

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Raddef Private Limited**

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of **Raddef Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2024, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, 2024, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Material Uncertainty related to Going Concern**

During the year ended 31st March, 2024, the Company has profit amounting to ₹ 323.37 lacs but in previous year ended 31st March, 2023 the company had losses amounting to ₹149.55 lacs and the accumulated losses of ₹ 236.50 lacs as at year ended 31st March,2024 (31.03.2023: ₹ 553.10 lacs) exceed the paid-up equity share capital and the net worth of the Company is fully eroded. The Company's ability to continue as a going concern is dependent on the success of its operations and ability to arrange funds for its operations. The management is hopeful and taking necessary steps in generating enough cash flow from business operations to meet out its liabilities. Accordingly, these financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Board's Report including Annexures to Board's Report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.



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

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

#### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report that:
  - 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.
  - 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 except for the matters stated in the paragraph B. (vi) below on reporting under Rule 11 (g) of the Companies (Audit & Auditors) Rules, 2014 (as amended).



(c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the provisions of section 197 of the Act, in respect of remuneration paid to its directors.

(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, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements.

ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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. The Company has not declared or paid any dividend during the year and has not proposed any dividend for the year.

vi. Based on our examination which included test checks and representation made by the management, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility but the same was not enabled for the period 1st April 2023 to 15<sup>th</sup> May 2023 and enabled thereafter throughout the rest of year. Further, for the periods, where audit trail (edit log) was enabled and operated, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

**For Oswal Sunil & Company**

Chartered Accountants

Firm Registration No.: 016520N

*Nishant*  
**CA Nishant Bhansali**

Partner

Membership No.: 532900

UDIN: 24532900BKAHWV1397



Place: New Delhi

Date: 30.04.2024

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph A under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date to the Members of **Raddef Private Limited** on the Standalone Ind AS Financial Statements for the year ended 31st March, 2024, we report that:

(i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals. As per information and explanations given to us, in our opinion, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties and hence, no comments are required on title deeds of immovable properties.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) As per information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The Company does not have any inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(b) During any point of time of the year, the Company was not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

(iii) The Company has made investments in, provided guarantees, provided security, granted loans and advances in the nature of loans, secured or unsecured, to companies and other parties, as under –

(a) (A) The aggregate amount during the year was ₹ Nil, and balance outstanding at the balance sheet date with respect to such loans and guarantees, etc. to subsidiaries, joint ventures and associates was ₹ Nil.

(B) The aggregate amount during the year was ₹ Nil, and balance outstanding at the balance sheet date with respect to such loans and guarantees, etc. to other than subsidiaries, joint ventures and associates was ₹ Nil.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not made investments or guarantees provided during the year. Under the circumstances, no comment is required on the terms and conditions of the grant of loans and guarantees provided during the year and whether these were, prima facie, prejudicial to the interest of the Company.

(c) There being no loans or advances in the nature of loans given by the Company, the stipulation as to schedule of repayment of principal or of payment of interest, was not applicable.

(d) There being no loans and advances in the nature of loans, the following were out of question – stipulation as to schedule of repayment of principal and payment of interest, the repayments or receipts that were due.



(e) There were no loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act").

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the products of the Company.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There were no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records examined by us, there are no statutory dues as referred to above, which have not been deposited on account of any dispute.

(viii) According to the information and explanation given to us, there was no transaction which was not recorded in the books of account and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given by the management, the Company has not taken any loan other than interest bearing loan from its Holding Company, which was not due for repayment or in respect of which repayment schedule was revised and the Company has not defaulted in repayment of loan. However, there was default in the payment of interest thereon.

(b) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.

(c) As per information and explanations given to us, no term loans were raised for any specific purpose.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) Based on our examinations of the records and information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) during the year by the Company.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations given to us and based on our examination, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the **Companies (Audit and Auditors) Rules, 2014** with the Central Government.

(c) According to the information and explanations given to us and based on our examination, there were no whistle-blower complaints received during the year by the Company;

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Standalone Ind AS Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has no internal audit system, the provisions of clause 3(xiv) of the order regarding internal audit system being not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company. According to the information and explanations given to us, there are two Core Investment Companies (CIC) in the Group, viz., 1. MN Ventures (P) Ltd.; 2. Nextwave Communications (P) Ltd.

(xvii) The Company has not incurred cash loss in the financial year ended 31<sup>st</sup> March, 2024. In the immediately preceding financial year, the amount of cash losses incurred was ₹ 108.93 lacs.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

**For Oswal Sunil & Company**

Chartered Accountants

Firm Registration No. 016520N

*Nishant*



**CA Nishant Bhansali**

Partner

Membership No.: 532900

UDIN: 24532900BKAHWV1397

Place: New Delhi

Date: 30.04.2024

## **'ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **Raddef Private Limited** ('the Company') as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS 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.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For Oswal Sunil & Company**

Chartered Accountants

Firm Registration No. 016520N..

