

ANNUAL
REPORT
2023

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NOTICE AND AGENDA OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the members of Netweb Technologies India Limited will be held on Saturday, May 20th, 2023 at 3:00 PM at the registered office of the Company at Plot no H-1, Pocket 9, Faridabad Industrial Town (FIT), Sector-57, Ballabhgarh, Faridabad, 121004, to transact the following business:

ORDINARY BUSINESS:

- 1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 AND REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON**
- 2. TO DECLARE DIVIDEND OF RS. 0.50 PER EQUITY SHARE OF RS. 2 EACH FOR THE FINANCIAL YEAR 2022-23**
- 3. TO APPOINT A DIRECTOR IN PLACE OF SHRI NAVIN LODHA (DIN: 00461924), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT.**

SPECIAL BUSINESS:

- 4. TO RATIFY THE REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE FY 2023-24**

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT, in accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration of M/s Sunny Chhabra & Co, Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of cost records maintained by the Company for the financial year 2022-23 at 75,000 (Rupees Seventy Five Thousand only) plus out of pocket expenses and applicable taxes be and is hereby ratified."

- 5. APPROVAL FOR PAYMENT OF COMMISSION TO MR. SANJAY LODHA, MANAGING DIRECTOR, MR. NAVIN LODHA, MR. NIRAJ LODHA AND MR. VIVEK LODHA, WHOLE TIME DIRECTORS OF THE COMPANY FOR THE FY 2022-23**

To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of section 197 of the Companies Act, 2013 (Act), applicable provisions of the articles of association of the Company and applicable rules made under the act (including any statutory modification or re-enactment thereof, approval of the members of the Company be and is hereby accorded to make payment of commission on profits of the Company as part of remuneration, totaling to Rs. 1,05,65,936/- for the FY 2022-23 to Mr. Sanjay Lodha, Managing Director, Mr. Navin Lodha, Mr. Niraj Lodha and Mr. Vivek Lodha, Whole Time Directors of the Company, as approved by the members of the Company in the extra-ordinary general meeting held on January 09, 2023 as per the details mentioned below:

Name of the Directors	Amount of Commission
Mr. Sanjay Lodha	38,42,159
Mr. Navin Lodha	22,41,259
Mr. Niraj Lodha	22,41,259
Mr. Vivek Lodha	22,41,259
Total	1,05,65,936

RESOLVED FURTHER THAT the total remuneration paid during the year including the amount of commission shall not exceed the limit as allowed under section 197 of the Companies Act, 2013.

RESOLVED FUTHER THAT Mr. Lohit Chhabra, Company Secretary be and is hereby authorized to do all such acts, deeds and things to give effect to the forgoing resolution.”

**By the order of the Board
For Netweb Technologies India Limited**

Sd/-
Lohit Chhabra
Company Secretary
M.No A36610

Date : May 19, 2023
Place : Faridabad

NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Members/ proxies are requested to bring the attendance slip sent herewith duly filled-in for attending the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Consent from Shareholders for providing shorter Notice of this Meeting has been solicited as the Company is not able to give an advance notice.
7. Members are requested to notify immediately any change in their address to the Company. In all correspondence with the Company, Members are requested to quote their Account/Folio Numbers.
8. A Corporate Member intending to send its authorized representatives to attend the meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the meeting.
9. The Memorandum and Articles of Association of the Company are open for inspection for members on all working days excluding Bank holidays, Saturdays and Sundays from 11 am to 1 pm at the registered office of the Company up to the date of the meeting of the Company.
10. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the registered office of the Company on all working days, except Bank holidays, Saturdays and Sundays from 11 am to 1 pm upto the date of the meeting and will also be available for inspection at the meeting.
11. A route map to the venue of the meeting is attached herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the special business set out in the accompanying notice of the Annual General Meeting of the members of Netweb Technologies India Limited to be held at shorter notice at the registered office of the Company at Plot No H-1, Pocket 9, Faridabad Industrial Town(Fit), Sector-57, Ballabhgarh, Faridabad-121004, Haryana on Saturday, the 20th day of May 2023, at 3:00 PM.

Item No 4

The Board of Directors of the Company ('the Board') at the meeting held on 19th May, 2023, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Sunny Chhabra & Co, Cost Accountants, to conduct audit of cost records maintained by the Company for the financial Year 2023-24. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions. The Board recommends the resolution for your approval.

Item No 5

The Board of Directors of the Company ('the Board') at their meeting held on December 24th, 2022 and

the members of the Company in their extra-ordinary general meeting held on January 09, 2023 revised the remuneration of Mr. Sanjay Lodha, Managing Director, Mr. Navin Lodha, Mr. Niraj Lodha and Mr. Vivek Lodha, Whole Time Directors of the Company which include the payment of commission i.e 0.60% of the net profit for the financial year 2022-23 to Mr. Sanjay Lodha, 0.35% of the net profits for the financial year 2022-23 respectively to Mr. Niraj Lodha, Mr. Navin Lodha and Mr. Vivek Lodha but which shall be payable only after the approval of the members of the Company after the closure of the financial year.

Nomination and Remuneration Committee of the Company in the meeting held on 19th May, 2023 consider and appreciate the growth of the Company in terms of achieving new heights which could not be possible without the dedication and hard work of Mr. Sanjay Lodha, Mr. Niraj Lodha, Mr. Navin Lodha and Mr. Vivek Lodha. So, keeping in view, the Committee has recommended the same and Board of Directors in their meeting held on 19th May, 2023 approved and recommended the resolution for the approval of the members to pass it as a special resolution.

Following Directors or their relatives are interested in the Resolution. None of the Key managerial personnel are interested in the resolution.

NAME OF THE DIRECTORS/RELATIVES	% OF SHAREHOLDING
Sanjay Lodha	38.71
Navin Lodha	19.36
Vivek Lodha	19.36
Niraj Lodha	19.36
Priti Lodha	0.001
Anuja Lodha	0.001
Sweta Lodha	0.001
Nisha Lodha	0.001

**Any other matter with the permission of the chair.
For Netweb Technologies India Limited**

Sd/-
Lohit Chhabra
Company Secretary
M.NO A36610

24th DIRECTORS' REPORT

Your Directors have pleasure in presenting before you the Twenty Fourth (24th) Annual Report of the Company for the financial year ended 31st March, 2023 along with Audited statements of accounts and Auditors' Report thereon.

During the year 2022-23, your Company achieved record revenue and profits. The name of our Company was changed from **NETWEB TECHNOLOGIES INDIA PRIVATE LIMITED** to **NETWEB TECHNOLOGIES INDIA LIMITED** vide the extra-ordinary general meeting held on 18th October, 2022, and consequently, a fresh certificate of incorporation dated 18TH November, 2022, was issued by the ROC to our Company.

Further, your Board of Directors vide resolution passed in the meeting held on March 14, 2023 and vide resolution passed by the members in the extra-ordinary general meeting held on March 16, 2023 approved raising of capital through an Initial Public Offering comprising of Fresh Issue of capital as well as Offer for Sale (OFS) by some of the existing shareholders. Consequently, the Company filed the Draft Red Herring Prospectus on March 28, 2023 with Securities Exchange Board of India (SEBI).

SUMMARY ON FINANCIAL PERFORMANCE OF THE COMPANY

The Financial results of the company for the year are as follows:

(Rs. In millions)

Particulars	FY 2022-23	FY 2021-22	Percentage change
Revenue from operations	4,449.72	2,470.33	80.13%
Other income	6.78	9.08	(25.33)%
Total income	4,456.50	2,479.41	79.74%
EBITDA	706.93	355.07	99.10%
EBITDA Margin (%)	15.86%	14.32%	154 bps
Finance costs	(40.73)	(36.42)	11.83%
Depreciation and amortisation expenses	(36.57)	(16.38)	123.26%
Profit before tax	629.63	302.27	108.30%
Current tax	(156.16)	(75.76)	106.12%
Deferred tax	(4.11)	(1.98)	107.58%
Profit after Tax (PAT)	469.36	224.53	109.04%
PAT Margin	10.53%	9.06%	148 bps
Earnings per equity share (EPS)	9.22	4.41	109.04%

OPERATIONS OF THE COMPANY

Your Company continues to be one of India's leading High-End Computing Solutions (HCS) provider offering a full stack of product and solution suite with comprehensive capabilities in designing, developing, implementing and integrating high performance computing solutions. The company's product is Compliant with the "Make in India" policy of the Government of India and is one of the few OEMs in India who has been approved as a PLI participant both for the IT Hardware PLI scheme and the Telecom & Networking products PLI scheme.

Your Company operates in six business verticals, and their respective contribution to the operating revenue of the company are as hereunder:

(Rs. In millions)

Business Verticals	FY 2022-23 ¹	% of Revenue from Operations	FY 2021-22	% of Revenue from Operations
Supercomputing system	1,728	39.19%	1,030	41.70%
Private cloud & HCI	1,461	33.12%	479	19.38%
AI systems and enterprise workstations	309	7.01%	243	9.84%
HPS solutions	308	6.99%	217	8.78%
Data centre server	283	6.42%	241	9.76%
Software & service for HCS offerings	95	2.15%	69	2.77%
Spare & Others	226	5.12%	192	7.77%
Total	4,410	100.00%	2,470	100.00%

Your Company has been able to grow to become one of the dominant players in HCS due to significant product development and innovation through R&D. It has been able to independently design and innovate products and solutions offerings and provide services tailored to specific customer requirements. This has gone a long way in establishing long standing relationship with a marquee and diverse customer base. This has also helped your Company in getting repeat customers, and over 90% of your Company's revenue for the year 2022-23 has come from repeat customers. While the existing customers continue to support your Company, the Company was also able to add 195 new customers in the year 2022-23.

During the year 2022-23, your Company's revenue from operations grew by 80.13% from the previous year to Rs. 4449.72 million while EBITDA grew by 99.10% from Rs 355.07 million in the year 2021-22 to Rs 706.93 million in the year 2022-23. EBITDA margins also expanded to 15.86% from 14.32%

Further, Profit after tax increased to Rs. 469.36 million in the year 2022-23 against Rs. 224.53 million in the year 2021-22, thus registering a healthy growth of 109.04%. PAT margin also increased to 10.53% from 9.06%.

TRANSFER TO RESERVES

The Company proposes to transfer a sum of Rs 447.69 million to Reserves during the financial year ended 31st March, 2023.

DIVIDEND

During the year, the Company has formulated a dividend distribution policy. The policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

As a green initiative, the policy has been uploaded on the Company's website and can be accessed at <https://netwebindia.com/investors/Dividend%20Distribution%20Policy.pdf>.

Subject to the approval of the members in the forthcoming Annual general meeting, Board of Directors has recommended the dividend of Rs. 0.50 per equity shares to the shareholders of the Company which is 5.42% of the profit after tax of the Company for the FY 2022-23. Board has decided to preserve the remaining amount of profit for the growth of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 shall not be applicable as there was no unpaid or unclaimed dividend due to be transferred to the Investor Education and Protection Fund during the year.

1. Revenue does not include PLI Incentive

SHARE CAPITAL AND AUTHORISED CAPITAL

At the beginning of the year, the authorized Share Capital of the Company was ₹ 6,00,00,000 (Rupees Six Crores only) divided into 60,00,000 (Sixty Lakhs) equity shares of ₹ 10/- (Rupees Ten) each and paid-up share capital of the Company was ₹ 5,65,82,200 divided into 56,58,220 (Fifty six lakhs fifty eight thousand two hundred twenty only) equity shares of ₹ 10/- (Rupees Ten) each.

During the year under review, your Company has increased its authorized share capital to ₹ 15,00,00,000 divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of ₹ 10/- (Rupees Ten) each vide resolution passed by the members on 09.01.2023 which was later sub-divided into 7,50,00,000 (Seven Crores Fifty Lakhs) equity shares of ₹ 2/- (Rupees Two) each and paid up share capital was subdivided into 2,82,91,100 equity shares of ₹ 2/- each vide resolution passed by the members in their meeting held on February 16, 2023.

Further the Company has allotted 2,26,32,880 bonus equity shares of ₹ 2/- each in the proportion of 4 bonus equity shares for every 5 equity shares held vide resolution passed on February 23, 2023 which increased paid up share Capital of the Company to ₹ 10,18,47,960 (Rupees Ten Crore Eighteen Lakhs Forty Seven Thousand Nine Hundred Sixty only) divided 5,09,23,980 (Five Crore Nine Lakhs Twenty Three Thousand Nine Hundred Eighty) equity shares of ₹ 2/- (Rupees Two) each.

SHARE CAPITAL/ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

Not applicable

REPORT OF THE UTILISATION OF PROCEEDS ON THE PUBLIC, RIGHT ISSUE AND PREFERENTIAL ALLOTMENT OF SECURITIES

During the year 2022-23 the Company has not made any rights Issue or Preferential Allotment of Securities.

DEPOSITS

The Company has not accepted any deposit within the meaning of Section 73 of Companies Act, 2013 and the rules framed there under during the year and therefore no amount of principal or interest was outstanding as on the date of the Balance Sheet. During the year 2022-23, Company has filed form DPT-3 in compliance of Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the business of the Company during the financial year 2022-23.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There has not been any significant change which has otherwise affected in any manner the financial performance of the Company during the period between the end of the financial year and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has adhered to the provisions of section 186 of the Companies Act, 2013 in respect of loans, advances and investments which are duly accounted for & reflected in the audited financial statements (refer "Notes to the Financial Statements"), which is self-explanatory.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year ended 31st March, 2023, were on an arm's length basis and were in the ordinary course of business. Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

Your Directors draw attention of the members to (refer Note No 38 to the "Notes to Financial Statements").

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, including any statutory

modifications/amendments thereto for the time being in force, the annual return for FY 2022-23 is available on www.netwebindia.com/investors/corporategovernance.html.

DETAILS OF SIGNIFICANT ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the FY 2022-23, no notices or orders or any directions by any Government Regulator, Court or Tribunal were received by the company which would otherwise affect the working and / or the performance of the Company in the coming near future.

DETAILS OF SUBSIDIARY/ HOLDING / JOINT VENTURE/ASSOCIATE COMPANIES

The Company has one subsidiary Company namely Netweb Foundation, a Company incorporated under section 8 of the Companies Act, 2013. Company is holding 99% equity shares of the subsidiary Company.

AUDITORS REPORT

Report of the Auditors and their observations and notes to the accounts of the Company for the year are attached herewith which are self-explanatory. There is no qualification made by the Auditors in their Report.

COMMENTS BY THE BOARD ON EVERY QUALIFICATION RESERVATIONS ETC. OR ADVERSE REMARK MADE BY AUDITOR'S

There was no qualification, reservations or adverse remark made by the Auditors in their report.

SECRETARIAL AUDIT

Secretarial Audit Report is not applicable to the Company during the year 2022-23. However, it will be applicable from the FY 2023-24 and Company has appointed M/s P C Jain & Co [FRN: P2016HR051300] as the Secretarial Auditors of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards as issued by the Institute of Company Secretaries of India and approved as such by the Central Government pursuant to Section 118(10) of the Companies Act, 2013. Your Directors confirm the compliance of the Secretarial Standards during the year under review.

COST AUDIT AND COST AUDITORS

The Cost audit of the Company as required to be conducted for the financial year 2022-23 as per provisions of Section 148 of the Companies Act, 2013 has been conducted by M/s Sunny Chhabra & CO., Cost Accountants. Further Company has re-appointed Cost Auditors namely M/s Sunny Chhabra & Co to conduct the cost audit of the cost records of the Company for the FY 2023-24.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits as required to be disclosed in this report is attached in **Annexure A**.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

EMPLOYEE SHARE OPTION PLAN OF THE COMPANY

On 9 January, 2023, the shareholders of the Company have approved the Netweb Employee Stock Option Plan 2023 which was amended by the shareholders on 23.02.2023. Under Scheme, the Company has issued 2,82,911 options of Rs. 2 each to eligible employees. Employees covered by the plan are granted an option to purchase shares of the Company subject to certain vesting conditions. The Company has issued stock options on its own shares to specified employees of the Company. Each employee share option converts into one equity share of the Company on exercise of option under Scheme. Options may be exercised at any time from the date of vesting to the date of their expiry.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year for that period;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the annual accounts on a going concern basis.
- (v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DISCLOSURE AS PER REQUIREMENT OF SECTION 134(3)(M) OF COMPANIES ACT, 2013 AND RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

Information on conservation of energy, Technology Absorption and Foreign exchange Earning and outgo stipulated under section 134(3)(m) of the companies Act 2013 read with rule 8(3) of the Companies (Accounts) Rules 2014

a. CONSERVATION OF ENERGY

The management of the company has always been conscious about the importance of conservation of energy at all the stages of operational level and ensure that adequate steps and measures are taken by the Company from time to time to minimize the energy conservation wherever possible by introducing energy efficient equipment.

b. TECHNOLOGY ABSORPTION

The company takes from time to time into action any new technology which would be otherwise helpful in cost reduction, productive development or increase in quality of products or services.

c. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings were ₹ 9,14,44,467.49/- and out go was ₹ 170,56,04,774/-during the year.

