,25,579	3,23,744
Total	3,37,244	3,23,744

Note 9.1. Dues to Micro and Small Enterprises are given based on the information available with the Company.

Note 9.2 Disclosures required under Sec 22 of the MSMED Act, 2006:

Particulars	As at 31 March, 2023	As at 31 March, 2022
a. The principal amount remaining unpaid to any supplier as at the end of the year.	11,665	-
b. The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		-
c. The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
d. 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 MSMED Act, 2006.	-	-
e. 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 of the MSMED Act, 2006.	-	-

HAMTEK TECHNOLOGIES INDIA PRIVATE LIMITED

Note 12: Property, plant and equipment and Intangible assets

(Amount in Thousands)

	Gross Block					Depreciation				Net Block	
Sl. No.	Name of the Asset	As on 01.04.2022	Additions	Deletions	As on 31.03.2023	Upto 01.04.2022	For the Year	Deletions	Upto 31.03.2023	As on 31.03.2023	As on 31.03.2022
	<u>Property, plant and equipment</u>										
1	Land	12,363	38,658	12,363	38,658	-	-	-	-	38,658	12,363
2	Buildings	1,01,325	-	-	1,01,325	36,033	3,199	-	39,232	62,093	65,292
3	Motor Vehicles	43,702	9,068	-	52,770	22,956	8,489	-	31,445	21,326	20,746
4	Computers	5,502	120	-	5,622	3,934	987	-	4,921	701	1,568
5	Office Equipment	7,740	991	-	8,731	7,280	359	-	7,639	1,092	460
6	Furniture & Fixtures	4,920	739	260.25	5,398	3,861	293	122	4,032	1,366	1,059
7	Plant & Machinery	206	2,200	-	2,406	179	95	-	274	2,132	27
	<u>INTANGIBLE ASSETS</u>										
1	Computer Software	1,847	253	-	2,100	1,402	346	-	1,748	352	445
	Total	1,77,604	52,028	12,623	2,17,010	75,645	13,767	122	89,290	1,27,720	1,01,960
	Previous Year	1,63,725	24,647	10,768	1,77,604	70,333	12,938	7,627	75,644	1,01,960	93,393

9.4 Trade Payables Ageing Schedule - 31.03.2023

Particulars	Outstanding for following period from due date of payment					
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
(i) MSME	11,665	-	-	-	-	11,665
(ii) Others	2,87,179	-	-	-	38,399	3,25,579
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,98,845	-	-	-	38,399	3,37,244

9.4 Trade Payables Ageing Schedule - 31.03.2022

Particulars	Outstanding for following period from due date of payment					
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
(i) MSME	-	-	-	-	-	-
(ii) Others	2,85,345	-	-	-	38,399	3,23,744
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,85,345	-	-	-	38,399	3,23,744

Note 10: Other current liabilities

Particulars	31-Mar-23	31-Mar-22
Expenses payable	4,679	3,764
Statutory liabilities	1,950	2,222
Total	6,629	5,986

Note 11: Short term provisions

Particulars	31-Mar-23	31-Mar-22
Provision for employee		
(i) Gratuity	287	287
(ii) Leave encashment	130	130
Provision for Income Tax (net of TDS)	-	2,782
Total	417	3,199

Note 13 : Inventories (valued at lower of cost or net realisable value)

Particulars	31-Mar-23	31-Mar-22
Work-in-progress		
Prefabricated structurals, machinery parts	46,110	90,531
Total	46,110	90,531

Note 14 : Trade receivables

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good	4,92,830	3,90,068
Total	4,92,830	3,90,068

14.1 Trade Receivables Ageing Schedule - 31.03.2023

Particulars	Outstanding for following period from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	4,19,616	51,382	-	2,181.80	-	4,73,180
(ii) Disputed trade receivables - considered good *	-	-	-	-	-	19,651
Total	4,19,616	51,382	-	2,182	19,651	4,92,830

14.2 Trade Receivables Ageing Schedule - 31.03.2022

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	3,34,994	33,242	2,182	-	-	3,70,417
(ii) Disputed trade receivables - considered good *	-	-	-	19,651	-	19,651
Total	3,34,994	33,242	2,182	19,651	-	3,90,068

* The company has submitted application before Hon'ble National Company Law Tribunal and claim was accepted for this amount. Hence, no provision is made against this outstanding amount.