*Nishant*  
CA Nishant Bhansali

Partner

Membership No.: 532900

UDIN: 24532900BKAHWV1397



Place: New Delhi

Date: 30.04.2024

**RADDEF PRIVATE LIMITED**  
**CIN: U74999KA2017PTC105873**  
**Balance Sheet as at March 31, 2024**  
*(All amounts are Rupees in Lakhs)*

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Property, Plant & Equipment	3	10.49	7.16
b) Intangible Assets (other than Goodwill)	3	51.26	90.71
<b>Current Assets</b>			
(a) Inventories	4a	117.47	-
(b) Financial Assets			
(i) Cash & Cash Equivalents	4b	19.22	2.07
(c) Other Current Assets	5	76.67	297.38
<b>Total Assets</b>		<b>275.11</b>	<b>397.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	6	1.00	1.00
(b) Other Equity	7	(236.50)	(553.10)
<b>Total Equity</b>		<b>(235.50)</b>	<b>(552.10)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Provisions	8	19.91	12.39
		<b>19.91</b>	<b>12.39</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	200.00	200.00
(ii) Trade Payables	10		
-total outstanding dues of micro and small enterprises		4.89	1.69
-total outstanding dues to other than micro and small enterprises		4.62	6.64
(iii) Other financial liabilities	11	27.78	24.29
(b) Other current liabilities	12	246.92	698.86
(c) Provisions	13	6.49	5.55
		<b>490.70</b>	<b>937.04</b>
<b>Total Liabilities</b>		<b>510.61</b>	<b>949.42</b>
<b>Total Equity and Liabilities</b>		<b>275.11</b>	<b>397.32</b>

As per our report of even date attached  
**For Oswal Sunil & Company**  
**Chartered Accountants**  
**Firm Registration Number: 016520N**

*Nishant*  
**CA Nishant Bhansali**  
 Partner  
 Membership No.:532900



**For and on behalf of the Board of Directors**

*Jitendra Singh Chaudhary*  
**Jitendra Singh Chaudhary**  
 Director  
 DIN : 01709943

*Kapnaji Chandrashekar*  
**Kapnaji Chandrashekar**  
 Wholetime Director  
 DIN : 06966130

Place: New Delhi  
 Date: 30.04.2024

**RADDEF PRIVATE LIMITED**

CIN: U74999KA2017PTC105873

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

(All amounts are Rupees in Lakhs)

Particulars		Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I.</b>	<b>INCOME</b>			
	Revenue from operations	14	693.13	195.00
	Other Income	15	3.75	4.64
	<b>Total Income (I)</b>		<b>696.88</b>	<b>199.64</b>
<b>II.</b>	<b>EXPENSE</b>			
	Change in inventories of finished goods, work-in progress and stock-in trade		(117.47)	-
	Employee benefits expense	16	311.57	235.74
	Finance Cost	17	18.26	18.31
	Depreciation and Amortization	3	41.88	40.62
	Other Expenses	18	119.26	54.53
	<b>Total Expenses (II)</b>		<b>373.51</b>	<b>349.19</b>
<b>III</b>	<b>Profit / (loss) before exceptional items and income tax (I-II)</b>		<b>323.37</b>	<b>(149.55)</b>
<b>IV</b>	Exceptional item (net of tax)		-	-
<b>V</b>	<b>Profit / (Loss) before tax (III - IV)</b>		<b>323.37</b>	<b>(149.55)</b>
<b>VI</b>	<b>Tax expense</b>			
	Current tax		-	-
	Deferred tax		-	-
<b>VII</b>	<b>Profit/(loss) for the period (V-VI)</b>		<b>323.37</b>	<b>(149.55)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A.) Items that will not be reclassified to profit or loss		(6.77)	(17.94)
	B.) Items that will be reclassified to profit or loss;		-	-
	<b>Other comprehensive income for the year after tax (VIII)</b>		<b>(6.77)</b>	<b>(17.94)</b>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>316.60</b>	<b>(167.49)</b>
	Face Value per equity share ₹ 10/-			
	Basic earnings per share (₹)	19	3,233.73	(1,495.51)
	Diluted earnings per share (₹)	19	3,233.73	(1,495.51)