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(KMP)

Presently the details of the Board of Directors and Key managerial personal of the Company comprise of the following as on the closure of the financial year 2022-23:

S. NO	Name	Designation	DIN/PAN
1.	Mr. Sanjay Lodha	Managing Director	00461913
2.	Mr. Vivek Lodha	Whole Time Director	00461917
3.	Mr. Navin Lodha	Whole Time Director	00461924
4.	Mr. Niraj Lodha	Whole Time Director	00746701

S. NO	Name	Designation	DIN/PAN
5.	Mr. Mrutyunjay Mahapatra	Independent Director	03168761
6.	Mr. Vikas Modi	Independent Director	10049413
7.	Mr. Jasjeet Singh Bagla	Independent Director	10043442
8.	Ms. Romi Jatta	Independent Director	10045383
9.	Mr. Prawal Jain	Chief Financial Officer	AAMPJ9412F
10.	Mr. Lohit Chhabra	Company Secretary	ARVPC3562B

During the year under review, Mr. Lohit Chhabra was appointed as Company Secretary on 10.01.2023, Mr. Prawal Jain was appointed as Chief Financial Officer on 12.01.2023, Mr. Mrutyunjay Mahapatra, Dr. Jasjeet Singh Bagla, Ms. Romi Jatta and Mr. Vikas Modi, were appointed as an Independent Director on 23.02.2023. The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2022-23, the Board of Directors had duly met 24 times and attendance of the Directors is as mentioned below:

Name of the Directors	Number of meetings attended/total meetings held during the FY 2022-23	
	No. of Board Meetings held during their tenure	No. of Board Meetings attended
Mr. Sanjay Lodha	24	24
Mr. Vivek Lodha	24	23
Mr. Navin Lodha	24	24
Mr. Niraj Lodha	24	23
Mr. Mrutyunjay Mahapatra	2	2
Mr. Vikas Modi	2	2
Mr. Jasjeet Singh Bagla	2	2
Ms. Romi Jatta	2	2

COMPANIES POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

During the year 2022-23, Company has constituted nomination and remuneration committee consisting of the following Directors as the member:

Name of the Member	Position in the Committee
Dr. Jasjeet Singh Bagla	Chairperson
Ms. Romi Jatta	Member
Mr. Vikas Modi	Member
Mr. Sanjay Lodha	Member

Policy relating to the Directors appointment and payment of remuneration is available on the website of the Company i.e www.netwebindia.com.

AUDIT COMMITTEE

During the year 2022-23, Company has constituted Audit Committee consisting of the following Directors as the member:

Name of the Member	Position in the Committee
Mr. Mr. Vikas Modi	Chairperson
Mr. Mrutyunjay Mahapatra	Member
Mr. Sanjay Lodha	Member

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the CSR Policy of the company and the initiatives undertaken by the Company on CSR Activities during the year are set out in Annexure B of this report in the format as prescribed in the Company (CSR Policy) Rules 2014.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RISK MANAGEMENT

Involvement of various types of risks is prone to almost all types of industries and the management of your company is quite aware of it and is in the process of identification, assessment and mitigation of such risks. The Company has framed a Risk Management Policy to identify and assess the risk areas, monitor and report compliance and effectiveness of the policy and procedure. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The policy has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. Company has constituted Risk Management Committee during the year 2022-23 consisting of the following members:

Name of the Member	Position in the Committee
Mr. Mrutyunjay Mahapatra	Chairperson
Mr. Sanjay Lodha	Member
Mr. Navin Lodha	Member

DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS UNSER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT

During the year under review, the Auditors have not reported any fraud, which are committed against the Company by officers or employees of the Company.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH STATUS AS AT THE END OF THE FINANCIAL YEAR

During the Financial Year 2022-23, there was no application made and proceeding initiated / pending under the Insolvency and Bankruptcy Code, 2016, by any financial and/or operational creditors against your Company.

ACKNOWLEDGEMENT

Your Directors acknowledges gratefully the shareholders for their continued support and confidence. Your Directors also wish to record their appreciation for the loyal and devoted services rendered by the staff of the Company during the year.

**Place: Faridabad
Date: 19.05.2023**

**By order of Board of Directors
For Netweb Technologies India Limited**

**Sanjay Lodha
Managing Director
DIN:00461913**

ANNEXURE-A

Name of the Employees	Designation	Remuneration received	Qualifications	Experience	Date of commencement of employment	Age	Past Employment	% of equity shares	Relationship with any other Director
Sanjay Lodha	Chairman & Managing Director	₹ 1,23,00,000	Post-graduate diploma in business management	27 Years	22-09-1999	51	N/A	38.71	Brother of Vivek Lodha
Navin Lodha	Whole Time Director	₹ 97,50,000	Bachelors' degree in commerce	15 years	13-04-2015	49	N/A	19.36	Brother of Niraj Lodha
Niraj Lodha	Whole Time Director	₹ 97,50,000	Bachelors' degree in commerce	15 years	13-04-2015	46	N/A	19.36	Brother of Navin Lodha
Vivek Lodha	Whole Time Director	₹ 99,00,000	Bachelors' degree in commerce	15 years	13-04-2015	46	N/A	19.36	Brother of Sanjay Lodha
Hirdey Vikram	Chief Marketing Officer	₹ 47,42,355	Bachelors' degree of technology (information technology)	12 Years	21-09-2013	34	HCL Infosystems Limited	-	-
Mukesh Golla	Chief Research & Development Officer	₹ 44,10,871	Bachelors' degree of technology (computer science and engineering)	19 years	01-12-2004	42	N/A	-	-
Hemant Agrawal	Chief Operating Officer	₹ 46,81,736	Bachelors' degree in commerce	20 years	01-07-2003	51	N/A	-	-
Tushar Agarwal	Regional Head	₹ 26,64,205	B. Tech	11 Years	17-10-2011	37	N/A	-	-
Samir Patel	Regional Enterprises Sales Lead	₹ 25,04,166	Diploma, Electronics and Telecommunication	20 Years	01-03-2022	49	Sify Technologies Ltd	-	-
Vijay Kumar	Manager	₹ 22,64,987	B. Sc	9 Years	06-12-2019	30	Net Connect Pvt Ltd	-	-
Rohit Kumar	Manager	₹ 22,15,841	B. Tech	8 Years	22-05-2017	29	ACPL Systems Pvt. Ltd	-	-

Nature of employment of all above mentioned employees are Permanent.

Further, following are the employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

Name of the Employees	Designation	Remuneration received
Sanjay Lodha	Chairman & Managing Director	₹ 1,23,00,000

ANNEXURE-B

Report on CSR Activities for FY 2022-23

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

Corporate Social Responsibility ('CSR') is a way of conducting business, by which corporate entities visibly contribute to the social good and the welfare of society at large with an aim to improve quality of life of people. The Company feels that the essence of CSR is to integrate economic, environmental and social objectives with the Company's operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies. To give further impetus to this cause, the Company endeavours to manage its operations with an emphasis on Sustainable development to minimize impact on environment and promotes inclusive growth.

Corporate Social Responsibility is a management concept, whereby Company strive to integrate social and environmental concerns in our business operations. The policy provides for undertaking any activity prescribed under Schedule VII to the Companies Act, 2013 to attain the goal of sustainable and overall development of the society wherein the Company is carrying out its business operations.

The Company understands to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company's responsibilities towards the community.

The Board of Directors (the "Board") of Netweb Technologies India Limited, has adopted the policy and procedures striving for economic and social development that positively impacts the society at large and more specifically communities in which Company operate.

The Company has framed the Policy as per the requirement of Sections 135 of the Companies Act, 2013 ("Act") read with applicable Rules and Regulations under the Act.

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. Netweb Technologies India Limited will act as a good corporate citizen and the objective of the policy is to actively contribute to the social, environmental and economic development of the society in which company operates.

2. COMPOSITION OF CSR COMMITTEE:

The CSR committee is consisting of following members:

- 1) Mr. Sanjay Lodha - Chairman (Managing Director)
- 2) Mr Navin Lodha- Member (Whole Time Director)
- 3) Dr. Jasjeet Singh Bagla – Member (Independent Director)

3. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE (ATTACH THE REPORT). : NA

4. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	-	-	-
	Total	-	

5. AVERAGE NET PROFIT BEFORE TAX OF THE COMPANY FOR LAST THREE FINANCIAL YEARS/ PRESCRIBED CSR EXPENDITURE (TWO PER CENT. OF THE NET PROFIT)

The calculation of Net profit for the last three is as follows:

Particulars	Amount Rs.
Net Profit before tax (as per section 198) of FY 19-20	54,218,515
Net Profit before tax (as per section 198) of FY 20-21	14,39,50,856
Net Profit before tax (as per section 198) of FY 21-22	28,81,02,192
Total (A)	48,62,71,563
Average of Net Profit of the preceding 3 Financial Years (B) =(A/3)	16,20,90,521
Prescribed CSR expenditure (2% of last three year profit before tax)(C)=(B*2%)	32,41,810

6. (a) Two percent of average net profit of the company as per section 135(5): Rs. 32,41,810
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year - **NIL**
 (c) Amount required to be set off for the financial year, if any - **NIL**
 (d) Total CSR obligation for the financial year (6a+6b-6c) - Rs. 32,41,810
7. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
28,00,000	-	-	PM Cares Fund	5,00,000	18.05.2023

- (b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No./ Date	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Educational	Education	Y	Gujarat		28,00,000	No	Netweb Foundation	CSR00050240
	Total					28,00,000			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – **Rs. 33,00,000**

(g) Excess amount for set off, if any –

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	32,41,810
(ii)	Total amount spent for the Financial Year	33,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	58,190
(iv)	Surplus arising out of the CSR projects or programme or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	4,92,598	4,92,598	-	-	-	-
2.	2021-22	69,337	69,337	-	-	-	-
	Total	5,61,935	5,61,935				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year NA

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Company has transferred its CSR liability for the FY 2022-23 to its Section 8 Subsidiary Company. However the said section 8 Company failed to spend the complete amount which was duly transferred by the Company to the PM Cares fund in compliance of the Companies Act, 2013.

(Managing Director & Chairman CSR Committee).

INDEPENDENT AUDITOR'S REPORT

**To the members of Netweb Technologies India Limited
(Formerly known as Netweb Technologies India Private Limited)**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of Netweb Technologies India Limited (formerly known as Netweb Technologies India Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2023, 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") read together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Information other than the Ind AS financial statements and Auditor's Report thereon

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

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

In connection with our audit of the 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 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.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 with reference to the Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Ind AS financial statements, including the disclosures, and whether the 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 Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matters

The comparative financial information of the company for the year ended 31 March 2022 were prepared in accordance with the Accounting Standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India which were audited by Sanmarks & Associates, Chartered Accountants ("previous auditors") who issued an unmodified auditor's report dated August 31, 2022. Those reports are furnished to us by the management and relied upon by us for the purpose of issuing this report on the Ind As financial statements for year ended March 31, 2023.

The figures for the year ended March 31, 2022 have been derived after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2021) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023, which has been audited by us. We have also issued a special purpose report on the Ind AS financial statements for the year ended March 31, 2022, on which we have issued an unmodified opinion vide our auditor's report dated March 24, 2023.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to the Ind AS financial statements 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 as at March 31, 2023 on

- its financial position in its Ind AS financial statements – Refer Note no. 42 to the Ind AS financial statements.
- ii. The Company did not have any long-term contracts including long term derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 it's knowledge and belief, no funds 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 ended March 31, 2023. The Dividend proposed by the Board of Directors for the year is in compliance with section 123 of the Act which is subject to the approval by the members at the ensuing Annual General Meeting.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration No. 000756N

Vijay Kumar
Partner

Membership No. 092671
UDIN: 23092671BGSIBS3148

Place: New Delhi
Date: May 19, 2023

“Annexure A” to the Independent Auditors’ Report

The Annexure **as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements** of our Independent Auditors’ Report to the members of **Netweb Technologies India Limited (formerly known as Netweb Technologies India Private Limited)** on the Ind AS financial statements for the year ended March 31, 2023, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. The Company has also maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment and right-of-use assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. In accordance with this program, all major items of Property, Plant and Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2023.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year 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 physical verification of the inventory (other than material in transit) has been conducted at reasonable intervals by the management during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- (b) The Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. As disclosed in note 20 (4) to the Ind AS financial statements, the quarterly return/statement filed by company with the banks are in agreement with the books of account of the Company of the respective quarters.
- iii. (a) 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 provided any loan, any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year and hence, reporting under clause 3 (iii) (b), (c), (d) (e) & (f) of the Order is not applicable.
- (b) The Company has made investments in one company. The Company has not made any investments in or granted any loans, secured or unsecured, to firms and limited liability partnership. The terms and conditions under which such investments were made are not prejudicial to the Company’s interest, based on the information and explanations provided by the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or provided any guarantees or securities to parties which are covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public or deemed deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section

1 of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities, to the extent applicable.
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company there are no undisputed aforesaid statutory dues payable as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) According to the records and information and explanations given to us, there are no dues in respect of statutory dues referred to in vii (a) above which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (F.Y.) to which the amount relates	Amount Demanded (Excluding interest) (₹ in million)	Amount paid (₹ in million)	Forum where dispute is pending
The Central Sales Tax Act, 1944 and State VAT Act	Central Sales tax	2008-09 to 2011-12	0.51	-	High Court, Himanchal Pradesh

- viii. The Company has not surrendered or disclosed any transaction as income, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 during the year.
- ix. (a) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or other lenders.
- (c) According to the information and explanations given to us and on examination of the books of the Company, the term loans have been applied for the purpose for which they were obtained.
- (d) On overall examination of the Ind AS financial statements of the Company, funds raised on short term basis have, prima facie, not been utilised during the year for long term purposes by the Company.
- (e) On an overall examination of the Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiary Hence, the requirement to report on clause (ix)(f) of the order is not applicable to the Company.
- x. (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the requirement to report on clause (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given 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 fully or partly convertible debentures during the year. Hence, the requirement to report on clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company being noticed or reported during the year, nor have we been informed of such case by the management.

- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
 - (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Companies Act, 2013.
- xiv.
 - (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The internal audit reports of the Company issued during the year and till the date of this report, for the period under audit have been considered by us, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its directors.
- xvi.
 - (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, the requirement to report under clause 3(xvi) (b) and (c) of the Order is not applicable to the Company.
 - (b) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report under clause 3(xvi) (d) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses either in the current financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios disclosed in Note 46 to the Ind AS financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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. (a) According to the information and explanations given to us and based on our examination of the records of the Company, in respect of other than ongoing projects, the Company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the information and explanation provided to us, the Company has not undertaken any ongoing project during the year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants
Firm Registration No. 000756N

Vijay Kumar

Partner

Membership No. 092671

UDIN: 23092671BGSIBS3148

Place: New Delhi

Date: May 19, 2023

“Annexure B” to the Independent Auditor’s Report of even date on the Ind AS Financial Statements of Netweb Technologies India Limited (formerly known as Netweb Technologies India Private Limited)**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’**

We have audited the internal financial controls over financial reporting of **Netweb Technologies India Limited** (formerly known as Netweb Technologies India Private Limited) (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration No. 000756N

Vijay Kumar

Partner

Membership No. 092671

UDIN: 23092671BGSIBS3148

Place: New Delhi

Date: May 19, 2023

Balance Sheet as at 31 March, 2023

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

Particulars	Notes	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
ASSETS				
1	Non-current assets			
(a)	Property, plant and equipment	169.41	88.60	53.61
(b)	Capital work-in-progress	17.63	5.22	-
(c)	Right-of-use assets	49.46	7.74	12.25
(d)	Other intangible assets	14.75	7.30	-
(e)	Intangible Assets under development	0.23	-	-
(f)	Financial assets			
	(i) Investments	-	-	-
	(ii) Other financial assets	10.00	15.10	12.33
(g)	Deferred tax assets (net)	6.64	10.89	13.21
(h)	Other non-current assets	9.74	3.27	5.99
	Total non-current assets (1)	277.86	138.12	97.39
2	Current assets			
(a)	Inventories	540.74	383.15	292.19
(b)	Financial assets			
	(i) Trade receivables	1,515.32	778.05	557.48
	(ii) Cash and cash equivalents	70.92	20.26	20.24
	(iii) Bank balances other than cash and cash equivalents	65.22	55.17	51.32
	(iv) Other financial assets	22.25	14.32	19.39
(c)	Other current assets	167.19	96.99	63.94
	Total current assets (2)	2,381.64	1,347.94	1,004.56
	Total assets (1+2)	2,659.50	1,486.06	1,101.95
EQUITY AND LIABILITIES				
1	Equity			
	(i) Equity share capital	101.85	56.58	56.58
	(ii) Other equity	834.81	387.12	161.59
	Total equity (1)	936.66	443.70	218.17
	Liabilities			
2	Non-current liabilities			
(a)	Financial liabilities			
	(i) Borrowings	93.12	144.42	143.87
	(ii) Lease liabilities	40.61	7.07	9.16
(b)	Other non current liabilities	1.05	1.23	2.43
(c)	Provisions	14.92	11.39	9.66
	Total non-current liabilities (2)	149.70	164.11	165.12

Particulars	Notes	As at 31-March-2023	As at 31-March-2022	As at 31-March-2021
3 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	210.86	191.26	147.12
(ii) Lease liabilities	21	11.44	2.09	5.23
(iii) Trade payables	22			
- Total outstanding dues of micro enterprises and small enterprises		0.98	1.60	0.78
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,032.69	531.28	425.11
(iv) Other financial liabilities	23	118.21	43.11	64.77
(b) Other current liabilities	24	112.63	48.69	44.67
(c) Provisions	25	1.97	1.43	1.11
(d) Current Tax Liabilities (net)	26	84.36	58.79	29.87
Total current liabilities (3)		1,573.14	878.25	718.66
Total equity and liabilities (1+2+3)		2,659.50	1,486.06	1,101.95
Significant Accounting Policies	2			
The accompanying notes form an integral part of these financial statements.				