Note 15: Cash and bank balances

Particulars	31-Mar-23	31-Mar-22
Cash and Cash Equivalents		
Cash in hand	47	38
Balances with banks in current account	6,543	31,260
Other bank balances		
Fixed deposits against margin money	82,380	60,042
Total	88,971	91,340

Note 16: Short term loans and advances

Particulars	31-Mar-23	31-Mar-22
Unsecured, considered good		
Advances to suppliers	29,613	26,095
Employee advances	5,347	3,241
Other deposits	180	5,331
Total	35,141	34,668

Note 17: Other current assets

Particulars	31-Mar-23	31-Mar-22
Interest accrued on fixed deposits	3,661	1,506
GST Input tax credit	36,244	34,373
Prepaid expenses	3,500	2,039
Advance Income Tax/TDS (net of provision for tax)	5,009	-
Total	48,414	37,918

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Note 18 : Revenue from operations

(Amount in Thousands)

Particulars	31-Mar-23	31-Mar-22
Revenue from operations		
Sale of products	11,97,408	7,43,355
Income from services	1,20,080	1,44,378
Total	13,17,488	8,87,733
Breakup for Sale of products and Services		
Export sales	-	71,639
GST sales	14,12,942	7,92,877
GST Service income	1,41,694	1,70,369
Total Gross sales	15,54,636	10,34,885
Less : GST	2,37,148	1,47,153
Total Net Sales	13,17,488	8,87,732

Note 19: Other income

Particulars	31-Mar-23	31-Mar-22
Interest income on fixed deposits	4068	10,398
Profit on sale of Property, plant and equipment	27,539	2,438
Credit balances written back	-	54,881
Recovery of bad debts written off	4,156	-
Total	35,763	67,717

Note 20: Purchases of stock-in-trade

Particulars	31-Mar-23	31-Mar-22
(i) Imported	-	-
(ii) Indigeneous	8,45,591	6,59,619
Total	8,45,591	6,59,619

Note 21 : Changes in inventories of Work-in-progress

Particulars	31-Mar-23	31-Mar-22
Opening stock	90,531	36,889
Closing stock	46,110	90,531
Total	44,420	(53,642)

Note 22: Erection, commissioning and clearing & forwarding charges

(Amount in Thousands)

Particulars	31-Mar-23	31-Mar-22
Erection charges	44,673	95,791
Site expenses	8,002	2,891
Fabrication/Job work charges	44,869	46,362
Designing and Engineering Charges	7,524	8,061
Civil Work	1,13,985	49,645
Clearing and forwarding charges	11	1,841
Carriage inward	27	-
Carriage outward	3,031	13,215
Total	2,22,122	2,17,805

Note 23: Employee benefits expense

Particulars	31-Mar-23	31-Mar-22
Salaries, wages and bonus	36,514	33,351
Directors remuneration	10,800	10,100
Gratuity expenses	202	-
Leave encashment expenses	118	-
Contribution to provident fund and other funds	1,256	1,656
Staff welfare expenses	854	375
Total	49,744	45,482

Note 24: Finance costs

Particulars	31-Mar-23	31-Mar-22
Interest on Cash Credit	5,466	550
Interest on vehicle loans	1,267	817
Other borrowing costs	14,575	13,590
Total	21,308	14,958

Note 25: Other expenses

Particulars	31-Mar-23	31-Mar-22
Legal and consultancy charges	5,765	4,915
Travelling expenses	5,456	2,574
Bank charges	3,345	3,661
Rent, Rates and Taxes	3,710	3,874
Printing and stationery	882	483
Conveyance	647	909
Electricity charges	539	383
Repairs and maintenance - Others	1,001	729
Office maintenance	467	570
Insurance	3,943	4,605
Telephone charges	303	318
Postage and telegram	95	129
Auditor's remuneration (Refer Note 28)	203	178
Professional Fees	2,953	-
Sales promotion expenses	860	592
Security service charges	113	-
Miscellaneous expenses	186	123
Interest	3	34
GST Payment	867	-
Books and Periodicals	269	312
Foreign exchange Loss	-	566
Advertisement	10	-
Corporate social responsibility Expenses	1,465	-
Liquidated Damages	8,000	-
Bad Debts Written off	5,372	1,078
Total :	46,458	26,034

Note 26: Payment to auditors

Particulars	31-Mar-23	31-Mar-22
As Auditors		
- For Statutory audit	100	70
- For Tax audit	40	30
- For GST audit	20	20
- For Certification Fees	26	38
- For Income Tax Matters	10	10
Out of pocket expenses	7	10
Total	203	178

Note 27: Earnings per share (EPS)

Particulars	31-Mar-23	31-Mar-22
Profit for the year	88,144	24,468
Weighted average number of equity shares in calculating basic and diluted EPS	11,00,000	11,00,000
Face Value of each equity share	10	10
Basic and diluted earnings per share (EPS)	80.13	22.24

Note 28: Related Party Disclosures

(a) Key Management Personnel

- (i) K. Srinivasa Rao, Managing Director
- (ii) P. Chandra Shekar Reddy, Director
- (iii) K. Sri Harsha, Director

(b) Relatives of Key Management Personnel

- (i) K.Tulasi Syamala, Spouse of Managing Director
- (ii) K. Harikrishna , Brother of Managing Director