As per our report of even date attached

For **Oswal Sunil & Company**

Chartered Accountants

Firm Registration Number: 016520N

CA **Nishant Bhansali**

Partner

Membership No.:532900

Place: New Delhi

Date: 30.04.2024

For and on behalf of the Board of Directors

**Jitendra Singh Chaudhary**

Director

DIN : 01709943

**Karrajji Chandrashekar**

Wholetime Director

DIN : 06966130

**RADDEF PRIVATE LIMITED**

**CIN: U74999KA2017PTC105873**

**Statement of Cash Flow for the year ended March 31, 2024**

*(All amounts are Rupees in Lakhs)*

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I. Cash Flow From Operating Activities</b>		
Profit/(Loss) before income tax	323.37	(149.55)
Depreciation / Amortisation	41.88	40.62
Interest on Borrowings	18.00	18.00
	383.26	(90.93)
<b>Change in operating assets and liabilities</b>		
(Increase) / decrease in Trade Receivables	-	4.81
(Increase) / decrease in Work in Progress	(117.47)	-
(Increase) / decrease in Other current asset	220.72	(218.48)
Increase / (decrease) in Trade Payables	1.17	(29.38)
Increase/(decrease) in other financial and non-financial liabilities	(464.76)	340.48
<b>Cash generated from operations</b>	22.93	6.49
Direct taxes paid (net of refunds received)	-	-
<b>Net cash inflow from operating activities</b>	22.93	6.49
<b>II Cash flows from investing activities</b>		
Purchase of Property Plant & Equipment / Intangible Assets	(5.76)	(5.07)
	(5.76)	(5.07)
<b>III Cash flows from financing activities</b>		
Proceeds from Borrowings	-	-
Interest on Borrowings	-	-
	-	-
<b>IV Net increase (decrease) in cash and cash equivalents</b>	17.16	1.42
<b>V Cash and cash equivalents at the beginning of the financial year</b>	2.07	0.65
<b>VI Cash and cash equivalents at end of the year</b>	19.22	2.07

**Notes:**

- 1 The Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015
- 2 Figures in bracket indicate cash outflow.
- 3 Cash and cash equivalents (refer note 6), comprise of the following:

- Balance with banks	19.22	2.07
<b>Balances per Statement of Cash Flows</b>	19.22	2.07

As per our report of even date attached  
**For Oswal Sunil & Company**  
Chartered Accountants  
Firm Registration Number: 016520N

*Nishant*  
**CA Nishant Bhansali**  
Partner  
Membership No.:532900



**For and on behalf of the Board of Directors**

*Jitendra Singh Chaudhary*  
**Jitendra Singh Chaudhary**  
Director  
DIN : 01709943

*Kannaji Chandrashekar*  
**Kannaji Chandrashekar**  
Wholetime Director  
DIN : 06966130

Place: New Delhi  
Date: 30.04.2024

**RADDEF PRIVATE LIMITED**

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

(All amounts are Rupees in Lakhs)

**Equity Share Capital**

Particulars	Amount
As at April 1, 2022	1.00
Changes in equity share capital	-
As at March 31, 2023	1.00
Changes in equity share capital	-
As at March 31, 2024	1.00

**Other equity**

Particulars	Reserves and Surplus	Other Comprehensive Income	Total
	Retained Earnings	Remeasurement of defined benefit plans	
Balance as at April 1, 2022	(385.61)	-	(385.61)
Total Comprehensive Income for the year	(149.55)	(17.94)	(167.49)
Balance as at March 31, 2023	(535.16)	(17.94)	(553.10)
Total Comprehensive Income for the year	323.37	(6.77)	316.60
Balance as at March 31, 2024	(211.79)	(24.71)	(236.50)

As per our report of even date attached  
For Oswal Sunil & Company  
Chartered Accountants  
Firm Registration Number: 016520N

CA Nishant Bhansali  
Partner  
Membership No.: 532900



Place : New Delhi  
Date: 30.04.2024

For and on behalf of the Board of Directors

Jitendra Singh Chaudhary  
Director  
DIN : 01709943

Kannaji Chandrashekar  
Wholetime Director  
DIN : 06966130

## Raddef Private Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts are in Rupees Lacs)

#### 1. Corporate information

Raddef Private Limited is a private company incorporated under the provisions of the Companies Act, 2013. The Company came into existence on 25<sup>th</sup> August 2017. The Company is wholly owned subsidiary company of HFCL Ltd.

#### 2. Material accounting policies

##### 2.1. Basis of preparation

###### 2.1.1. Compliance with Ind AS

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved have been considered in preparation of these Financial Statements.

###### 2.1.2. Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value;
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees except where otherwise stated.

###### 2.1.3. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

#### 2.2. Current versus non-current classification

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading, or
- c) Expected to be realised within twelve months after the reporting period other than for (a) above, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.



### 2.3. Fair value measurement

The Company measures financial instruments, such as, derivatives 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.

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 — Quoted (unadjusted)**  
This hierarchy includes financial instruments measured using quoted prices.
- **Level 2**  
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
Level 2 inputs include the following:
  - i. quoted prices for similar assets or liabilities in active markets.
  - ii. quoted prices for identical or similar assets or liabilities in markets that are not active.
  - iii. inputs other than quoted prices that are observable for the asset or liability.
  - iv. Market – corroborated inputs.
- **Level 3**  
They are unobservable inputs for the asset or liability reflecting material modifications to observable related market data or Company's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### 2.4. Property Plant and Equipment

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of tax credit, if any) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Material Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided for on Plant & Machinery and on other PPE on written down value method on the basis of useful life. On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.



Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The useful life of property, plant and equipment are as follows:-

Asset Class	Useful Life
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Computers	3 – 6 years
Office Equipment	5 years
Vehicles	8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the company will obtain ownership at the end of the lease term.