**For S S Kothari Mehta & Company
Chartered Accountants**

Firm's registration number : 000756N

Vijay Kumar
 Partner
 Membership No. 092671

 Place : Faridabad
 Date : 19-05-2023

**For and on behalf of the Board of Directors of
Netweb Technologies India Limited
(formerly known as Netweb Technologies (India)
Private Limited)**
Sanjay Lodha
 Director
 DIN: 00461913

Navin Lodha
 Director
 DIN: 00461924

Prawal Jain
 Chief Financial Officer

Lohit Chhabra
 Company Secretary

 Place : Faridabad
 Date : 19-05-2023

Statement of Profit and Loss for the year ended 31 March 2023

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

Particulars		Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Income			
	Revenue from operations	27	4,449.72	2,470.33
	Other income	28	6.78	9.08
	Total income (I)		4,456.50	2,479.41
II	Expenses			
	Cost of materials consumed	29	3,252.40	1,780.98
	Change in inventories of finished goods and work-in-progress	30	(8.75)	83.60
	Employee benefits expense	31	293.53	152.05
	Finance costs	32	40.73	36.42
	Depreciation and amortisation expenses	33	36.57	16.38
	Other expenses	34	212.39	107.71
	Total expenses (II)		3,826.87	2,177.14
III	Profit before exceptional items and tax (I - II)		629.63	302.27
IV	Exceptional items (net)			
V	Profit before tax (III + IV)		629.63	302.27
VI	Tax expense			
	(a) Current tax	36	156.16	75.76
	(b) Deferred tax		4.11	1.98
	Total tax expense		160.27	77.74
VII	Profit for the year (V - VI)		469.36	224.53
VIII	Other comprehensive income			
	Items that will not be reclassified to Profit or Loss :			
	- Re-measurement gains / (losses) on defined benefit plans		0.56	1.33
	- Income Tax relating to Items that will not be reclassified to Profit or Loss		(0.14)	(0.33)
	Total other comprehensive income for the year (net of tax)		0.42	1.00
IX	Total comprehensive income for the year (VII + VIII)		469.78	225.53

Particulars		Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
X	Earnings per equity share (EPS)	37		
	Basic (in Rs)		9.22	4.41
	Diluted (in Rs)		9.07	4.41
	Face value per share (in Rs)		2.00	10.00
	Significant Accounting Policies	2		
The accompanying notes form an integral part of these financial statements.				

**For S S Kothari Mehta & Company
Chartered Accountants**

Firm's registration number : 000756N

Vijay Kumar

Partner

Membership No. 092671

Place : Faridabad

Date : 19-05-2023

**For and on behalf of the Board of Directors of
Netweb Technologies India Limited
(formerly known as Netweb Technologies (India)
Private Limited)**

Sanjay Lodha

Director

DIN: 00461913

Navin Lodha

Director

DIN: 00461924

Prawal Jain

Chief Financial Officer

Place : Faridabad

Date : 19-05-2023

Lohit Chhabra

Company Secretary

Cash Flows for the year ended 31 March 2023

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	629.63	302.27
Adjustments for :		
Depreciation of Property, Plant and Equipment's and Intangible Assets	26.40	11.55
Depreciation of Right-of-use assets	10.17	4.83
Finance costs (other than Interest on lease liabilities)	37.21	35.36
Interest on lease liabilities	3.52	1.06
Interest Income	(4.37)	(3.67)
Unrealised foreign exchange	(7.29)	1.78
Liabilities Written Back	(1.26)	(3.43)
Provision for doubtful debts	-	0.27
Impairment on Investment	0.10	-
Bad Debts Written Off	4.28	-
EMD Balance Written Off	3.31	-
Share-based payments to employees	23.18	-
Profit on Sale of property, plant and equipment	-	(0.04)
Operating profit before working capital changes	724.88	349.98
Adjustments for :		
(Increase)/Decrease in trade receivables	(741.20)	(220.84)
(Increase)/Decrease in Other financial assets	(5.40)	2.71
(Increase) / Decrease in Other assets	(69.92)	(30.57)
(Increase) / Decrease in Inventories	(157.59)	(90.96)
(Decrease)/increase in other liabilities	63.76	2.82
(Decrease)/Increase in trade payables	508.99	108.65
(Decrease)/Increase in Other financial liabilities	73.76	(26.46)
(Decrease)/increase in provisions	4.63	3.38
Cash generated from operating activities	401.91	98.71
Income Tax Paid	130.59	46.84
Net cash generated from operating activities	271.32	51.87
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, CWIP including intangible assets, capital advances and capital creditors	(132.64)	(53.84)
Investments in subsidiary companies	(0.10)	-
Proceeds from sale of property, plant and equipment	-	0.09
Interest Income	2.58	2.94
Investment in deposits (net) with banks	(10.05)	(3.85)
Net cash used in investing activities	(140.21)	(54.66)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid (other than on lease liabilities)	(37.28)	(26.07)
Interest on lease liabilities	(3.52)	(1.06)
Proceeds from long term borrowings	24.94	72.10
Repayment of long term borrowings	(70.38)	(85.85)
Short term borrowings (net)	13.74	48.92
Principal payments against lease liabilities	(7.95)	(5.23)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net cash used in Financing Activities	(80.45)	2.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	50.66	0.02
Cash and cash equivalents at the beginning of the year	20.26	20.24
Cash and cash equivalents at the closing of the year	70.92	20.26

a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note 11(a)) :

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Cash on Hand	0.23	2.78	1.51
Balance with bank			
In current accounts	70.69	17.48	18.73
Total	70.92	20.26	20.24

b) Reconciliation of changes in liabilities arising from financing activities:

Particulars	As at 1-April-2021	Cashflows	Non Cash Change	As at 1-April-2022
Non Current Borrowings	161.49	(13.75)	9.52	157.26
Current Borrowings	129.50	48.92	-	178.42
Interest Accrued (excluding Interest on lease liabilities)	0.55	(27.13)	26.90	0.32
Lease Liabilities	14.39	(6.29)	1.06	9.16
Total	305.93	1.75	37.48	345.16

Particulars	As at 1-April-2023	Cashflows	Non Cash Change	As at 1-April-2023
Non Current Borrowings	157.26	(45.44)	-	111.82
Current Borrowings	178.42	13.74	-	192.16
Interest Accrued (excluding Interest on lease liabilities)	0.32	(40.80)	41.67	1.19
Lease Liabilities	9.16	(11.47)	54.36	52.05
Total	345.16	(83.97)	96.03	357.22

Significant Accounting Policies

2

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

**For S S Kothari Mehta & Company
Chartered Accountants**

Firm's registration number : 000756N

Vijay Kumar
 Partner
 Membership No. 092671

 Place : Faridabad
 Date : 19-05-2023

**For and on behalf of the Board of Directors of
Netweb Technologies India Limited
(formerly known as Netweb Technologies (India)
Private Limited)**
Sanjay Lodha
 Director
 DIN: 00461913

Navin Lodha
 Director
 DIN: 00461924

Prawal Jain
 Chief Financial Officer

Lohit Chhabra
 Company Secretary

 Place : Faridabad
 Date : 19-05-2023

Statement of changes in equity for the year ended 31 March 2023

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

(a) Equity share capital*

As at 31-March-2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
56.58	-	56.58	45.27	101.85

As at 31-March-2022

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2023
56.58	-	56.58	-	56.58

*For changes in equity during the year. Refer Note 14

(b) Other equity

Particulars	Attributable to equity shareholders			Total
	Reserves and surplus			
	Securities premium	Share options outstanding account	Retained earnings	
As at 1-April-2021	7.99	-	153.60	161.59
Profit for the year	-	-	224.53	224.53
Other comprehensive income, net of income tax	-	-	1.00	1.00
As at 31-March-2022	7.99	-	379.13	387.12
Profit for the year	-	-	469.36	469.36
ESOP reserve created during the year	-	23.18	-	23.18
Issue of Bonus Shares	(7.99)	-	(37.28)	(45.27)
Other comprehensive income, net of income tax	-	-	0.42	0.42
As at 31-March-2023	-	23.18	811.63	834.81

Significant Accounting Policies

2

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

For S S Kothari Mehta & Company
Chartered Accountants

Firm's registration number : 000756N

Vijay Kumar
Partner
Membership No. 092671

Place : Faridabad
Date : 19-05-2023

For and on behalf of the Board of Directors of
Netweb Technologies India Limited
(formerly known as Netweb Technologies (India)
Private Limited)

Sanjay Lodha
Director
DIN: 00461913

Navin Lodha
Director
DIN: 00461924

Prawal Jain
Chief Financial Officer

Lohit Chhabra
Company Secretary

Place : Faridabad
Date : 19-05-2023

1 CORPORATE INFORMATION

Netweb Technologies India Limited (formerly known as Netweb Technologies (India) Private Limited) ('the Company') is a limited company domiciled in India and incorporated on September 22, 1999 under the provisions of the Companies Act, 1956 having its registered office at Plot No H-1, Pocket 9, Faridabad Industrial Town (FIT), Sector-57, Ballabhgarh, Faridabad, Haryana, 121004, India. The Company is in the business of "Computer Server" which includes transforming storage and computing with innovative Servers, Workstations, Storage, Cloud, HPC, AI and Big Data solutions. This class includes consultancy on type and configuration of hardware with or without associated software application.

Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on October 18, 2022, the Company has converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Netweb Technologies India Limited pursuant to fresh certificate of incorporation issued by ROC on November, 18, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Financial Statements. These policies have been consistently applied for all years presented.

2.01 Basis of preparation and presentation of financial statements

i) Compliance with IndAS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

The figures for the year ended March 31, 2022 have been derived after making suitable adjustments to the accounting heads from their Indian GAAP values, which were audited by Sanmarks & Associates, Chartered Accountants ("previous auditors") who issued an unmodified auditor's report dated August 31, 2022, following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 01, 2021) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023, which has been audited by us. We have also issued a special purpose report on the Ind AS financial statements for the year ended March 31, 2022, on which we have issued an unmodified opinion vide our auditor's report dated March 24, 2023.

ii) Historical cost convention

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- (i) Certain financial assets and liabilities that are measured at fair value
- (ii) Defined benefit plans-plan assets measured at fair value

iii) The Financial Statements are presented in Indian Rupees ('INR') and all values are rounded to nearest millions (INR '000,000) upto two decimal places, except when otherwise indicated.

2.02 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.03 Property, plant and equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of input tax credit availed wherever applicable. Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of item can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on pro-rata basis on written-down value method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013 along with residual value 5%. The useful life is as follows:

Assets	Useful life (in years) As per schedule II.	Estimated useful life by co. (in years)*
Building	30-60	60
Plant and machinery	15	5-15
Furniture and fixtures	10	3-10
Vehicles	8-10	8-10
Office equipment	5	3-5
Computers and servers	3-6	3-6
Electrical Installations	10	10

*Based on Internal assessment the management believes that the useful life given above best represent the period over which management expects to use these assets

Land is carried at historical cost and is not depreciated.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2.04 Intangible assets

Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are 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 assets are disposed off.

Intangible assets with finite useful life are amortized on a written down value basis over the estimated useful economic life of 6 years, which represents the period over which the Company expects to derive economic benefits from the use of the assets.

Intangible Assets under development includes cost of intangible assets under development as at the balance sheet date.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of intangible assets recognized as at 1 April 2021, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

2.05 Impairment of non- financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for the which there are separately identifiable cash inflows which largely independent of the cash inflows from other assets or group of assets (cash generating units). Non - financial assets other than

goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.06 Compound financial instruments

Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction cost) until it is extinguished on redemption/ conversion.

2.07 Investment in Subsidiaries

The Company's investments in its subsidiaries are carried at cost less impairment, if any.

2.08 Financial instruments

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

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

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

The classification depends on entity's business model for managing the financial assets and the contractual terms of the cash flow.

Initial recognition and measurement

All financial assets (not recorded at fair value through profit or loss) are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

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

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

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

Debt instruments at amortized cost

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

- Business Model Test:** The objective is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in other income in profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through OCI

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

- a) Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) Cash flow characteristics test:** The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

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

Debt instruments at FVTPL

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

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

- (a) the Company has transferred the rights to receive cash flows from the financial assets or
- (b) the Company has retained the contractual right 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, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

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 derecognized 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 recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables;

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- (a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- (b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:-

- (a) Financial assets measured as at amortized cost:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- (b) Debt instruments measured at FVTOCI:** For debt instruments measured at FVTOCI, the expected credit losses do not reduce the carrying amount in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the asset was measured at amortised cost is recognised in other comprehensive income as the “accumulated impairment amount”.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. the Company financial liabilities include loans and borrowings including bank overdraft, trade payables, trade deposits, retention money, liabilities towards services and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedge relationship as defined by Ind AS 109. The separated embedded derivate are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. 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 fair value and subsequently measured at amortized cost using Effective interest rate method.

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the Effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the Effective interest rate amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective interest rate. The Effective interest rate amortization is included as finance costs in the statement of profit and loss.

Borrowing are classified as current liabilities unless the Company has an unconditional right to

defer settlement of the liability for at least 12 months after the reporting period.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments:

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

Reclassification of financial assets/ financial liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

2.09 Inventories

(a) Basis of Valuation:

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

(b) Method of Valuation:

(i) Cost of raw materials and components has been determined by using FIFO method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

(ii) Cost of finished goods and work-in-progress includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

2.10 Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

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

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

Deferred tax:

Deferred income tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

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

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

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

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

2.11 i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company collects Goods and Service Tax on behalf of government, and therefore, these are not consideration to which the Company is entitled, hence, these are excluded from revenue. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

a) Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

b) Revenue from sale of services

Revenue from sale of services is recognised over a period of time because the customer simultaneously receives and consumes the benefits provided by the Company and accounted revenue as and when services are rendered and there are no unfulfilled obligation.

c) Consideration of significant financing component in a contract

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

d) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current. Where the settlement is due after one year, they are classified as non-current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

e) Contract Assets

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables.

f) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Impairment

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which such asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

ii) Other Income**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis by reference to the principal outstanding and effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Other Operating Revenue

Incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

2.12 Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to

be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. Corresponding liabilities are presented as current employee benefit obligations in the balance sheet.

Accumulated leaves, which are expected to be utilised within the next twelve months, is treated as short-term employee benefits. The company measured the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The company recognises the expected cost of short-term employee benefit as an expense, when an employee renders the related services.

The Company presents the leave encashment as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(ii) Defined Contribution Plan

The Company makes defined contribution to Employees Provident Fund Organization (EPFO), Pension Fund and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

Prepaid contribution are recognised as an assets to the extent that a cash refund or reduction in future payments is available.

(iii) Defined Benefit Plan

Retirement benefit in the form of Gratuity is considered as defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability.

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

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

2.13 Share-based payment arrangements

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share Options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense."

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counter party, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.14 Leases- Company as a lessee

Leases are accounted for using the principles of recognition, measurement, presentation and disclosures as set out in Ind AS 116 Leases.

On inception of a contract, the Company assesses whether it contains a lease. A contract contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to use the asset and the obligation under the lease to make payments are recognised in the Company's financial statements as a right-of-use asset and a lease liability.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use asset recognised at lease commencement includes the amount of lease liabilities on initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated to a residual value over the rights-of-use assets estimated useful life or the lease term, whichever is lower. Right-of-use assets are also adjusted for any re-measurement of lease liabilities and are subject to impairment testing. Residual value is reassessed at each reporting date.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest on lease liability and reduced for lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification e.g. a change in the lease term, a change in the 'in-substance fixed' lease payments or as a result of a rent review or change in the relevant index or rate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

The Company has opted not to apply the lease accounting model to intangible assets, leases of low-value assets or leases which have a term of less than 12 months. Costs associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Lease payments are presented as follows in the Company's statement of cash flows:

- i. short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- ii. payments for the interest element of recognised lease liabilities are presented within cash flows from financing activities; and
- iii. payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

2.16 Borrowing Costs

Borrowing cost includes interest and other costs incurred in connection with the borrowing of funds and charged to Statement of Profit & Loss on the basis of effective interest rate (EIR) method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Capitalization of Borrowing Cost is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying asset is interrupted. All other borrowing costs are recognized as expense in the year in which they occur.