(c) Enterprises in which Key mangerial personnel have Control

- (i) Hamtek Infra Projects India Pvt Ltd

(c) Aggregated Related Party Transactions

Particulars	31-Mar-23	31-Mar-22
a) Key Management Personnel		
Remuneration	10,800	10,100
Loans taken	42,629	55,208
Loans given	-	-
Tour advances outstanding	-	-
Loan taken - Balance outstanding	42,629	55,208
(b) Relatives of Key Management Personnel		
Salary	1,368	1,128
(c) Enterprises in which Key mangerial personnel have Control		
(i) Hamteck Infra Projects India Pvt Ltd		
Purchases	1,25,186	-
Repayment	91,069	-
Balance payable	34,117	-

Note 29 . Corporate social responsibility expenses		
Particulars	31-Mar-23	31-Mar-22
Amount required to be spent as per section 135 of the Act	Refer Note	857
Amount spent during the year on :		
1. Construction/ acquisition of any assets	Refer Note	-
2. On purposes other than (1) above	Refer Note	-
Shortfall at the end of the year	Refer Note	857
Total Previous years shortfall	1,466	609
Nature of CSR activities	Refer Note	Refer Note
<i>Note: CSR is not applicable for the F.Y 2022-23. Previous years shortfall of Rs.8.57 Lakhs and Rs.6.09 Lakhs are transferred to a fund notified in Schedule VII of the Companies Act, 2013 during the current year.</i>		

Note 30: Employee Benefits as per AS 15 (revised)

The Company obtains actuarial valuation reports once in three years as per AS 15 (Para 58). The Company has taken actuarial valuation report as on 31-Mar-22.

Change in the present value of the defined benefit obligation are as follows

Particulars	31-Mar-23	
	Gratuity	Leave Encashment
Opening defined benefit obligation	1,443	531
Current Service Cost	202	118
Interest cost	-	-
Past services cost	-	-
Benefits paid	-	-
Actuarial (gains)/losses on obligation	-	-
Closing defined benefit obligation	1,645	649

Comparable figures for the year 2021-22

Particulars	31-Mar-22	
	Gratuity	Leave Encashment
Opening defined benefit obligation	1,241	413
Current Service Cost	202	118
Interest cost	-	-
Past services cost	-	-
Benefits paid	-	-
Actuarial (gains)/losses on obligation	-	-
Closing defined benefit obligation	1,443	531

Hamtek Technologies India Private Limited

Note 35: Analytical Ratios

Ratio	Numerator/Denominator	Current Year	Previous Year	Variance %	Reasons (if change is above 25%)
(a) Current Ratio	Current Assets/Current Liabilities	1.74	1.67	4%	-
(b) Debt-Equity Ratio	Total Debt/Total equity	0.32	0.42	-25%	-
(c) Debt Service Coverage Ratio	Earnings available for debt service/Debt Service	16.87	6.03	180%	Due to Increase in profit
(d) Return on Equity Ratio	Net Profit after tax/Average	0.07	0.09	-24%	-
(e) Inventory turnover Ratio	Sales/Average Inventory	19.28	13.93	38%	Due to Increase in sales & Reduced inventory holding
(f) Trade Receivables Turnover Ratio	Total Sales/Average Trade receivables	2.98	2.51	19%	-
(g) Trade Payables Turnover Ratio	Total Purchases/Average Trade Payables	2.56	2.24	14%	-
(h) Net Capital Turnover Ratio	Net Sales/Working Capital	4.37	3.43	28%	Due to Increase in sales
(i) Net Profit Ratio (in %)	Net Profit after tax/Net Sales	0.07	0.03	143%	Due to Increase in sales
(j) Return on Capital Employed	EBIT/Capital Employed	0.25	0.08	205%	Due to Increase in profit
(k) Return on Investment	EBIT/Capital Employed	NA	NA		

Note 31: Consumption of Materials

Particulars	31-Mar-23		31-Mar-22	
	Amount	%	Amount	%
(i) Imported	-	-	-	-
(ii) Indigeneous	8,45,591	100%	6,59,619	100%

Note 32: Expenditure in Foreign Currency

Particulars	31-Mar-23	31-Mar-22
Travelling Expenses	1,775	26,580

Note 33: Earnings in Foreign Currency

Particulars	31-Mar-23	31-Mar-22
Export Sales	-	71,639

Note 36: The Company has borrowings from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with Banks for March'23 Quarter are not in agreement with the books of account. The difference in inventories of Rs.610 Thousands (Shortfall in Statement submitted to Banks) is due to valuation adjustment and the difference in trade receivables of Rs.9154 Thousands (Excess in Statement submitted to Banks) is due to closing entries relating to TDS accounted.

Note 37: Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 38: Previous year figures are regrouped or rearranged, wherever necessary.

As per our report of even date

For and on behalf of the Board

For M.Anandam & Co.,
Chartered Accountants

M.V.Ranganath

Partner

M.No.028031

Place: Hyderabad

Date:27-09-2023



K. Srinivas Rao
Managing Director
DIN:02314246

P. C.S. Reddy
Director
DIN:02319839