An item of PPE is de-recognized 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 PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

## 2.5. Intangible Assets

### (i) Intangible assets

#### ➤ Recognition of intangible assets

##### a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.

#### ➤ De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

## 2.6. Financial instruments

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

### 2.6.1. Financial assets

#### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)



### ***De-recognition***

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### ***Impairment of financial assets***

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

### **Financial liabilities**

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### ***Initial recognition and measurement***

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

### ***Subsequent measurement***

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

### ***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.



## 2.7. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

## 2.8. Revenue recognition

The company recognizes revenue in accordance with Ind- AS 115. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services.

Revenues in excess of invoicing are classified as contract assets (which may also refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which may also refer to as unearned revenues).

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

### ➤ Interest income

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

## 2.9. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company 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 of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.



## 2.10. GST/CENVAT

The GST/CENVAT credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against GST/excise duty payable on clearance of goods produced. The unadjusted GST/CENVAT credit is shown under the head "short term loans and advances".

## 2.11. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## 2.12. Inventories

Traded goods are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 2.13. Foreign currency transactions

The functional currency of the Company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting /settlement date and the exchange rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the period.

## 2.14. Employee Benefits

### Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Long-Term employee benefits

Compensated expenses which are not expected to occur within twelve months after the end of period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.



## Post-employment obligations

### i. Defined contribution plans

#### **Provident Fund and employees' state insurance schemes**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Statement of Profit and Loss. The Company has no further obligations under these plans beyond its monthly contributions.

### ii. Defined benefit plans

#### **Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 "Employee Benefits". The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

#### **Leave Encashment**

The company has provided for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

Actuarial gains and losses on defined benefit plans are recognized in OCI as and when incurred.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

#### **Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.



## 2.15. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.16. Income taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Restated Consolidated Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

Dividend distribution tax paid on the dividends is recognized consistently with the presentation of the transaction that creates the income tax consequence.



**Raddef Private Limited**

**Notes forming part of the Financial Statements for the year ended March 31, 2024**

(All amounts are Rupees in Lakhs)

**3 Property, Plant and equipment**

**3A Property, Plant and equipment**

Gross Carrying Value	Computers	Testing Equipments	Total
<b>As at April 1, 2022</b>	<b>10.37</b>	<b>43.99</b>	<b>54.36</b>
Additions	5.07	-	5.07
Disposals / Adjustments	-	-	-
<b>As at March 31, 2023</b>	<b>15.44</b>	<b>43.99</b>	<b>59.43</b>
Additions	5.76	-	5.76
Disposals / Adjustments	-	-	-
<b>As at March 31, 2024</b>	<b>21.20</b>	<b>43.99</b>	<b>65.19</b>
<b>Accumulated depreciation and impairment</b>			
<b>As at April 1, 2022</b>	<b>9.39</b>	<b>41.61</b>	<b>51.00</b>
Depreciation for the year	1.09	0.18	1.27
Disposals / Adjustments	-	-	-
Transfer to retained earning	-	-	-
<b>As at March 31, 2023</b>	<b>10.48</b>	<b>41.79</b>	<b>52.27</b>
Depreciation for the year	2.43	-	2.43
Disposals / Adjustments	-	-	-
Transfer to retained earning	-	-	-
<b>As at March 31, 2024</b>	<b>12.91</b>	<b>41.79</b>	<b>54.70</b>
<b>Net Book Value</b>			
As at March 31, 2024	8.29	2.20	10.49
As at March 31, 2023	4.96	2.20	7.16
As at March 31, 2022	0.98	2.38	3.36

**3B Intangible Assets**

Particulars	Softwares
<b>Gross Carrying Value</b>	
<b>As at April 1, 2022</b>	<b>196.90</b>
Additions	-
Disposals / Adjustments	-
<b>As at March 31, 2023</b>	<b>196.90</b>
Additions	-
Disposals / Adjustments	-
<b>As at March 31, 2024</b>	<b>196.90</b>
<b>Accumulated depreciation and impairment</b>	
<b>As at April 1, 2022</b>	<b>66.84</b>
Depreciation for the year	39.34
Disposals / Adjustments	-
Transfer to retained earning	-
<b>As at March 31, 2023</b>	<b>106.19</b>
Depreciation for the year	39.45
Disposals / Adjustments	-
Transfer to retained earning	-
<b>As at March 31, 2024</b>	<b>145.64</b>
<b>Net Book Value</b>	
As at March 31, 2024	51.26
As at March 31, 2023	90.71
As at March 31, 2022	130.05



**RADDEF PRIVATE LIMITED**
**Notes forming part of the Financial Statements for the year ended March 31, 2024**
*(All amounts are Rupees in Lakhs)*
**4a Inventories (at cost or net realisable value whichever is lower)**

Particulars	As at March 31, 2024	As at March 31, 2023
(As Certified and valued by the management)		
Contract Work-in-progress	117.47	-
<b>Total</b>	<b>117.47</b>	<b>-</b>

**4b Current Financial Assets - Cash & Cash Equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
- In current account	19.22	2.07
<b>Total</b>	<b>19.22</b>	<b>2.07</b>

**5 Other Current Assets**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>		
Unbilled Receivables	-	195.00
Indirect Taxes Recoverable	-	51.07
Advance Income Tax / TDS Recoverable	76.09	51.07
Advance to Vendors	0.49	-
Advance to Employees	0.09	0.25
<b>Total</b>	<b>76.67</b>	<b>297.38</b>