2.17 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.18 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation of monetary assets

and liabilities denominated in foreign currencies at year end exchange rate are generally recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the year in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.19 Provisions and Contingent Liabilities Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities

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

Contingent assets

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

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

2.20 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The 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.

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

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

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

2.21 Exceptional items

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

2.22 Segment Reporting

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker (CODM) in deciding allocation of resources and in assessing performance. The Company's CODM reviews financial information for the purposes of making operating decisions, allocating resources and evaluating financial performance.

2.23 Statement of cash flows

Statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.24 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Financial Statements.

a) Recognition of deferred taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

b) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

c) Recognition of revenue

The price charged from the customer is treated as standalone selling price of the goods transferred to the customer. At each balance sheet date, basis the past trends and management judgment, the Company assesses the requirement of recognising provision against the sales returns for its products and in case, such provision is considered necessary, the management make adjustment in the revenue. However, the actual future outcome may be different from this judgement.

d) 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 assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using 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. These calculations are corroborated by valuation multiples, or other fair value indicators.

e) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease etc. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

2.24 Company Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount

of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 39.

c) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. For managements estimates on useful life of assets refer note 2.03 and note 2.04

2.25 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023 which come into force with effect from 1st day of April, 2023, as below

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

3(a). Property, plant and equipment

Particulars	Land*	Buildings*	Furniture and fixtures	Plant and equipment	Office Equipments	Vehicles	Electrical fittings	Computer	Total
Gross Carrying Amount									
As at 1 April 2021 (Deemed Cost)	14.27	13.41	4.19	2.90	0.85	13.46	1.55	2.98	53.61
Additions	-	0.36	0.80	35.48	1.16	4.56	-	3.13	45.49
Disposals	-	-	-	-	0.03	0.08	-	-	0.11
As at 31-March-2022	14.27	13.77	4.99	38.38	1.98	17.94	1.55	6.11	98.99
Additions	23.65	19.09	9.48	29.25	4.89	9.11	0.89	6.38	102.74
Disposals	-	-	-	-	-	-	-	-	-
As at 31-March-2023	37.92	32.86	14.47	67.63	6.87	27.05	2.44	12.49	201.73
Accumulated depreciation									
As at 1 April 2021 (Deemed Cost)	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.66	1.13	1.12	0.49	4.39	0.40	2.26	10.45
Disposals	-	-	-	-	0.01	0.05	-	-	0.06
As at 31-March-2022	-	0.66	1.13	1.12	0.48	4.34	0.40	2.26	10.39
Charge for the year	-	0.72	1.90	8.64	1.66	5.26	0.35	3.40	21.93
Disposals	-	-	-	-	-	-	-	-	-
As at 31-March-2023	-	1.38	3.03	9.76	2.14	9.60	0.75	5.66	32.32
Net Carrying Amount									
As at 1 April 2021	14.27	13.41	4.19	2.90	0.85	13.46	1.55	2.98	53.61
As at 31-March-2022	14.27	13.11	3.86	37.26	1.50	13.60	1.15	3.85	88.60
As at 31-March-2023	37.92	31.48	11.44	57.87	4.73	17.45	1.69	6.83	169.41

* Title deeds of immovable properties are held in the name of the Company.

3(a)(i) There are no adjustments to Property, Plant and Equipment on account of exchange differences.

3(a)(ii) Addition to Buildings includes Rs 0.49 millions on account of interest on loan.

3(a)(iii) There is no revaluation of Property, Plant and Equipment during the year.

3(a)(iv) As at April 1, 2021 the Company has elected to measure its property, plant and equipment at their carrying value as per previous GAAP. Accordingly, the Gross Block is carried at Rs.104.36 millions and Accumulated Depreciation is at Rs. 50.75 millions.

Accordingly, the Net Value is carried at Rs.53.61 millions and category wise as given below:-

Description	Gross Carrying Value as at 1st April 2021	Accumulated Depreciation up to 1st April 2021	Net Carrying Value as at 1st April 2021
Land	14.27	-	14.27
Buildings	16.40	2.99	13.41
Furniture and fixtures	13.00	8.81	4.19
Plant and equipment	12.39	9.49	2.90
Office Equipments	2.53	1.68	0.85
Vehicles	26.52	13.06	13.46
Electrical fittings	5.99	4.44	1.55
Computer	13.26	10.28	2.98
Total	104.36	50.75	53.61

3(b) Capital work-in-progress

Description	Buildings	Plant and equipment	Total
As at 1 April 2021	-	-	-
Additions	5.22	-	5.22
Capitalised during the year	-	-	-
As at 31-March-2022	5.22	-	5.22
Additions*	27.66	3.74	31.40
Capitalised during the year	18.99	-	18.99
As at 31-March-2023	13.89	3.74	17.63

* Addition to capital work in progress includes Rs 0.45 millions on account of interest on loan.

Capital work-in-progress ageing schedule

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31-March-2023					
Projects in progress	12.41	5.22	-	-	17.63
Projects temporarily suspended	-	-	-	-	-
Total	12.41	5.22	-	-	17.63

	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at 31-March-2022					
Projects in progress	5.22	-	-	-	5.22
Projects temporarily suspended	-	-	-	-	-
Total	5.22	-	-	-	5.22

4 (a) Right of Use Assets

Particulars	Building	Total
Gross carrying value		
As at 1 April 2021	12.25	12.25
Additions	0.32	0.32
Deductions	(0.30)	(0.30)
As at 31-March-2022	12.27	12.27
Additions	51.89	51.89
Deductions	(2.84)	(2.84)
As at 31-March-2023	61.32	61.32
Accumulated Depreciation		
As at 1 April 2021	-	-
Charge for the year	4.83	4.83
Deductions	(0.30)	(0.30)
As at 31-March-2022	4.53	4.53
Charge for the year	10.17	10.17
Deductions	(2.84)	(2.84)
As at 31-March-2023	11.86	11.86
Net carrying value		
As at 1 April 2021	12.25	12.25
As at 31-March-2022	7.74	7.74
As at 31-March-2023	49.46	49.46

4 (b) Other intangible assets

Particulars	Software	Patent & trademark	Total
As at 1 April 2021	-	-	-
Additions	8.40	-	8.40
Disposals	-	-	-
As at 31-March-2022	8.40	-	8.40
Additions	11.31	0.61	11.92
Disposals	-	-	-
As at 31-March-2023	19.71	0.61	20.32
Amortisation			
As at 1 April 2021	-	-	-
Charge for the year	1.10	-	1.10
Disposals	-	-	-
As at 31-March-2022	1.10	-	1.10
Charge for the year	4.46	0.01	4.47
Deductions	-	-	-
As at 31-March-2023	5.56	0.01	5.57
Net carrying value			
As at 1 April 2021	-	-	-
As at 31-March-2022	7.30	-	7.30
As at 31-March-2023	14.15	0.60	14.75

4 (c) Intangible Assets under development

Particulars	Amount
As at 1 April 2021	-
Additions	8.40
Capitalised during the year	(8.40)
As at 31-March-2022	-
Additions	0.23
Capitalised during the year	-
As at 31-March-2023	0.23

Intangible Assets under development ageing schedule

As at 31-March-2023	Amount of Intangible Assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	0.23	-	-	-	0.23
Projects temporarily suspended	-	-	-	-	-
Total	0.23	-	-	-	0.23

5 Investments

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Non Current	0.23	2.78	1.51
Investment in Equity Instruments			
Equity Instruments-Unquoted (At cost-impairment)			
i. Subsidiary			
- Netweb Foundation	-	-	-
9,900 equity shares of face value Rs 10/-			
Total Investments	-	-	-

(a) Aggregate amount of quoted investments and market value thereof	-	-	-
(b) Aggregate amount of unquoted investments	-	-	-
(c) Aggregate amount of impairment in value of investments	0.10	-	-

During the year, the Company has subscribed 9,900 equity shares of Rs.10/- each of Netweb Foundation (a Section 8 - Company as per Companies Act 2013)}. Netweb Foundation became a subsidiary of the Company w.e.f. May 25,2022 by virtue of holding 9,900 equity shares equivalent to 99% share capital in Netweb Foundation .Netweb Foundation is prohibited to distribute any dividend / economic benefits to its members, hence the Company is unable to earn any variable return/ economic benefits from the voting rights through its holding in equity shares of Netweb Foundation. Accordingly, the above investment does not meet the definition of control under Ind AS 110 -'Consolidated Financial Statements' and the aforesaid investment value of Rs. 0.10 millions has been charged off to the statement of profit and loss during the year ended 31 March 2023.

6 Other financial assets

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Non Current	0.23	2.78	1.51
Unsecured, considered good unless otherwise stated			
Carried at amortised cost			
Security deposits	4.88	2.21	1.67
Retention Money	2.42	4.39	5.16
Bank Deposits (Refer Note 11 (b) (i))	2.70	8.50	5.50
Total other financial assets	10.00	15.10	12.33

7 Deferred tax assets (net)

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Deferred tax assets			
Temporary difference in carrying values of property, plant & equipment & intangible assets between books of accounts and for tax purposes	1.65	1.49	2.05
Liabilities and provisions tax deductible only upon payment/actual crystallization			
- Post retirement benefits	4.25	3.23	2.71
Impact on account of Leases	0.65	0.36	0.54
Expected Credit Losses	0.08	0.16	0.10
Other temporary difference	0.54	6.04	8.30
(A)	7.17	11.28	13.70
Deferred tax liability			
Other temporary difference	0.53	0.39	0.49
(B)	0.53	0.39	0.49
Net deferred tax assets (A+B)	6.64	10.89	13.21

8 Other non-current assets

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Capital advances	6.75	-	0.24
Prepaid expenses	2.99	3.27	5.75
Total other non-current assets	9.74	3.27	5.99

9 Inventories

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
(The Inventory is valued at lower of cost and net realizable value)			
Raw materials (including goods in transit)*	461.06	312.22	137.66
Work in progress	26.66	7.20	-
Finished goods (including goods in transit)**	53.02	63.73	154.53
Total Inventories	540.74	383.15	292.19

*Includes raw material in transit

**Includes finished goods in transit

26.96

101.17

17.94

10.17

49.95

131.50

10 Trade receivables

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Trade receivables: (Carried at Amortised Cost)			
Trade Receivables - Considered Good Unsecured	1,515.32	778.05	557.48
Trade Receivables which have significant increase in credit risk	-	-	-
Trade Receivables - credit impaired	0.30	0.65	0.38
Total trade receivables	1,515.62	778.70	557.86
Less: Allowance for credit losses	0.30	0.65	0.38
Total trade receivables (net)	1,515.32	778.05	557.48

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables ageing schedule

As at 31-March-2023	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year"	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	1,463.82	41.37	6.24	2.22	1.67	1,515.32
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	0.12	0.18	0.30
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	1,463.82	41.37	6.24	2.34	1.85	1,515.62
Less: Allowance for credit losses	-	-	-	0.12	0.18	0.30
Net Trade receivables	1,463.82	41.37	6.24	2.22	1.67	1,515.32

As at 31-March-2022	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year"	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	715.54	43.47	10.64	4.73	3.67	778.05
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	0.25	0.40	0.65
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	715.54	43.47	10.64	4.98	4.07	778.70
Less: Allowance for credit losses	-	-	-	0.25	0.40	0.65
Net Trade receivables	715.54	43.47	10.64	4.73	3.67	778.05

As at 31-March-2021	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year"	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	518.68	21.06	11.74	4.77	1.23	557.48
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	0.25	0.13	0.38
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Total	518.68	21.06	11.74	5.02	1.36	557.86
Less: Allowance for credit losses	-	-	-	0.25	0.13	0.38
Net Trade receivables	518.68	21.06	11.74	4.77	1.23	557.48

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
11 (a) Cash and cash equivalents			
Balances with banks:			
- On current accounts	70.69	17.48	18.73
Cash on hand	0.23	2.78	1.51
Total cash and cash equivalents	70.92	20.26	20.24

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
11 (b) Bank balances other than cash and cash equivalents			
Bank Deposits (Refer Note 11(b)(i))	65.22	55.17	51.32
Total bank balances other than cash and cash equivalents	65.22	55.17	51.32

11 (b)(i) A charge has been created over the deposits towards various guaranties in favour of customer and statutory authorities.

12 Other financial assets

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current			
Unsecured, considered good unless otherwise stated			
Carried at amortised cost			
Earnest Money Deposit	12.33	6.19	8.01
Retention Money	8.57	6.64	10.48
Security deposits	0.33	1.49	0.90
Interest Accrued on Fixed deposit	1.02	-	-
Total Other financial assets	22.25	14.32	19.39

13 Other current assets

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Unsecured considered good			
Prepaid expenses	7.22	4.18	3.74
Staff advances	2.97	4.57	3.18
Balance with statutory / government authorities	64.87	74.46	55.36
Advance towards CSR*	0.50	-	-
Advance to suppliers and other advances	16.14	12.32	1.53
IPO expenses recoverable	33.81	-	-
PLI incentive receivable	39.70	-	-
Other receivables	1.98	1.46	0.13
Total Other current assets	167.19	96.99	63.94

* Advance given to related party, refer note 38

14 Equity share capital
(a) Authorised equity share capital:

	Number of shares*	Face Value	Amount
As at 1 April 2021	60,00,000	10	60.00
Changes during the year	-	-	-
As at 31-March-2022	60,00,000	10	60.00
Shares extinguished on splitting of shares	(60,00,000)	10	(60.00)
Shares due to above splitting up	3,00,00,000	2	60.00
Increase during the year	4,50,00,000	2	90.00
As at 31-March-2023	7,50,00,000	2	150.00

(b) Issued equity share capital:

	Number of shares*	Face Value	Amount
As at 1 April 2021	56,58,220	10	56.58
Changes during the year	-	-	-
As at 31-March-2022	56,58,220	10	56.58
Shares extinguished on splitting of shares	(56,58,220)	10	(56.58)
Shares due to above splitting up	2,82,91,100	2	56.58
Increase during the year	2,26,32,880	2	45.27
As at 31-March-2023	5,09,23,980	2	101.85

(c) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 2 per share (PY Rs 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend, if any in Indian rupees. The dividend proposed, if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of the Company in the Board meeting dated February 15, 2023 and Shareholders of the company in the Extra Ordinary General Meeting dated February 16, 2023 have approved the sub-division of each of the Equity Share of the Company having a face value of Rs. 10/- each in the Equity Share Capital of the Company be sub-divided into 5 Equity Shares having a face value of Rs. 2/- each ("Sub-division"). Further, the equity portion of authorized share capital of the company was revised to 7,50,00,000 equity shares of face value of Rs 2 each i.e. Rs 150 millions.

Further the Board of Directors at its meeting held on February 15, 2023, pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, proposed that a sum of Rs. 45.27 millions be capitalized as Bonus Equity shares out of free reserves and surplus, and distributed amongst the Equity Shareholders by issue of 2,26,32,880 Equity shares of Rs. 2/- each credited as fully paid to the Equity Shareholders in the proportion of 4 (Four) Equity share for every 5 (Five) Equity shares. It was approved in the meeting of shareholders held on February 16, 2023. The Board of Directors of the Company in the Board meeting dated February 20, 2023 allotted the Bonus Equity Shares to the shareholders of the Company.

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

(d) Aggregate number of equity shares issued as bonus during the period of five years immediately preceding the reporting date:

Particulars	As at 31-March-2023	As at 31-March-2022
Equity share allotted as fully paid bonus shares by capitalisation of Capital Retained Earnings and Security Premium	45.27	-

During the year ended March 31, 2023, the Company allotted 2,26,32,880 equity shares as fully paid up bonus shares in proportion of 4:1 (i.e. four bonus shares for every one equity share held) to the eligible members/beneficial owners, by capitalisation of amount of Rs. 45.27 millions which was by way of transfer from Retained Earnings Rs. 37.28 millions and Securities Premium Reserve. Rs. 7.99 millions.

Such bonus shares rank pari passu in all respects and carry the same rights as the existing equity shareholders and are entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

(e) Share based payments

During the financial year 2022-23, Netweb- Employee Stock Option Plan 2023^{****} pursuant to resolutions passed by Board of Directors of the Company at their meeting held on December 24, 2022 and by Shareholders of the Company at their meeting held on January 09,2023 and as amended by the Board of Directors of the Company at their meeting held on February 20, 2023 and approved by the Shareholders of the Company at their meeting held on February 23, 2023. The Plan has been made effective from January 21, 2023.