**6 Equity Share Capital**
**(i) Authorised Share Capital\***

Particulars	No of Shares	Amount
<b>As at April 1, 2022</b>	<b>20,00,000</b>	<b>200.00</b>
Increase during the year		
<b>As at March 31, 2023</b>	<b>20,00,000</b>	<b>200.00</b>
Increase during the year		
<b>As at March 31, 2024</b>	<b>20,00,000</b>	<b>200.00</b>

\* Equity Shares of Rs. 10 Each

**(ii) Shares issued, subscribed and fully paid-up \***

Particulars	No of shares	Equity Share Capital par value
<b>As at April 1, 2022</b>	<b>10,000</b>	<b>1.00</b>
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
<b>As at March 31, 2023</b>	<b>10,000</b>	<b>1.00</b>
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
<b>As at March 31, 2024</b>	<b>10,000</b>	<b>1.00</b>

\* Equity Shares of Rs. 10 Each

**(iii) Shareholders holding more than 5 percent of Equity Shares**

Name of Shareholder	As at March 31, 2024	As at March 31, 2023
	No. of share held	No. of share held
HFCL Ltd. (Holding Company) <i>One share is held by each of five nominees of Holding Company</i>	9,000	9,000
<b>% of Holding</b>	<b>90.00%</b>	<b>90.00%</b>
Kannaji Chandrashekar	1,000	1,000
<b>% of Holding</b>	<b>10.00%</b>	<b>10.00%</b>

**RADDEF PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2024

(All amounts are Rupees in Lakhs)

**Promoter's Shareholding as at 31.03.2024**

(iv) Shares held by promoters at the end of the year				%change during the year
S. No	Promoters Name	No. of shares	% of total shares	
1	HFCL Ltd	90,000	90%	0%
2	K Chandrashekar	10,000	10%	0%

**Promoter's Shareholding as at 31.03.2023**

(iv) Shares held by promoters at the end of the year				%change during the year
S. No	Promoters Name	No. of shares	% of total shares	
1	HFCL Ltd	90,000	90%	0%
2	K Chandrashekar	10,000	10%	0%

**(v) Terms/right attached to Equity Shares -**

The Company has issued equity share of Rs.10/- each. On a show of hands, every holder of equity shares is entitled for one vote and upon a poll shall have voting rights in proportion to the shares of the paid up capital of the Company held by them. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount in proportion to their shareholdings.

**7 Other Equity**

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings	(236.50)	(553.10)
	(236.50)	(553.10)

**(i) Retained Earnings**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	(553.10)	(385.61)
Net profit/(Loss) for the period	323.37	(149.55)
Items of Other Comprehensive Income recognised directly in Retained Earnings	(6.77)	(17.94)
Closing Balance	(236.50)	(553.10)

**8 Non-Current Liabilities - Provisions**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Unfunded)	18.19	9.14
Provision for Leave Encashment (Unfunded)	1.72	3.24
<b>Total</b>	<b>19.91</b>	<b>12.39</b>

**9 Current Financial Liabilities - Borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Loan from Holding Company*	200.00	200.00
* Loan carries interest @ 9% p.a.		
<b>Total</b>	<b>200.00</b>	<b>200.00</b>

Note: Principle amount together with Interest to be paid by 11-03-2025



**RADDEF PRIVATE LIMITED**

Notes forming part of the Financial Statements for the year ended March 31, 2024

(All amounts are Rupees in Lakhs)

**10 Trade Payables**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Payables</b>		
(i) MSME	4.89	1.69
(ii) Others	4.62	6.64
(iii) Disputed dues (MSMEs)	-	-
(iv) Disputed dues (Others)	-	-
<b>Total</b>	<b>9.51</b>	<b>8.33</b>

**10.1 Trade Payables - Additional Information**

Particulars	As at 31.03.2024			As at 31.03.2023		
	MSME	Others	Total	MSME	Others	Total
O/S Amount	4.89	4.62	9.51	1.69	6.64	8.33
Not Due Amount	4.89	2.59	7.48	1.69	4.23	5.92
Due Amount	-	2.03	2.03	-	2.41	2.41
<i>Due Ageing:</i>						
Less than 1 Year	-	2.03	2.03	-	-	-
1 - 2 Year	-	-	-	-	2.31	2.31
2 - 3 Year	-	-	-	-	0.07	0.07
More than 3 Years	-	-	-	-	0.03	0.03
<b>Total Due Amount</b>	<b>-</b>	<b>2.03</b>	<b>2.03</b>	<b>-</b>	<b>2.41</b>	<b>2.41</b>

**11 Other Current Financial Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Payables to Employees	1.29	1.25
Expenses Payable	26.49	23.04
<b>Total</b>	<b>27.78</b>	<b>24.29</b>

**12 Other Current Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Liabilities Payable	42.94	3.93
Interest Payable on borrowings	82.34	66.14
Advance from Customers	121.64	628.79
<b>Total</b>	<b>246.92</b>	<b>698.86</b>

**13 Current Liabilities - Provisions**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity (Unfunded)	5.63	3.91
Provision for Leave Encashment (Unfunded)	0.86	1.64
<b>Total</b>	<b>6.49</b>	<b>5.55</b>



**14 Revenue from Operations**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income from Services</b>		
Products Development Services	693.13	195.00
	<b>693.13</b>	<b>195.00</b>

**15 Other Income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Income Tax Refund	0.78	1.87
Sundry Balance Written Back	2.97	-
Excess Provision Written back	-	2.77
	<b>3.75</b>	<b>4.64</b>

**16 Employee Benefit Expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, Allowances & Bonus	296.19	226.09
Contribution to Provident & Other funds	9.54	5.41
Staff Welfare Expenses	5.84	4.24
	<b>311.57</b>	<b>235.74</b>

**17 Finance Costs**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Borrowings	18.00	18.00
Bank Charges	0.01	0.01
Interest/Late Fee on GST	-	0.29
Interest/Late Fee on TDS	0.01	0.01
Interest/Late Fee on ESI	0.24	-
	<b>18.26</b>	<b>18.31</b>

**18 Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Product Development Expenses	67.47	18.87
Audit Fee	1.00	1.00
Computer & IT Expenses	0.32	0.55
Rent & Hire Charges	0.31	0.56
Recruitment Expenses	0.29	-
Postage & Courier Charges	0.43	0.36
Professional Charges	42.44	22.30
Depository Charges	0.05	0.17
Rates & Taxes	0.04	0.14
Printing and Stationery	0.31	0.13
Travelling & conveyance	6.60	1.24
Exhibition Expenses	-	4.12
Bad Debts	-	4.81
Sundry Balance Written Off/Back	-	0.29
<b>Total</b>	<b>119.26</b>	<b>54.53</b>

**19 Earning per Share (EPS)- In accordance with the Indian Accounting Standard (Ind AS-33)**

Particulars	For year ended March 31, 2024	For year ended March 31, 2023
<b>Basic &amp; Diluted Earnings per share</b>		
<b>Profit /(Loss) after tax</b>	<b>323.37</b>	<b>(149.55)</b>
Less: Preference dividend	-	-
Profit attributable to ordinary shareholders	323.37	(149.55)
Weighted average number of Equity Shares (used as denominator for calculating basic EPS)	10,000	10,000
Weighted average number of Equity Shares (used as denominator for calculating diluted EPS)	10,000	10,000
<b>Nominal value of Equity share</b>	<b>Rs.10</b>	<b>Rs.10</b>
<b>Earnings per share basic</b>	<b>3,233.73</b>	<b>(1,495.51)</b>
<b>Earnings per share diluted</b>	<b>3,233.73</b>	<b>(1,495.51)</b>



**20 Critical accounting estimates and judgments**

The preparation of restated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgments are:

1. Estimation of contingent liabilities refer Note 25.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**21 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :**

Particulars	As at March 31, 2024	As at March 31, 2023
a. Principal amount due *	4.89	1.69
b. Interest due on above	-	-
c. Interest paid during the period beyond the appointed day	-	-
d. Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
e. Amount of interest accrued and remaining unpaid at the end of the period	-	-
f. 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 small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

\*includes amount of Rs NIL- (previous year Rs NILA-) outstanding but not overdue to micro, small and medium enterprises as on 31st March 2024.

**22 Payment to Auditors (excluding GST)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit Fees (including limited reviews)	1.00	1.00

**23 During the year, Company has recognised the following amounts in the financial statements as per Accounting Standard on "Employees Benefits" :**

**a) Defined Benefit Plan**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuation in accordance with Accounting Standard 15 (revised), "Employee benefits". The present value of obligation under gratuity is determined based on actuarial valuation at period end using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build the final obligations

Actuarial assumptions	Gratuity		Leave Encashment	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate (per annum)	7.25%	7.50%	7.25%	7.50%
Salary growth rate	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	Nil	Nil	Nil	Nil
Average future service (years)	27.10	24.40	27.10	24.40

**Table showing changes in present value of obligations :**

Present value of obligation as at the beginning of the year	13.05	-	4.89	-
Acquisition adjustment	-	-	-	-
Interest cost	1.31	-	0.53	-
Past service cost (Vested Benefit)	-	-	-	-
Current service cost	5.63	13.05	1.78	4.89
Curtailment cost / (Credit)	-	-	-	-
Settlement cost / (Credit)	-	-	-	-
Benefits paid (if any)	-	-	-	-
Actuarial (gain)/ loss	3.83	-	(7.55)	-
Present value of obligation as at the end of the period	23.82	13.05	2.59	4.89

**Bifurcation of total actuarial (gain)/ loss on liabilities**

Actuarial (gain) / loss for the period - Obligation	-	-	-	-
Actuarial (gain)/ losses from changes in financial assumptions	0.26	-	0.10	-
Experience Adjustment (gain) / loss for plan liabilities	3.57	13.05	2.85	4.89
Unrecognised actuarial (gains) / losses at the end of the period	-	-	-	-
Total amount recognized in Other Comprehensive Income	3.83	13.05	2.94	4.89