The stock options granted to each eligible employee shall vest over a period of 3 years with equal vesting from the grant date. The eligible employees shall be entitled to exercise the vested options within the exercise period. The Exercise price of the stock options granted is INR 2. (Please refer note 53 for further details).

(f) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31-March-2023		As at 31-March-2022		As at 31-March-2021	
	Number of shares*	% holding in class	Number of shares*	% holding in class	Number of shares*	% holding in class
Equity shares of Rs 2* each fully paid						
Sanjay Lodha	1,97,15,072	38.71%	1,26,93,550	44.87%	1,26,93,550	44.87%
Sanjay Lodha (HUF)	-	-	17,30,500	6.12%	17,30,500	6.12%
Vivek Lodha	98,57,086	19.36%	24,94,500	8.82%	24,94,500	8.82%
R P Lodha & Sons (HUF)	-	-	15,15,500	5.36%	15,15,500	5.36%
Niraj Lodha	98,57,086	19.36%	22,94,500	8.11%	15,44,500	5.46%
A K Lodha & Sons (HUF)	-	-	-	-	19,60,500	6.93%
Navin Lodha	98,57,086	19.36%	33,00,550	11.67%	-	-
Total	4,92,86,330		2,40,29,100		2,19,39,050	

(g) Details of shareholding of Promoters

Name of Shareholder	As at 31-March-2023			As at 31-March-2022			As at 31-March-2021		
	Number of shares*	% of total shares	% change during the year	Number of shares*	% of total shares	% change during the year	Number of shares*	% of total shares	% change during the year
Equity shares of Rs 2* each fully paid									
Sanjay Lodha	1,97,15,072	38.71%	-6.15%	1,26,93,550	44.87%	-	1,26,93,550	44.87%	-
Vivek Lodha	98,57,086	19.36%	10.54%	24,94,500	8.82%	-	24,94,500	8.82%	-
Niraj Lodha	98,57,086	19.36%	11.25%	22,94,500	8.11%	2.65%	15,44,500	5.46%	-
Navin Lodha	98,57,086	19.36%	7.69%	33,00,550	11.67%	6.93%	13,40,050	4.74%	-
Total	4,92,86,330			2,07,83,100			1,80,72,600		

(h) The Board of Directors at their meeting held on May 19, 2023 has proposed dividend of Rs. 0.50 per Share for the financial year ended March 31, 2023 amounting to Rs. 25.46 million. The proposed dividend is subject to approval of shareholders at the ensuing Annual General Meeting.

* Previous year figures of number of shares have been recasted due to split of shares. Further, current year figures of number of shares are pursuant to impact of split of shares from face value of Rs. 10 to Rs 2 per share and issue of bonus shares.

15 Other equity

Securities premium	(A)	Amount
Balance as at 1 April 2021		7.99
Additions		-
Balance as at 31 March 2022		7.99
Additions		-
Less: Issue of Bonus shares		7.99
Balance as at 31 March 2023		-
Share options outstanding account	(B)	Amount
Balance as at 1 April 2021		-
Additions		-
Balance as at 31 March 2022		-
Additions		23.18
Balance as at 31 March 2023		23.18
Retained earnings	(C)	
Balance as at 1 April 2021		153.60
Profit for the year		224.53
Add: Other comprehensive income, net of income tax		1.00
Balance as at 31 March 2022		379.13
Profit for the year		469.36
Add: Other comprehensive income, net of income tax		0.42
Less: Issue of Bonus shares		37.28
Balance as at 31 March 2023		811.63
Total other equity	(A + B + C)	
Balance as at 1 April 2021		161.59
Balance as at 31 March 2022		387.12
Balance as at 31 March 2023		834.81

Nature and purpose of reserves
Securities Premium:-

Securities premium is used to record the premium received on issue of shares and is utilised in accordance with the provisions of Companies Act, 2013.

Retained Earnings:-

Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the provisions of the Companies Act, 2013."

Share options outstanding account:-

The share option outstanding account has been created in accordance with the approved Employee Stock Option Scheme.

16 Borrowings

Particulars	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Non Current			
Secured			
Term loans			
-From Banks	49.71	34.48	19.11
From Others		-	-
-From Other Parties	3.52	4.21	4.85
Unsecured			
Term loans			
-From Banks	-	6.04	13.80
-From Other Parties	44.06	83.92	82.72
Unsecured			
Loan from related parties	14.53	28.61	41.01
Total Borrowings	111.82	157.26	161.49
Less: Current maturities of loans- Secured (refer note no 20)	18.70	5.30	6.45
Less: Current maturities of loans- Unsecured (refer note no 20)	-	7.54	11.17
Total non-current borrowings	93.12	144.42	143.87

Nature of security and terms of repayment for borrowings:

(A) Secured Term loans

(1) Term Loans from Banks

(a) Security Terms

- (i) Indian Bank GECLS-Covid-19 Loan amounting to Rs. 2.94 millions (March 31, 2022: Rs. 4.84 millions; April 01, 2021: Rs.5.86 millions) carrying interest rate of Repo Rate + Spread 2% per annum and is repayable in monthly equal installments. The loan is secured by Pari pasu charge with HDFC bank over the assets to be created out of the loan proceeds on industrial unit (land & proposed building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards , Pledge of FDR (excluding BG margin) of the Company and Personal Guarantee and residential properties provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of Company), Mr. Niraj Lodha (Director of Company), Ms. Madhuri Lodha (Mortgage Guarantor) (Relative of Director), Ms. Priti Lodha (W/o Mr.Sanjay Lodha) (upto february 21, 2023) and Ms.Sweta Lodha (W/o Mr. Navin Lodha) (upto february 21, 2023) .
- (ii) Term loan from Indian Bank for the construction of building amounting to Rs. 14.38 millions (March 31, 2022: Nil; April 01, 2021: Nil) carrying interest rate of Repo Rate + Spread 2% per annum, is secured by pari pasu charge with HDFC Bank over industrial unit (land & proposed building) at Plot H-2, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, along with the hypothecation of Fixed Assets of the company and Personal Guarantee cum residential properties provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of

Company), Mr. Niraj Lodha (Director of Company), Ms. Madhuri Lodha (Mortgagor Guarantor) (Relative of Director), Ms. Priti Lodha (W/o Mr. Sanjay Lodha) (Personal Guarantee) (upto February 21, 2023) and Ms. Sweta Lodha (W/o Mr. Navin Lodha) (Personal Guarantee) (upto February 21, 2023).

- (iii) Working Capital Term Loan under GECLS 1.0 (extension) from Indian Bank amounting to Rs. 22.20 millions (March 31, 2022: Rs. 22.20 millions; April 01, 2021: Nil) carrying interest rate of Repo Rate + Spread 2% per annum and is repayable in monthly equal installments. The loan is secured by pari pasu charge with HDFC Bank over the assets to be created out of the loan proceeds, on industrial unit (land & proposed building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, Pledge of FDR (excluding BG margin) of the Company and 100% guarantee cover of National Credit Guarantee Trustee Company Limited (NCGTC).
- (iv) Term Loan from Indian Bank amounting to Nil (March 31, 2022: Nil; April 01, 2021: Rs. 2.36 millions) carrying interest rate of repo rate + 6.50% per annum and is repayable in monthly equal installments. The loan is secured by the exclusive charge over EM of industrial unit (land & proposed building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, along with the hypothecation of Fixed Assets of the company and Personal Guarantee provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of Company), Mr. Niraj Lodha (Director of Company), Ms. Madhuri Lodha (Mortgagor Guarantor) (Relative of Director), Ms. Priti Lodha (W/o Mr. Sanjay Lodha) and Ms. Sweta Lodha (W/o Mr. Navin Lodha).
- (v) Indian Bank Covid Emergency Credit line amounting to Nil (March 31, 2022: Nil; April 01, 2021: Rs. 5.00 millions) carrying interest rate of 8.75% (fixed) per annum and is repayable in monthly equal installments. The loan is secured by exclusive charge over the assets to be created out of the loan proceeds, exclusive charge over EM of industrial unit (land & proposed building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, Pledge of FDR (excluding BG margin) of the Company and Personal Guarantee provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of Company), Mr. Niraj Lodha (Director of Company), Ms. Madhuri Lodha (Mortgagor Guarantor) (Relative of Director), Ms. Priti Lodha (W/o Mr. Sanjay Lodha) and Ms. Sweta Lodha (W/o Mr. Navin Lodha).

(b) Loans outstanding as on 31 March 2023:-

Facility	Gross Amount	Installments Outstanding	Frequency
Term Loans from Indian Bank: -			
- Indian Bank GECLS-Covid-19 Loan	2.94	17	Monthly Equal installments
- Term Loan	14.38	42	Monthly Equal installments
- Working Capital Term Loan Under GECLS 1.0 (extension)	22.20	36	Monthly Equal installments

(c) Loans guaranteed by directors or others, the amount of such loans outstanding are as under:-

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Term Loan (Banks)-Secured	39.52	27.04	13.22

(2) Vehicle loans from Banks and others amounting to

Interest Rate	13.71	11.65	10.74
Secured against the hypothecation of respective vehicles and repayable in equal monthly instalments	7.10% to 9.00%	7.10% to 9.00%	7.35% to 9.00%

(B) Unsecured Term loans

- | | | | |
|---|--------|--------|--------|
| (1) Term loan from Banks and Other Parties (Financial Institutions/ NBFC & Inter corporate loans) amounting to | 44.06 | 89.96 | 96.52 |
| (a) Interest on Term Loans (Banks & Financial Institutions / NBFC):- | 16.50% | 16.50% | 16.50% |
| (b) Repayment Term (Banks & Financial Institutions / NBFC):- | | | |

Facility	Repayment Terms
Capital First Limited	Repayable in 36 monthly equal installments commencing from 02nd December, 2018 and ending on 05nd November, 2021
Fullerton India Credit Co. Ltd	Repayable in 37 monthly equal installments commencing from 04th December, 2019 and ending on 04th December, 2022
HDFC Bank Limited	Repayable in 36 monthly equal installments commencing from 06th January, 2020 and ending on 06th December, 2022
ICICI Bank Limited	Repayable in 36 monthly equal installments commencing from 05th December, 2019 and ending on 05th November, 2022
IDFC First Bank Limited	Repayable in 36 monthly equal installments commencing from 02nd December, 2019 and ending on 02nd November, 2022
RBL Bank Limited	Repayable in 36 monthly equal installments commencing from 05th December, 2019 and ending on 05th November, 2022
YES Bank Limited	Repayable in 36 monthly equal installments commencing from 04th December, 2019 and ending on 04th November, 2022

(c) Interest on Term Loans & Repayment Term (Inter corporate loans):-

Inter corporate loans are repayable in five (5) years from the date of agreement & shall be renewed for consecutive periods of 5 (five) years. Interest is payable @ 9%-15% p.a.

(d) Loans guaranteed by directors or others, the amount of such loans outstanding are as under:-

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
<u>Unsecured-Term Loan from Banks and From Other Parties</u>	-	6.21	13.94
-HDFC Bank Limited	-	1.49	3.21
-Fullerton India Credit Co. Ltd	-	1.50	3.23
-ICICI Bank Limited	-	0.93	2.15
-IDFC First Bank Limited	-	1.01	2.32
-YES Bank Limited	-	1.28	3.03

- (i)** In Case of HDFC Bank Limited, Personal Guarantee provided by Navin Lodha (Director of Company) and Vivek Lodha (Director of Company).
- (ii)** In Case of Fullerton India Credit Co. Ltd, Personal Guarantee provided by Navin Lodha (Co-borrower) (Director of Company).
- (iii)** In Case of ICICI Bank Limited, Personal Guarantee provided by Sanjay Lodha (co-applicant) (Director of Company), Navin Lodha (co-applicant)(Director of Company), Niraj Lodha (Co-Applicant/ Guarantor) (Director of Company), Vivek Lodha (Co-Applicant/ Guarantor) (Director of Company), Sweta Lodha (Co-applicant) (Relative of Director of Company) and Madhuri Lodha (Co-applicant) (Relative of Director of Company).
- (iv)** In Case of IDFC First Bank Limited, Personal Guarantee provided by Madhuri Lodha (Co-Applicant) (Relative of Director of Company), Navin Lodha (Co-Applicant) (Director of Company), Niraj Lodha (Co-Applicant) (Director of Company), Sanjay Lodha (Co-Applicant) (Director of Company) and Sweta Lodha (Co-Applicant) (Relative of Director of Company).

(v) In Case of YES Bank Limited, Personal Guarantee provided by Sanjay Lodha (Co-Borrower) (Director of Company), Navin Lodha (Co-Borrower) (Director of Company), Vivek Lodha (Co-Borrower) (Director of Company), Niraj Lodha (Co-Borrower) (Director of Company), Madhuri Lodha (Co-Borrower) (Relative of Director of Company) and Sweta Lodha (Co-Borrower) (Relative of Director of Company).

(2) **Unsecured Loan from related parties amounting to** 14.53 28.61 41.01

Loans from Related Parties are repayable in five (5) years from the date of agreement & shall be renewed for consecutive periods of 5 (five) years. Interest is payable at the rate of up to 12% p.a.

(C) As on balance sheet date there is no default in repayment of loans and interest

(D) The Company has utilised the borrowings received from banks and financial institutions for the purpose for which it was taken during the year.

17 Lease liabilities

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Non Current			
Lease liabilities	40.61	7.07	9.16
Total Non Current Lease liabilities	40.61	7.07	9.16

(Refer note no. 41 for further details)

18 Other non current liabilities

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Revenue received in advance	1.05	1.23	2.43
Total Other non current liabilities	1.05	1.23	2.43

19 Provisions

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Non Current			
Provision for employee benefits			
Provision for gratuity (refer note 39)	14.92	11.39	9.66
Total Non Current Provisions	14.92	11.39	9.66

20 Borrowings

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current			
Secured			
Cash credit (secured)			
Loans repayable on demand			
-Cash credits from banks	192.16	178.42	129.50
	-	-	-
Current maturities of long term borrowings (refer note no 16)	18.70	5.30	6.45
Unsecured			
Current maturities of long term borrowings (refer note no 16)	-	7.54	11.17
Total current borrowings	210.86	191.26	147.12

Note:

- 1** Cash credit from Indian Bank amounting to Rs. 151.32 Millions (March 31, 2022: 178.42 Millions; April 01, 2021: Rs. 129.50 Millions) is secured against Pari pasu charge on stock, Book debts and other current assets of the Company, both present and future with HDFC bank. Further CC Limit are secured against (i) Properties of directors of the Company (ii) Pledge of FDR (excluding BG margin) of the Company (iii) Pari pasu charge on industrial unit (land & building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, along with the hypothecation of Fixed Assets of the company as a collateral Security (iv) Pari pasu charge on industrial unit (land & Proposed building) at Plot H-2, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, along with the hypothecation of Fixed Assets of the company (After liquidation of Term Loan , the property will be held as collateral for working capital facility) as a collateral Security (v) Personal Guarantee provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of Company), Mr. Niraj Lodha (Director of Company), Ms. Madhuri Lodha (Mortgagor Guarantor) (Relative of Director), Ms. Priti Lodha (W/o Mr.Sanjay Lodha) (upto february 21, 2023) and Ms.Sweta Lodha (W/o Mr. Navin Lodha) (upto february 21, 2023) with HDFC bank.

Interest rate on the above loans outstanding as at the year ended March 31, 2023 is Repo Rate +2%.

- 2** Cash credit from HDFC Bank amounting to Rs. 40.84 Millions (March 31, 2022: Nil; April 01, 2021: Nil) is secured against Pari pasu charge on current assets, movable and immovable fixed assets with Indian Bank. Further CC Limit are secured against (i) Properties of directors of the Company (ii) Pledge of FDR (excluding BG margin) of the Company (iii) Pari pasu charge over industrial unit (land & building) at Plot H-1, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards, (iv) Pari pasu charge of industrial unit (land & Proposed building) at Plot H-2, Sector - 57, Faridabad Industrial Town (FIT), Faridabad, Haryana, in the name of the company, measuring 540.31 Sq yards as a collateral Security (v) Personal Guarantee provided by Mr. Sanjay Lodha (Director of Company), Mr. Vivek Lodha (Director of Company), Mr. Navin Lodha (Director of Company), Mr. Niraj Lodha (Director of Company) and Ms. Madhuri Lodha (Mortgagor Guarantor) (Relative of Director) with Indian Bank.

Interest rate on the above loans outstanding as at the year ended 31st March 2023 is 3M T-Bill +1.86%.

3 Loans guaranteed by directors and others, the amount of such loans outstanding are as under:-

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Cash Credit (CC) from Bank-Secured	192.16	178.42	129.50

- 4** The company has been sanctioned working capital limit in excess of Rs. Five crore in aggregate, at any point of time during the year from bank on the basis of security of current assets. The quarterly return/ statement filed by company with the banks are in agreement with the books of account of the company of the respective quarters.