**Key results to be recognized in Balance Sheet**

Present value of obligation as at the end of the period	23.82	13.05	2.59	4.89
Fair value of plan assets as at the end of the period	-	-	-	-
Funded Status	(23.82)	(13.05)	(2.59)	(4.89)
Unrecognised actuarial (gains) / losses	-	-	-	-
Net asset / (liability) recognised in Balance Sheet	23.82	13.05	2.59	4.89

**Expenses recognised in Statement of Profit and Loss :**

Current service cost	5.63	13.05	1.78	4.89
Past service cost	-	-	-	-
Interest Cost	1.31	-	0.53	-
Expected return on plan assets	-	-	-	-
Curtailment and settlement cost / (credit)	-	-	-	-
Expenses recognised in the Statement of Profit and Loss	6.94	13.05	2.31	4.89

Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

**24 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Whole-time Director of the Company. The Company operates only in one Business Segment i.e. 'Development of Surveillance Radar - Medium Range and Short Range' within India, hence does not have any reportable segments as per Ind AS 108 "Operating Segments". The performance of the Company is mainly driven by sales made locally and hence, no separate geographical segment is identified.



25 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

	As at March 31, 2024	As at March 31, 2023
(i) Unexpired Letters of Credit	Nil	Nil
(ii) Guarantees given by banks on behalf of the Company	Nil	Nil
(iii) Claims against the Company towards sales tax, income tax and others in dispute not acknowledged as debt	Nil	Nil

(a) The Company has no pending litigations and proceedings as at 31 March 2024 and 31 March 2023

(b) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

(c) The Company did not have any outstanding derivative contracts as at 31 March 2024 and 31 March 2023

(b) Capital Commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil

26 Deferred tax Assets / Liabilities

The details of Deferred Tax Assets and Liabilities are as under:

	Particulars	As at 31st March, 2024 (Rs. in Lakhs)	As at 31st March, 2023 (Rs. in Lakhs)
(A)	<b>Deferred Tax Asset</b>		
	Carry Forward Losses and Unabsorbed Depreciation	36.54	92.28
	Relating to depreciation on Property, Plant and Equipment	-	-
	Provision for Gratuity	6.00	3.28
	Provision for Leave Encashment	0.65	1.23
<b>Total</b>		<b>43.18</b>	<b>96.80</b>
(B)	<b>Deferred Tax Liability</b>		
<b>Total</b>	Relating to depreciation on Property, Plant and Equipment	(7.71)	(14.65)
(A-B)	<b>Deferred Tax Asset/(Liability) – Net</b>	<b>35.47</b>	<b>82.15</b>

The management is of the view that currently the requirement of virtual certainty and convincing evidence as enunciated in Indian Accounting Standard (Ind AS) 12 are not met and therefore, Deferred Tax Assets (Net) have not been carried in the financial statements. Accordingly, the Company has not recognized the Deferred Tax as at 31st March, 2024.

27 During the year, Company has recognised the following amounts in the financial statements as per Accounting Standard on "Employees Benefits":

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund	5.31	2.02

28 Related Party Disclosure:

A) Related Party Disclosure, as identified by the Management

Related Parties where Control exists:

HFCL Limited (Holding Company)

Key Management Personnel:

Shri Kannaji Chandrasekhar, Whole time Director  
Shri S.K. Garg, Director  
Shri Jitendra Singh Chaudhary, Director

Fellow Subsidiaries

HTL Limited  
HFCL Technologies Private Limited  
HFCL Advance Systems Private Limited  
Dragonwave HFCL India Private limited  
Moneta Finance Private  
Polixel Security Systems Private Limited  
HFCL Inc.  
HFCL B.V.

B) Related Party Disclosure

i) Transactions with Related Parties

Name of the Party	Description	Volume of transactions (FY 23-24)	Volume of transactions (FY 22-23)
HFCL Limited	Inter Corporate Deposit taken	-	-
	Interest Expenses	18.00	18.00
	Sale of Services	693.13	195.00
	Advances Received	395.47	337.70
Shri Kannaji Chandrasekhar	Remuneration to KMP*	51.05	30.22

\*Remuneration to KMPs denotes Basic Salary, Allowances and Provident Fund. No other benefits, viz gratuity, leave encashment, company car and telephone are paid.

ii) Payable/(Receivable)

Name of the Party	Amount Payable as at 31.03.2024	Amount Payable as at 31.03.2023
HFCL Limited - Loan	200.00	200.00
HFCL Limited - Interest on Loan	82.34	66.14
HFCL Limited - Advances	109.14	628.79
Shri Kannaji Chandrasekhar	4.66	2.68

29 In the opinion of the Board, Current Assets and Loans and Advances are of the value stated, if realized in the Ordinary course of business.



### 30 Financial risk management objectives

The Company's principal financial liabilities, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

#### Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

	Note No.	Carrying amount	Less than 12 months	More than 12 months
<b>As at March 31, 2024</b>				
Current Financial Liabilities - Borrowings	9	200.00	200.00	-
Trade Payables	10	9.51	9.51	-
Other liabilities	12	274.70	274.70	-
<b>As at March 31, 2023</b>				
Current Financial Liabilities - Borrowings	9	200.00	200.00	-
Trade Payables	10	8.33	8.33	-
Other liabilities	12	723.15	723.15	-

#### Capital management

Capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	200.00	200.00
Trade Payables (Note 10)	9.51	8.33
Other Payables (Note 11 & Note 12)	274.70	723.15
<b>Gross Debt</b>	<b>484.21</b>	<b>931.48</b>
Less: Cash and Cash equivalents (Note 4b)	19.22	2.07
<b>Net Debt (A)</b>	<b>464.99</b>	<b>929.41</b>
Equity	(235.50)	(552.10)
<b>Total Capital (B)</b>	<b>(235.50)</b>	<b>(552.10)</b>
<b>Gearing ratio (A / B)</b>	<b>(1.97)</b>	<b>(1.68)</b>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital as at 31 March 2024 and 31 March 2023.

### 31 Financial Instruments by category

Particulars	Mar-24			Mar-23		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>1) Financial Assets</b>						
I) Investments	-	-	-	-	-	-
II) Trade receivables	-	-	-	-	-	-
III) Cash and Cash equivalents	-	-	19.22	-	-	2.07
IV) Other Bank balances	-	-	-	-	-	-
V) Security deposit for utilities and premises	-	-	-	-	-	-
VI) Other receivables	-	-	-	-	-	-
<b>Total financial assets</b>	-	-	<b>19.22</b>	-	-	<b>2.07</b>
<b>2) Financial liabilities</b>						
I) Borrowings	-	-	200.00	-	-	200.00
II) Obligations under Finance Lease	-	-	-	-	-	-
III) Deposits	-	-	-	-	-	-
IV) Trade payables	-	-	9.51	-	-	8.33
V) Other liabilities	-	-	274.70	-	-	723.15
<b>Total Financial liabilities</b>	-	-	<b>484.21</b>	-	-	<b>931.48</b>

### 32 Significant estimates :

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of the changes to these assumptions.

### 33 Financial Ratios

Ratio/ Measures	Methodology	March 31, 2024	March 31, 2023	% Variance
(i) Current Ratio <sup>1</sup>	Current assets over current liabilities	0.20	0.32	-39%
(ii) Debt Equity Ratio <sup>2</sup>	Total debt over share holder equity	(0.85)	(0.36)	134%
(iii) Debt Service Coverage Ratio <sup>3</sup>	Earning available for Debt Service over Debt	21.29	(5.05)	-521%
(iv) Return on Equity <sup>4</sup>	PAT over average shareholder equity	(0.82)	0.32	-357%
(v) Inventory Turnover Ratio	Sales over average inventory	-	-	-
(vi) Trade Receivables Turnover Ratio	Net Sales over average account receivables	-	-	-
(vii) Trade Payables Turnover Ratio	Purchases over average trade payables	-	-	-
(viii) Net Capital Turnover Ratio <sup>5</sup>	Net Sales over working capital	(1.67)	(0.30)	457%
(ix) Net Profit Ratio <sup>7</sup>	Net profit after tax over sales	0.47	(0.77)	-161%
(x) Return on Capital Employed <sup>8</sup>	EBIT over total assets less intangible assets less current liabilities.	(1.19)	0.20	-684%
(xi) Return on Investment	Interest Income net gain on sale of investment and net fair value gain	-	-	-

PAT - Profit after tax

Working Capital - Current assets less current liabilities

EBIT - Earning before Interest and taxes

#### Explanation for variances exceeding 25%

<sup>1</sup> Change in current ratio is due to decrease in current Liabilities

<sup>2</sup> Change in debt equity ratio is due to increase in EBIT

<sup>3</sup> Change in debt service coverage ratio is due to increase in EBIT

<sup>4</sup> Change in return on equity is due to increase in EBIT

<sup>5</sup> Change in net capital turnover ratio is due to increase in revenue from operations

<sup>7</sup> Change in net profit ratio is due to increase in revenue.

<sup>8</sup> Change in return on capital employed is due to decrease in current liabilities



**34 Other Statutory Information**

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (iv) The Company 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 Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (vii) The Company is not declared wilful defaulter by and bank or financial institution or lender during the year.
- (viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (ix) The Company has not raised funds from issue of securities or borrowings from banks and financial institutions
- (x) The Company has not obtained any borrowings from banks or financial institutions on the basis of security of current assets.
- (xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- (xii) The Company does not have any transactions with companies which are struck off.

**35** Previous year figures have been regrouped, rearranged and/or reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Registration Number: 016520N

CA Nishant Bhansali

Partner

Membership No.: 532900

Place : New Delhi

Date: 30.04.2024



For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Jitendra Singh Chaudhary".

Jitendra Singh Chaudhary

Director

DIN : 01709943

A handwritten signature in black ink, appearing to read "Karan Chandrashekar".

Karan Chandrashekar

Wholtime Director

DIN : 06966130