21 Lease liabilities

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current			
Lease liabilities	11.44	2.09	5.23
Total Lease liabilities	11.44	2.09	5.23

(Refer note no. 17 & 41 for further details)

22 Trade payables

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Carried at amortised cost			
Total outstanding dues of micro enterprises and small enterprises	0.98	1.60	0.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,032.69	531.28	425.11
Total Trade payables	1,033.67	532.88	425.89

Notes

- a** Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended is given below. This information has been determined

to the extent such parties have been identified on the basis of information available with the Company.

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
-Principal amount remaining unpaid to any supplier as at the end of the accounting year.	0.98	1.60	0.78
-Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
-The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-	-
-The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
-The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

22.1 Trade payable ageing schedule

As at 31-March-2023	Unbilled Dues	Outstanding for following periods from date of transactions				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.98	-	-	-	0.98
Others	-	1,032.69	-	-	-	1,032.69
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	1,033.67	-	-	-	1,033.67

As at 31-March-2022	Unbilled Dues	Outstanding for following periods from date of transactions				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	1.60	-	-	-	1.60
Others	-	531.28	-	-	-	531.28
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	-	532.88	-	-	-	532.88

As at 31-March-2021	Unbilled Dues	Outstanding for following periods from date of transactions				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.78	-	-	-	0.78
Others	-	421.78	-	3.33	-	425.11
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total		422.56	-	3.33	-	425.89

23 Other financial liabilities

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current			
Interest Accrued	1.19	0.32	0.55
Accrued salaries and benefits	75.29	21.91	23.93
Capital Creditors	5.50	5.03	-
Other expense payable	36.23	15.85	40.29
Total Other financial liabilities	118.21	43.11	64.77

24 Other current liabilities

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Statutory dues payable	9.25	13.91	11.43
Revenue received in advance	28.08	7.88	6.29
Advance from customers	75.30	26.90	26.95
Total Other current liabilities	112.63	48.69	44.67

25 Provisions

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current			
Provision for employee benefits			
Provision for gratuity (refer note 39)	1.97	1.43	1.11
Total Provisions	1.97	1.43	1.11

26 Current tax liabilities (net)

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Provision for taxation, net of advance tax and TDS receivable	84.36	58.79	29.87
Total Current tax liabilities (net)	84.36	58.79	29.87

27 Revenue from operations

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	4,315.36	2,401.78
Sale of services	94.66	68.55
Other operating revenue	39.70	-
Total Revenue from operations	4,449.72	2,470.33

Notes to revenue from contracts with customers:

a) Timing of rendering of services - 31 March 2023

Particular	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of products	4,315.36		4,315.36
Sale of services		94.66	94.66
Total	4,315.36	94.66	4,410.02

Timing of rendering of services - 31 March 2022

Particular	Performance obligation satisfied at point in time	Performance obligation satisfied over time	Total
Sale of products	2,401.78	-	2,401.78
Sale of services	-	68.55	68.55
Total	2,401.78	68.55	2,470.33

b) Revenue by location of customers

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
India	4,405.39	2,442.28
Outside India	4.63	28.05
Total revenue from contract with customers	4,410.02	2,470.33

c) Reconciliation of revenue recognised in statement of profit and loss with contracted price

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contracted price	4,410.02	2,470.33
Less: adjustment on account of price variation	-	-
Less: Turnover discount	-	-
Total	4,410.02	2,470.33

d) Contract Balances:

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Contract Assets			
Trade Receivables	1,515.32	778.05	557.48
Retention Money	10.99	11.03	15.64
Contract Liabilities			
Advance from customers	75.30	26.90	26.95
Revenue received in advance	29.13	9.11	8.72

A contract liabilities is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

e) Revenue recognised in relation to Contract Liabilities

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Arising out of contract liabilities as at the beginning of the year	34.06	30.83

f) Unsatisfied performance obligation

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Total value of performance obligation of the Company remaining unsatisfied at the end of year with timelines within which it is expected to recognise revenue :		
Within one year	103.38	34.78
More than one year	1.05	1.23
Total	104.43	36.01

28 Other income

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Other non-operating income		
Exchange difference fluctuation	1.13	1.92
Liabilities Written Back	1.26	3.43
Interest income on bank deposits	3.60	2.94
Interest income - others	0.77	0.73
Others	0.02	0.06
Total Other income	6.78	9.08

Interest income - others represents interest on unwinding of security deposits given and retention money withheld by customers.

29 Cost of materials consumed

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year	312.22	137.66
Add: Purchases	3,401.24	1,955.54
	3,713.46	2,093.20
Less: Inventory at the end of the year	461.06	312.22
Cost of materials consumed	3,252.40	1,780.98

Note: Purchases includes all the direct cost incurred on raw material

30 Change in inventories of finished goods and work-in-progress

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening inventories		
- Finished goods	63.73	154.53
- Work in progress	7.20	-
Sub total	70.93	154.53
Closing inventories		
- Finished goods	53.02	63.73
- Work in progress	26.66	7.20
Sub total	79.68	70.93
Change in inventories of finished goods and work-in-progress	(8.75)	83.60

31 Employee benefits expense

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	264.43	149.06
Contribution to provident and other funds	0.68	0.33
Share-based payments to employees	23.18	-
Staff welfare expenses	5.24	2.66
Total Employee benefits expense	293.53	152.05

32 Finance costs

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	22.77	22.76
Interest on lease liabilities	3.52	1.06
Interest on others	3.05	4.70
Other Borrowing Costs		
-Loan and guarantee charges	11.39	7.90
Total Finance costs	40.73	36.42

33 Depreciation and amortisation expenses

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of tangible assets (refer note 3a)	21.93	10.45
Amortisation of intangible assets (refer note 4 b)	4.47	1.10
Depreciation of Right-of-use assets (refer note 4a)	10.17	4.83
Total Depreciation and amortisation expenses	36.57	16.38

34 Other expenses

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent Expenses	2.15	2.96
Rates & Taxes	2.65	0.38
Travelling and Conveyance expenses	31.08	17.19
Postage & Courier expenses	17.78	13.11
Packing & Forwarding Expenses	1.12	1.76
Utility Expenses	12.06	6.42
Office expenses	9.74	8.97
Legal and professional expenses	35.91	11.03
Commission expenses	20.29	11.37
Payment to auditor (refer note no 35)	1.00	0.20
Director's sitting fees	1.10	-
Charity & Donation	0.17	0.13
Repair & Maintenance Expenses		
- Building	0.30	0.09
- Plant and machinery	5.68	0.47
- others	5.58	6.23
Business promotion expenses	36.56	13.08
Insurance Charges	2.45	1.47
Corporate Social Responsibility Expenditure (refer note no 47)	3.30	1.58
Customer Support Expenses	11.75	7.56
Bad debt Written off	4.28	-
EMD balance Written off	3.31	-
Impairment on Investment	0.10	-
Provision for doubtful debts	-	0.27
Miscellaneous Expense	4.03	3.44
Total Other expenses	212.39	107.71

35 Payment to auditor (exclusive of taxes)*

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Audit fee	1.00	0.16
Tax Audit fee	-	0.04
In other capacity		
Professional/certification services	-	-
Reimbursement of expenses	-	-
Total	1.00	0.20

*During the financial year ended March 31, 2023 the company has incurred INR 2.59 million (31 March 2022: Nil) towards service received from the auditors of the Company in relation to the proposed Initial Public Offering (IPO). The same was not charged off to the statement of profit and loss and was disclosed in "Other current assets".

36 Income tax

The Company is subject to income tax in India on the basis of financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period. Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The Company based on the current projections has chosen to adopt the reduced rates of tax as per the Income Tax Act, 1961 from the financial year 2019-20 and accordingly the Company has accounted deferred tax based on the reduced applicable tax rates.

Tax expenses

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax recognized in Profit & Loss Account		
Current tax	156.16	75.76
Deferred tax expense / (credit)	4.11	1.98
Income tax recognized in other comprehensive income		
Deferred tax expense/(credit) on items of OCI	0.14	0.33
Total taxes	160.41	78.07

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before taxes	629.63	302.27
Applicable tax rates in India	25.17%	25.17%
Computed tax charge	158.47	76.08
Non-deductible expense	13.25	6.71
Allowable Expenses	(15.56)	(3.47)
Deferred tax expense / (credit)	4.25	2.31
Other Adjustments	-	(3.56)
Total Tax expenses	160.41	78.07
Total income tax expense recognized in Profit and Loss	160.41	78.07

37 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit / loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Face value of equity shares (Rs per share)	2.00	10.00
Profit attributable to equity shareholders (A)	469.36	224.53
Weighted Average number of Equity Shares original	56,58,220	56,58,220
Impact of share split effected after September 30, 2022 (each share of face value Rs 10 split into five shares of face value of Rs 2 each)	2,26,32,880	2,26,32,880
Weighted Average number of Equity Shares post split	2,82,91,100	2,82,91,100
Impact of bonus issue effected after September 30, 2022 (allotment of 2,26,32,880 bonus shares at face value of Rs 2 each)	2,26,32,880	2,26,32,880
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Basic Earnings Per Share (B)	5,09,23,980	5,09,23,980
EPS - basic (A/B) (Rs)	9.22	4.41
Weighted Average number of Equity Shares post split and bonus used as denominator in calculating Basic Earnings Per Share	5,09,23,980	5,09,23,980
Effect of dilutive common equivalent shares - share options outstanding	8,18,300	-
Weighted average number of equity shares and common equivalent shares outstanding (C)	5,17,42,280	5,09,23,980
EPS - diluted (A/C) (Rs)	9.07	4.41

38 Related party transactions

a) Names of related parties and description of relationship

Description of relationship

Subsidiary Companies

Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)

Name of related parties

1) Netweb Foundation (a Section 8 Company, Date of incorporation - May 25, 2022)

1) Ashoka Bajaj Automobiles LLP (Formerly Ashoka Bajaj Automobiles Private Limited)

2) A.K.Lodha & Sons

3) R P Lodha & Sons

4) Sandeep Lodha (HUF)

5) Sanjay Lodha (HUF)

6) Vivek Lodha (HUF)

- 7) Navin Lodha (HUF)
- 8) Niraj Lodha (HUF)
- 9) Tyrone Systems Private limited

Key managerial personnel

- 1) Sanjay Lodha, (Director)
- 2) Navin Lodha, (Director)
- 3) Niraj Lodha, (Director)
- 4) Vivek Lodha, (Director)
- 5) Prawal Jain (Chief Financial Officer)
- 6) Lohit Chhabra (Company Secretary)

Relatives

- 1) Anuja Lodha, (Relative)
- 2) Madhuri Lodha, (Relative)
- 3) Nisha Lodha, (Relative)
- 4) Priti Lodha, (Relative)
- 5) Rudra Prasad Lodha, (Relative)
- 6) Sweta Lodha, (Relative)

b) Summary of transactions and outstanding balances with above related parties are as follows

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Remuneration to key managerial personnel and their relatives		
Key managerial personnel and their relatives		
Sanjay Lodha	16.14	9.60
Navin Lodha	11.99	7.50
Niraj Lodha	11.99	7.50
Vivek Lodha	12.14	7.80
Prawal Jain	1.53	-
Lohit Chhabra	0.31	-
ii) Share-based payments to employees		
Key managerial personnel and their relatives		
Prawal Jain	0.70	-
Lohit Chhabra	0.09	-

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Loan Taken*		
Sanjay Lodha	-	2.72
Navin Lodha	-	0.05
Niraj Lodha	-	0.57
Vivek Lodha	-	0.43
A.K.Lodha & Sons	-	0.04
Anuja Lodha	-	0.16
Madhuri Lodha	-	0.05

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Navin Lodha (HUF)	-	0.09
Niraj Lodha (HUF)	-	0.17
Nisha Lodha	-	0.28
Priti Lodha	-	0.38
R P Lodha & Sons	-	0.25
Rudra Prasad Lodha	-	-
Sandeep Lodha (HUF)	-	0.20
Sanjay Lodha (HUF)	-	0.05
Sweta Lodha	0.40	0.13
Vivek Lodha (HUF)	-	0.11
Ashoka Bajaj Automobiles Pvt Ltd	-	0.33
Loan repayment		
Sanjay Lodha	1.08	-
Navin Lodha	-	2.59
Niraj Lodha	1.25	1.00
Vivek Lodha	3.68	1.00
A.K.Lodha & Sons	-	0.54
Anuja Lodha	1.80	0.04
Navin Lodha (HUF)	-	0.93
Niraj Lodha (HUF)	-	1.86
Nisha Lodha	3.12	0.04
Priti Lodha	4.24	0.08
R P Lodha & Sons	-	2.61
Rudra Prasad Lodha	-	1.90
Sandeep Lodha (HUF)	-	2.05
Sanjay Lodha (HUF)	-	0.50
Sweta Lodha	1.42	2.01
Vivek Lodha (HUF)	-	1.24
Ashoka Bajaj Automobiles Pvt Ltd	-	-
Madhuri Lodha	0.52	-
Interest Expense	0.60	0.70
Sanjay Lodha	-	0.05
Navin Lodha	0.47	0.63
Niraj Lodha	0.16	0.48
Vivek Lodha	-	0.04
A.K.Lodha & Sons	0.17	0.18
Anuja Lodha	0.05	0.05
Madhuri Lodha	-	0.10
Navin Lodha (HUF)	-	0.19
Niraj Lodha (HUF)	0.28	0.31
Nisha Lodha	0.45	0.42

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Priti Lodha	-	0.28
R P Lodha & Sons	-	0.22
Sandeep Lodha (HUF)	-	0.05
Sanjay Lodha (HUF)	0.08	0.14
Sweta Lodha	-	0.12
Vivek Lodha (HUF)	0.40	0.37
Ashoka Bajaj Automobiles LLP (Formerly Ashoka Bajaj Automobiles Private Limited)		
Investment in Equity Instruments**	0.10	-
Netweb Foundation		
Contribution to CSR	2.80	-
Netweb Foundation		

*Loan taken during the year includes Interest capitalized in Loan amount.

** Refer note 5

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
ii) Outstanding balances as at the year ended:			
a) Non - current financial liabilities - Loan From related party			
Key managerial personnel and their relatives			
Sanjay Lodha	6.00	6.47	3.75
Navin Lodha	-	-	2.54
Niraj Lodha	4.14	4.92	5.36
Vivek Lodha	-	3.52	4.10
Anuja Lodha	-	1.63	1.51
Madhuri Lodha	-	0.47	0.43
Navin Lodha (HUF)	-	-	0.84
Niraj Lodha (HUF)	-	-	1.69
Nisha Lodha	-	2.84	2.60
Priti Lodha	-	3.79	3.49
Rudra Prasad Lodha	-	-	1.90
Sandeep Lodha (HUF)	-	-	1.86
Sanjay Lodha (HUF)	-	-	0.45
Sweta Lodha	-	0.94	2.82
Vivek Lodha (HUF)	-	-	1.12
A.K.Lodha & Sons	-	-	0.51
R P Lodha & Sons	-	-	2.36

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Enterprises where key managerial personnel or their relatives exercise significant influence (where transactions have taken place)			
Ashoka Bajaj Automobiles Pvt Ltd	4.39	4.03	3.68
b) Current financial liabilities - Remuneration payable to key managerial personnel and their relatives			
Key managerial personnel and their relatives			
Sanjay Lodha	4.11	0.20	2.73
Navin Lodha	3.15	-	2.07
Niraj Lodha	3.29	0.19	1.62
Vivek Lodha	2.73	-	0.81
Prawal Jain	0.33	-	-
Lohit Chhabra	0.11	-	-
c) Advance for CSR contribution (refer Note 47)			
Netweb Foundation	0.5	-	-

39 Gratuity and other post-employment benefits plans

a) Defined contribution plan

The Company's contribution to provident fund and other funds are considered as defined contribution plans. The contributions are charged to the statement of profit and loss as they accrue. Contributions to provident fund and other funds included in employee benefits expense (refer note 31) are as under:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident and other funds	0.68	0.33

b) Defined benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity plan is unfunded.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for gratuity benefit:

i. Net benefit expenses (recognized in the statement of profit and loss)

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	3.58	2.71
Interest cost on defined benefit obligation	0.87	0.67
Past service cost, including losses/(gains) on curtailment	0.18	-
Net benefit expenses	4.63	3.38

ii. Remeasurement (gains)/ loss recognised in other comprehensive income:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(0.20)	(0.83)
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.36)	(0.50)
Actuarial (gain)/ loss recognised in OCI	(0.56)	(1.33)

iii Net defined benefit asset/ (liability)

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Defined benefit obligation	(16.89)	(12.82)	(10.77)
Fair value of plan assets	-	-	-
Asset / (liability) recognised in the balance sheet	(16.89)	(12.82)	(10.77)

iv. Changes in the present value of the defined benefit obligation are as follows:

Particular	As at 31-March-2023	As at 31-March-2022
Opening defined benefit obligation	12.82	10.77
Current service cost	3.58	2.71
Benefits paid	-	-
Interest cost on the defined benefit obligation	0.87	0.67
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	(0.20)	(0.83)
Actuarial (gain)/ loss on obligations arising from changes in demographic adjustments	-	-
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	(0.36)	(0.50)
Past service cost, including losses/(gains) on curtailment	0.18	-
Closing defined benefit obligation	16.89	12.82

v The following pay-outs are expected in future years:

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Within the next 12 months	2.03	1.49	1.14
Between 1 and 2 years	1.90	1.50	1.15
Between 2 and 3 years	1.90	1.43	1.19
Between 3 and 4 years	1.92	1.41	1.16
Between 4 and 5 years	1.88	1.40	1.11
Beyond 5 years	20.26	14.51	12.08

vi The principal assumptions used in determining gratuity obligations for the Company's plan are shown below

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Discount rate (in %)	7.30%	6.80%	6.20%
Salary escalation rate (in %)	10.00%	10.00%	10.00%
Employee Turnover/ Withdrawal Rate	15.00%	15.00%	15.00%
Retirement age	60	60	60
Mortality Rate *	IALM 2012-14 ult	IALM 2012-14 ult	IALM 2012-14 ult
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 Ultimate). These assumptions translate into an average life expectancy in years at retirement age

Risk Exposure

i) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death or disability. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- a) Discount rate risk:** The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities.
- b) Salary Growth risk:** Salary growth rate is enterprise's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis.
- c) Demographic risks:** Attrition rates are the enterprise's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of The Enterprise, business plan, HR Policy etc.

vii. A quantitative sensitivity analysis for significant assumption is as shown below:

Particular	As at 31-March-2023	As at 31-March-2022
Discount rate		
Decrease in Defined benefit obligation due to 1% increase in discount rate	1.00	0.77
Increase in Defined benefit obligation due to 1% decrease in discount rate	1.12	0.86
Salary escalation rate		
Increase in Defined benefit obligation due to 1% increase in Expected Salary Escalation rate	1.08	0.77
Decrease in Defined benefit obligation due to 1% decrease in Expected Salary Escalation rate.	0.98	0.73

The above sensitivity analysis are based on a change in an assumption while holding all others assumptions constant. In the event of change in more than one assumption, the impact would be different than the stated above. The methods and any types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

40 Segment reporting

Segments are identified in line with Ind AS-108, "Operating Segment" [specified under the section 133 of the Companies Act 2013 (the Act)] read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. Based on above, as the company is engaged in the business of manufacturing and sale of computer servers and there is other operating revenue in the form of AMC and related services. Accordingly, the Company has identified "Computer server" as the only primary reportable segment. The Company does not have any geographical segment as the Company mainly operates from single geographical location, primarily within India and the volume of exports is not significant. Hence no separate disclosures are provided in these financial statements.

Non-current assets by geographical area

All non current assets of the Company are located in India

Information about major customers

There is two customer (March 31, 2022: one customer) which amounts to 10% or more to the Company's revenue.

41 Leases
a) Leases
I. Company as a lessee

The Company has lease contracts for office facilities . The lease term of the office facilities is generally 1-9 years .The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases of office facilities and office Equipments with low value or tenure less than 1 year . The Company applies the 'lease of low-value assets'/ 'short term lease 'recognition exemptions for these leases.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows

Gross block	Buildings	Total
As at 1-April-2021	12.25	12.25
Additions	0.32	0.32
Deduction	(0.30)	(0.30)
As at 31-March-2022	12.27	12.27
Additions	51.89	51.89
Deduction	(2.84)	(2.84)
As at 31-March-2023	61.32	61.32
Accumulated depreciation		
As at 1-April-2021	-	-
Charge for the year	4.83	4.83
Deduction	(0.30)	(0.30)
As at 31-March-2022	4.53	4.53
Charge for the year	10.17	10.17
Deduction	(2.84)	(2.84)
As at 31-March-2023	11.86	11.86
Net carrying value		
As at 1 April 2021	12.25	12.25
As at 31-March-2022	7.74	7.74
As at 31-March-2023	49.46	49.46

The carrying amounts of liabilities recognised and the movements during the year is as follows:

Particulars	Amount
As at 1-April-2021	14.39
Additions	-
Amounts recognized in statement of profit and loss as interest expense	1.06
Payment of lease liabilities	6.29
As at 31-March-2022	9.16
Additions	50.84
Amounts recognized in statement of profit and loss as interest expense	3.52
Payment of lease liabilities	11.47
As at 31-March-2023	52.05

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Current	11.44	2.09	5.23
Non Current	40.61	7.07	9.16
The maturity analysis of lease liabilities are disclosed in note 45(3)			
The effective interest rate for lease liabilities is 9.25 %.			

The following are the contractual maturities of lease liabilities on an undiscounted basis

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Less than one years	15.87	2.82	6.29
One to five years	46.28	7.97	8.76
More than five years	0.72	0.51	2.54
Total undiscounted lease liabilities	62.87	11.30	17.59
Impact of discounting	(10.82)	(2.14)	(3.20)
Lease Liabilities included in the balance sheet	52.05	9.16	14.39

The following are the amounts recognised in profit or loss:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets (Refer Note 33)	10.17	4.83
Interest expense on lease liabilities (Refer Note 32)	3.52	1.06
Expense relating to leases of low-value assets / short term leases (included in other expenses) (refer note 34)	2.15	2.96
Total amount recognised in profit or loss	15.84	8.85

- Total Cash outflow during the year

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
• Payments for the principal portion of the lease liability (Financing Activities)	7.95	5.23
• Payments for the interest portion of the lease liability (Financing Activities)	3.52	1.06
• Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability (Operating Activities)	2.15	2.96

42 Commitments and contingencies

(i) Capital commitments

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	7.69	16.19	0.17

(ii) Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Claims against the company not acknowledged as debt			
Sales Tax, Value added tax, CST and GST	0.51	1.08	0.52
Custom duty	-	1.32	1.32
Bank guarantees	276.27	309.72	252.31
Others	-	0.06	-
Total	276.78	312.18	254.15

43 Capital Management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company.

Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Debt *	356.03	344.84	305.38
Cash and cash equivalents	70.92	20.26	20.24
Net debt	285.11	324.58	285.14
Equity**	936.66	443.70	218.17
Total capital (Net Debt and Equity)	1,221.77	768.28	503.31
Net debt to equity ratio	0.30	0.73	1.31

*Debt is defined as long-term, short-term borrowings and lease liabilities.

** Equity includes all capital and reserves of the Company.

44 Fair Values

a) Financial Instruments by category

As at 31-March-2023

Particulars	FVTPL/ FVTOCI	Amortised cost
Financial assets		
(i) Trade receivables	-	1,515.32
(ii) Cash and cash equivalents	-	70.92
(iii) Bank balances other than cash and cash equivalents	-	65.22
(iv) Other financial assets	-	32.25
Total	-	1,683.71
Financial liabilities		
(i) Borrowings	-	303.98
(ii) Lease Liabilities	-	52.05
(iii) Trade payables	-	1,033.67
(iv) Other financial liabilities	-	118.21
Total	-	1,507.91

As at 31-March-2022

Particulars	FVTPL/ FVTOCI	Amortised cost
Financial assets		
(i) Trade receivables	-	778.05
(ii) Cash and cash equivalents	-	20.26
(iii) Bank balances other than cash and cash equivalents	-	55.17
(iv) Other financial assets	-	29.42
Total	-	882.90
Financial liabilities		
(i) Borrowings	-	335.68
(ii) Lease Liabilities	-	9.16
(iii) Trade payables	-	532.88
(iv) Other financial liabilities	-	43.11
Total	-	920.83

As at 31-March-2021

Particulars	FVTPL/ FVTOCI	Amortised cost
Financial assets		
(i) Trade receivables	-	557.48
(ii) Cash and cash equivalents	-	20.24
(iii) Bank balances other than cash and cash equivalents	-	51.32
(iv) Other financial assets	-	31.72
Total	-	660.76
Financial liabilities		
(i) Borrowings	-	290.99
(ii) Lease Liabilities	-	14.39
(iii) Trade payables	-	425.89
(iv) Other financial liabilities	-	64.77
Total	-	796.04

b) Fair value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data

There are no Assets or Liabilities which are required to be measured at FVTPL/FVTOCI. Accordingly no disclosure required for Fair value hierarchy.

There are no transfers between level 1, level 2 and level 3 during the year.

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

45 Financial risk management objectives and policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Company and for periodically reviewing the same. The senior management ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Risk	Exposure arising from	Measurement	Management
Market risk-interest rate	Borrowings	Sensitivity analysis	Mix of borrowings with fixed and floating interest rates
Market risk-foreign exchange	Recognised financial liabilities not denominated in INR	Sensitivity analysis	Foreign currency exposure is unhedged
Credit risk	Financial assets measured at amortised costs	Ageing analysis	Credit limits
Liquidity risk	Borrowings and other liabilities	Cash flow forecasting	Availability of committed credit lines and borrowing facilities

(1) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(a) Interest rate risk exposure

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

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Fixed rate borrowings			
Long term borrowings (including current maturities)	72.30	130.22	153.27
Short term borrowings	-	-	-
Variable rate borrowings			
Long term borrowings (including current maturities)	39.52	27.04	8.22
Short term borrowings	192.16	178.42	129.50
Total borrowings	303.98	335.68	290.99

(b) Sensitivity

A 50 basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rate.

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Variable Cost Borrowings at the year end	231.68	205.46	137.72

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the profit before tax for the year from continuing operations would increase or decrease as follows:

Particular	For the year ended 31 March 2023	For the year ended 31 March 2022
Impact on profit before tax for the year end.	1.16	1.03

c) Market risk- Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency sensitivity

Particulars	Change in currency	Effect on profit before tax	
		Strengthening	Weakening
As at 31-March-2023			
USD	5%	21.68	(21.68)
As at 31-March-2022			
USD	5%	9.54	(9.54)
JPY	5%	0.09	(0.09)

(2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables.

Customer credit risk is managed by Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. Further, trade receivables contribution to approximately 75% to 93% of the customers of the Company are due for less than 180 days during each reporting period. The company majorly deals with government authorities and agencies which further reduces the credit risk of the company.

With respect to Trade receivables, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The following table summarises the changes in the loss allowance measured using ECL:

Particular	As at 31-March-2023	As at 31-March-2022	As at 1-April-2021
Opening balance	0.65	0.38	0.23
Amount provided/ (reversed) during the year	(0.35)	0.27	0.15
Amount utilised during the year	-	-	-
Closing provision	0.30	0.65	0.38

Credit risk on cash and cash equivalent and bank balances is not significant as it majorly includes deposits with bank.

(3) Liquidity risk

Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of company's financial liabilities based on contractual payments:-

Particular	0 - 1 years	1 to 5 years	> 5 years	Total
March 31, 2023	210.86	34.54	58.58	303.98
Borrowings	11.44	39.90	0.73	52.07
Lease liabilities	1,033.67	-	-	1,033.67
Trade payables	118.21	-	-	118.21
Other financial liabilities				
March 31, 2022	191.26	33.40	111.02	335.68
Borrowings	2.09	6.56	0.51	9.16
Lease liabilities	532.88	-	-	532.88
Trade payables	43.11	-	-	43.11
Other financial liabilities				
April 1, 2021	147.12	24.73	119.14	290.99
Borrowings	5.23	6.75	2.41	14.39
Lease liabilities	425.89	-	-	425.89
Trade payables	64.77	-	-	64.77
Other financial liabilities				

46 Ratios

Sl. no	Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
1	Current ratio % change from previous year Reason for change more than 25%	Current assets	Current liabilities	1.51 -1.36%	1.53 9.80%	1.40
2	Debt-equity ratio % change from previous year Reason for change more than 25%	Borrowings and lease liabilities	Equity	0.38 -51.09% Net Decrease in debt-equity ratio is mainly because Increase in equity.	0.78 -44.48% Net Decrease in debt-equity ratio is mainly because Increase in equity.	1.40
3	Debt service coverage ratio % change from previous year Reason for change more than 25%	Profit after tax plus finance costs, depreciation and amortisation expense*	Repayment of long term borrowings and lease liabilities (excluding prepayments) and finance costs	4.49 28.26% Increase in debt service coverage ratio is because of Increase in Earning available for debt service & Increase in Repayment of debt .	2.28	
4	Return on equity (ROE) % change from previous year Reason for change more than 25%	Profit after tax*	Average equity	68.01% 0.23%	67.85%	
5	Inventory turnover ratio % change from previous year Reason for change more than 25%	Revenue from operations*	Average inventories	9.63 31.67% Increase in Inventory turnover ratio is because of substantial increase in revenue during the year.	7.32	

Sl. no	Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
6	Trade receivable turnover ratio % change from previous year Reason for change more than 25%	Revenue from operations*	Average trade receivables	3.88 4.90%	3.70	
7	Trade Payable turnover ratio % change from previous year Reason for change more than 25%	Purchases of goods and services*	Average trade payables	4.34 6.45%	4.08	
8	Net capital turnover ratio % change from previous year Reason for change more than 25%	Revenue from operations*	Average working capital (i.e. current assets less current liabilities)	6.96 6.48%	6.54	
9	Net profit ratio % change from previous year Reason for change more than 25%	Profit after tax*	Revenue from operations*	10.55% 16.05%	9.09%	
10	Return on capital employed (ROCE) % change from previous year Reason for change more than 25%	Earnings before interest and taxes*	Average Capital employed (i.e. equity, borrowings, lease liabilities and deferred tax liabilities)	64.42% 24.78%	51.63%	Increase in Return on capital employed (ROCE) ratio is because of increase in Earnings before interest and taxes is more than increase in Average Capital employed
11	Return on investment (other than subsidiaries) (%) % change from previous year Reason for change more than 25%	Income generated from invested funds*	Average investment	5.47% 12.12%	4.88%	

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are specified in Schedule VII of the Companies Act, 2013. The Details of current and brought forward CSR obligations are detailed as below:-

a) Detail of CSR expenditure	As at 31-March-2023	As at 31-March-2022
(a) Gross amount required to be spent by the Company	3.24	1.58
(b) Amount approved by the Board to be spent during the year	3.30	1.58
(c) Unspent obligation in relation to Ongoing Project of Previous Year	-	0.49
(d) Unspent obligation in relation to Other than Ongoing Projects of Previous Year	0.07	-
(e) Total amount required to be spent during the year	3.37	2.07
Amount contributed / spent during the year on:		
A) On-going Projects:		
Healthcare Projects	-	0.64
Total (A)	-	0.64
B) Other than On-going Projects:		
Educational Purpose	-	0.90
Healthcare	-	0.46
Others	-	-
Total (B)	-	1.36
C) Contribution to Netweb Foundation (Implementing Agency):		
Educational Purpose	2.80	-
Healthcare	-	-
Others	-	-
Total (C)	2.80	-
Total (A + B + C)	2.80	2.00
Accrual towards unspent obligation in relation to		
On-going Projects:	-	-
Other than On-going Projects:	0.50	0.07
Total	0.50	0.07

The Company has transferred an amount of INR 3.30 million to Netweb Foundation out of which INR 2.80 million has been spent during the year. The balance amount of INR 0.50 million is lying with Netweb Foundation for utilisation in subsequent year.

b) Reconciliation of Unspent Amount (related to ongoing project):-

Particular	As at 31-March-2023	As at 31-March-2022
Opening Balance	-	0.49
Amount required to be spent during the year	-	0.15
Less: Amount spent during the year	-	0.64
Closing Balance	-	-

c) Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects:

Particular	As at 31-March-2023	As at 31-March-2022
Opening Balance	0.07	-
Amount deposited in Specified Fund of Sch. VII within 6 months	0.07	-
Amount required to be spent during the year	3.30	1.43
Amount spent during the year	2.80	1.36
Closing Balance*	0.50	0.07

*INR 0.50 million pertaining to the year ended 31st March 2023 has been Deposited in PM Cares Fund on 18th May 2023 and INR 0.07 million pertaining to the year ended 31st March 2022 has been deposited in PM Cares Fund on 16th August 2022.

d) Reconciliation of Unspent Amount (related to Other than ongoing project)

Particular	As at 31-March-2023	As at 31-March-2022
Balance at the beginning	0.07	-
Less: Amount Spent from Unspent A/c of last year	0.07	-
Amount unspent during the current year	-	0.07
Balance at the end	-	0.07

e) In terms of Ind AS 24, the Company has made contribution of INR 3.32 millions for CSR expenditure to Netweb Foundation during the year.

48 Unhedged foreign currency exposure

Particulars	Currency	As at 31-March-2023		As at 31-March-2022		As at 31-March-2021	
		Foreign Currency	Rs.	Foreign Currency	Rs.	Foreign Currency	Rs.
Trade Payable	USD	5.28	433.51	2.49	189.23	3.33	243.86
Creditor for capital goods	USD	-	-	0.02	1.62	-	-
Creditor for capital goods	JPY	-	-	0.24	1.86	-	-

49 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 under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

- (ii) The Company did not have any material transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the respective reported financial year.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), 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
- (vi) The Company has not received any fund from any person(s) or entity(is), 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
- (vii) The company does not have any unrecorded transactions which have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.
- (viii) The company is not declared wilful defaulter by any bank, financial institution or lender.
- (ix) During the year, no scheme of arrangements in relation to the company has been approved by the competent authority in terms of Section 232 to 237 of the Companies Act, 2013. Accordingly, this clause is not applicable to the company.

50 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Company. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will give appropriate impact in the financial statements once the code becomes effective and related rules to determine the financial impact are notified.

51 Production Linked Incentives

Netweb Technologies India Limited has been awarded Production Linked Incentive (PLI) Scheme for IT hardware (eligible product -Servers) vide approval letter no. IFCI/Advisory/MeitY/PLITHW-221007029 dated 7th October 2022 under the PLI Scheme introduced by the Government of India vide gazetted Notification no. CG-DL-E-03032021-225613 dated 03rd March 2021 and the PLI Guidelines issued thereunder, as amended from time to time. Under such a scheme the company is eligible to get a certain percentage of their sales of eligible products as incentive and is valid from Financial Year 2021-22 to 2024-25. The company has achieved threshold limits of both investment & sale as prescribed under the scheme for 1st Year i.e. FY 21-22, and is eligible to claim incentive for the same in the FY 22-23. In this regard, the company has filed a claim for FY 21-22, which is under approval process of the Ministry of Electronics & Information Technology.

52 Disclosure on Employees Stock Options Scheme

a) ESOP Policy

Equity share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payments transactions are set out in notes to accounts.

The fair value determined at the grant date of the equity-settled share based payments is expensed

on straight-line basis over the vesting period, based on the company's estimate of equity instrument that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Option Outstanding Account.

b) ESOP Disclosure

Details of scheme:

The Company adopted the ESOP Scheme "Netweb- Employee Stock Option Plan 2023" pursuant to resolutions passed by Board of Directors of the Company at their meeting held on December 24, 2022 and by Shareholders of the Company at their meeting held on January 09, 2023 and as amended by the Board of Directors of the Company at their meeting held on February 20, 2023 and approved by the Shareholders of the Company at their meeting held on February 23, 2023. The Plan has been made effective from January 21, 2023.

The Plan provides for grant of stock options, wherein one stock option would entitle the holder of the option a right to apply for one equity share of the company upon fulfilment of vesting conditions prescribed in the Plan.

The stock options granted to each eligible employee shall vest over a period of 3 years with equal vesting from the grant date. The eligible employees shall be entitled to exercise the vested options within the exercise period. The Exercise price of the stock options granted is INR 2

The details of grants approved for employees of the Company in accordance with the Employee Stock Option Scheme:

To the employees of the Company

NTIL ESOP Scheme

Tranches	Grant Date	Exercise Price	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding	Estimated Fair Value of each Option granted
Tranche- I	31-Jan-23	2	3,01,824	-	3,01,824	-	-	3,01,824	254.80
Tranche- II	31-Jan-23	2	3,01,824	-	3,01,824	-	-	3,01,824	254.80
Tranche- III	31-Jan-23	2	3,01,824	-	3,01,824	-	-	3,01,824	254.80

Following table depicts range of exercise prices and weighted average remaining contractual life:

2021-22				
Total for all grants	No. of options	Range of exercise price (In INR)	Weighted average exercise price (In INR)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	9,05,472	2.00	2.00	2.00
Cancelled during the year	-	-	-	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	9,05,472	2.00	2.00	1.84
Exercisable at the end of the year	-	-	-	-

2021-22				
Total for all grants	No. of options	Range of exercise price	Weighted average exercise price (In INR)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Expired during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Method used for accounting of share based payment plan

The company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black-Scholes Models.

The key assumptions used in Black- Scholes Models for calculating fair values as on date of respective grants are

- i) Grant date
- ii) Risk free interest rate
- iii) Expected life.
- iv) Expected Volatility
- v) Dividend yield.
- vi) Price of the underlying share in the market at the time of the option grant.

Note: For the year ended 31st March 2023, the company has accounted expense of Rs 23.18 millions (P.Y- Nil) as Employee benefit expenses on the aforesaid employee stock option plan. The balance in share option outstanding account is Rs 23.18 millions (P.Y- Nil)

53 First time adoption of Ind AS

Upto the Financial year ended March 31, 2022, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

The financial statement for the period ended 31 March 2023 is the first set of Financial Statements prepared in accordance with the requirements of IND AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the transition date to IND AS is 01 April 2021.

Ind AS Financial Statements as at and for the year ended 31 March 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (01 April 2021) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended 31 March 2023.

The impact of above to the equity as at 31 March 2022 and 1 April 2021 (Opening balance sheet date) and on total comprehensive income for the year ended 31 March 2022 has been explained as under.

(A) Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

i) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

ii) Leases

Ind AS - 116 is applied with Full retrospective approach, the Company has identified leases since the inception of all lease contracts that are presented in the financial statements, and has restated the comparative years presented.

The Company also applied the available practical expedients wherein it:

- has used a single discount rate for leases in India to a portfolio of leases with reasonably similar characteristics
- has elected to apply short term lease exemption to leases for which the lease term ends within 12 months of the date of initial application.
- has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(B) Mandatory Exemption on first-time adoption of Ind AS**i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of Non-current Investments.
- (iii) Effective interest rate used in calculation of security deposit and retention money.

ii) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(C) Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(i) Reconciliation of Equity as at 31 March 2022

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		88.60	-	-	88.60
(b) Capital work-in-progress		5.22	-	-	5.22
(c) Right-of-use assets	B2	-	7.74	-	7.74
(d) Other intangible assets		7.30	-	-	7.30
(e) Intangible Assets under development		-	-	-	-
(f) Financial assets		-	-	-	-
(i) Investments		-	-	-	-
(ii) Other financial assets	B4	15.88	(0.78)	-	15.10
(g) Deferred tax assets (net)	B6 & A7	4.72	0.60	5.57	10.89
(h) Other non-current assets	B4 & A5	-	1.00	2.27	3.27
Total non-current assets (1)		121.72	8.56	7.84	138.12
2 Current assets					
(a) Inventories	A1, A2 & A3	232.81	-	150.34	383.15
(b) Financial assets		-	-	-	-
(i) Trade receivables	B3 & A1	843.79	(0.65)	(65.09)	778.05
(ii) Cash and cash equivalents		20.26	-	-	20.26
(iii) Bank balances other than cash and cash equivalents		55.17	-	-	55.17
(iv) Other financial assets	B4	15.37	(1.05)	-	14.32
(c) Other current assets	B4 & A5	94.86	0.54	1.59	96.99
Total current assets (2)		1,262.26	(1.16)	86.84	1,347.94
Total assets (1+2)		1,383.98	7.40	94.68	1,486.06
EQUITY AND LIABILITIES					
1 Equity					
(i) Equity share capital		56.58	-	-	56.58
(ii) Other equity		404.22	(1.76)	(15.34)	387.12
Total equity (1)		460.80	(1.76)	(15.34)	443.70

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
Liabilities					
2 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	A5	144.57	-	(0.15)	144.42
(ii) Lease liabilities	B2	-	7.07	-	7.07
(b) Other non current liabilities	A1	-	-	1.23	1.23
(b) Provisions		11.39	-	-	11.39
Total non-current liabilities (2)		155.96	7.07	1.08	164.11
3 Current liabilities					
(a) Financial liabilities					
(i) Borrowings		191.26	-	-	191.26
(ii) Lease liabilities	B2	-	2.09	-	2.09
(iii) Trade payables		-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises		1.60	-	-	1.60
-Total outstanding dues of creditors other than micro enterprises and small enterprises	A2 & A6	430.11	-	101.17	531.28
(iv) Other financial liabilities	A5	42.72	-	0.39	43.11
(b) Other current liabilities	A1	39.99	-	8.70	48.69
(c) Provisions		1.43	-	-	1.43
(d) Current tax liabilities (net)	A8	60.11	-	(1.32)	58.79
Total current liabilities (3)		767.22	2.09	108.94	878.25
Total equity and liabilities (1+2+3)		1,383.98	7.40	94.68	1,486.06

Reconciliation of Profit or loss for the year ending 31 March 2022

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
I Income					
Revenue from operations	A1	2,376.78	-	93.55	2,470.33
Other income	B4 & A6	9.96	0.73	(1.61)	9.08
Total income (I)		2,386.74	0.73	91.94	2,479.41
II Expenses					
Cost of materials consumed	A2 & A3	1,781.00	-	(0.02)	1,780.98
Change in inventories of finished goods and work-in-progress	A1 & A3	2.05	-	81.55	83.60
Employee benefits expense	A4	161.47	-	(9.42)	152.05

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
Finance costs	B2 & A5	28.95	1.06	6.41	36.42
Depreciation and amortisation expenses	B2	11.55	4.83	-	16.38
Other expenses	B2, B3, B4 & A5	113.62	(5.49)	(0.42)	107.71
Total expenses (II)		2,098.64	0.40	78.10	2,177.14
III Profit before exceptional items and tax (I - II)		288.10	0.33	13.84	302.27
IV Exceptional items (net)		-	-	-	-
V Profit before tax (III + IV)		288.10	0.33	13.84	302.27
VI Tax expenses					
(a) Current tax	A8	80.92	-	(5.16)	75.76
(b) Deferred tax	B6 & A7	(2.64)	0.08	4.54	1.98
Total tax expenses		78.28	0.08	(0.62)	77.74
VII Profit for the year (V - VI)		209.82	0.25	14.46	224.53
VIII Other comprehensive income					
Items that will not be reclassified to Profit or Loss :					
-Re-measurement gains / (losses) on defined benefit plans	B1	-	1.33	-	1.33
-Income Tax relating to Items that will not be reclassified to Profit or Loss	B6	-	(0.33)	-	(0.33)
Total other comprehensive income for the year (net of tax)		-	1.00	-	1.00
Total comprehensive income for the year (VII + VIII)		209.82	1.25	14.46	225.53

Reconciliation of Cash flow for the year ended 31 March 2022

	Indian GAAP*	Difference due to change in IND AS and Prior Period Adjustments	IND AS
Net cash (used in) operating activities	36.20	15.67	51.87
Cash flow from investing activities	(57.89)	3.23	(54.66)
Cash flow from financing activities	21.71	(18.90)	2.81
Net (decrease)/increase in cash and cash equivalents	0.02	-	0.02
Cash and cash equivalents at the beginning of the year	20.24	-	20.24
Cash and cash equivalents at the end of the year	20.26	-	20.26

Reconciliation of total equity between previous GAAP and Ind AS as at 31 March 2022

Particulars	Notes	March 31, 2022
Shareholder's equity as per Indian GAAP		460.80
IND AS Adjustments		
Amortisation of Financial Assets	B4	1.03
Recognition of Lease liability	B2	(2.74)
Impairment of Financial Instruments	B3	(0.65)
Deferred tax on above adjustments	B6	0.60
Total IND AS Adjustment		(1.76)
Prior Period Adjustments		
Revenue from operations	A1	(75.02)
Purchase of Goods	A2	(83.23)
Change in Inventory of raw material due to above	A2 & A3	83.23
Change in valuation of raw material	A3	(0.78)
Change in closing Stock of Goods in Transit	A1 & A3	49.95
Finance Cost	A5	(3.38)
Deferred tax on above adjustments	A7	5.57
Other Expenses & other Income	A5 & A6	(0.07)
Provision for Tax	A8	8.39
Total Prior Period Adjustments		(15.34)
Shareholder's equity as per Ind AS		443.70

Reconciliation of total comprehensive income for the year ended 31 March 2022

Particulars	Notes	March 31, 2022
Profit/ (loss) after tax as per Indian GAAP		209.82
IND AS Adjustments		
Amortisation of Financial Assets	B4	0.20
Recognition of Lease liability	B2	0.40
Impairment of Financial Instruments	B3	(0.27)
Deferred tax impact on above adjustments	B6	(0.08)
Others	B1 & B6	1.00
Total IND AS Adjustment		1.25
Prior Period Adjustments		
Revenue from operations	A1	93.55

Particulars	Notes	March 31, 2022
Purchase of Goods	A2	(71.15)
Change in Inventory of raw material due to above	A2 & A3	71.15
Change in valuation of raw material	A3	0.02
Change in closing Stock of Goods in Transit and Finished Goods	A1 & A3	(81.55)
Employee Benefit expenses	A4	9.42
Finance Cost	A5	(6.41)
Other Expenses & other Income	A5 & A6	(1.19)
Deferred tax impact on above adjustments	A7	(4.54)
Provision for Tax	A8	5.16
Total Prior Period Adjustments		14.46
Profit as per Ind AS		225.53

(ii) Reconciliation of Equity as at 1 April 2021

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		53.61	-	-	53.61
(b) Capital work-in-progress		-	-	-	-
(c) Right-of-use assets	B2	-	12.25	-	12.25
(d) Other intangible assets		-	-	-	-
(e) Intangible Assets under development		-	-	-	-
(f) Financial assets		-	-	-	-
(i) Investments		-	-	-	-
(ii) Other financial assets	B4	12.98	(0.65)	-	12.33
(g) Deferred tax assets (net)	B6 & A7	2.08	0.68	10.45	13.21
(h) Other non-current assets	B4 & A5	0.71	1.42	3.86	5.99
Total non-current assets (1)		69.38	13.70	14.31	97.39
2 Current assets					
(a) Inventories	A1, A2 & A3	143.56	-	148.63	292.19
(b) Financial assets		-	-	-	-
(i) Trade receivables	B3 & A1	713.72	(0.38)	(155.86)	557.48
(ii) Cash and cash equivalents		20.24	-	-	20.24
(iii) Bank balances other than cash and cash equivalents		51.32	-	-	51.32
(iv) Other financial assets	B4	20.86	(1.47)	-	19.39

Particulars	Notes	Indian GAAP*	IND AS Adjustment	Prior Period Adjustments	IND AS
(c) Other current assets	B4 & A5	61.57	0.52	1.85	63.94
Total current assets (2)		1,011.27	(1.33)	(5.38)	1,004.56
Total assets (1+2)		1,080.65	12.37	8.93	1,101.95
EQUITY AND LIABILITIES					
1 Equity					
(i) Equity share capital		56.58	-	-	56.58
(ii) Other equity		194.40	(2.02)	(30.79)	161.59
Total equity (1)		250.98	(2.02)	(30.79)	218.17
Liabilities					
2 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	A5	144.15	-	(0.28)	143.87
(ii) Lease liabilities	B2	-	9.16	-	9.16
(b) Other non current liabilities	A1	-	-	2.43	2.43
(c) Provision	A4	-	-	9.66	9.66
Total non-current liabilities (2)		144.15	9.16	11.81	165.12
3 Current liabilities					
(a) Financial liabilities					
(i) Borrowings		147.12	-	-	147.12
(ii) Lease liabilities	B2	-	5.23	-	5.23
(iii) Trade payables		-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises		0.78	-	-	0.78
-Total outstanding dues of creditors other than micro enterprises and small enterprises	A2 & A6	408.77	-	16.34	425.11
(iv) Other financial liabilities	A5	63.73	-	1.04	64.77
(b) Other current liabilities	A1	34.38	-	10.29	44.67
(c) Provisions	A4	-	-	1.11	1.11
(d) Current tax liabilities (net)	A8	30.74	-	(0.87)	29.87
Total current liabilities (3)		685.52	5.23	27.91	718.66
Total equity and liabilities (1+2+3)		1,080.65	12.37	8.93	1,101.95

Reconciliation of total equity between previous GAAP and Ind AS as at 1 April 2021

Particulars	Notes	April 1, 2021
Shareholder's equity as per Indian GAAP		250.98
IND AS Adjustments		
Amortisation of Financial Assets	B4	0.82
Recognition of Lease liability	B2	(3.14)
Impairment of Financial Instruments	B3	(0.38)
Deferred tax on above adjustments	B6	0.68
Total IND AS Adjustment		(2.02)
Prior Period Adjustments		
Revenue from operations	A1	(168.58)
Purchase of Goods	A2	(12.08)
Change in Inventory of raw material due to above	A2 & A3	12.08
Change in valuation of raw material	A3	(0.81)
Change in closing Stock of Goods in Transit	A1 & A3	131.50
Employee Benefit expenses	A4	(10.77)
Finance Cost	A5	3.07
Other Expenses & other Income	A5 & A6	1.11
Deferred tax on above adjustments	A7	10.45
Provision for Tax	A8	3.24
Total Prior Period Adjustments		(30.79)
Shareholder's equity as per Ind AS		218.17

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation between previous GAAP and Ind AS
A Prior Period Adjustments

The Company has made certain errors in adoption of accounting policies under Previous GAAP. During the current year, on transition to IndAS, the Company has rectified these errors by restating the financial Statement for the respective years/period. These adjustments are on account of:-

- A1** Revenue recognition for sale of goods w.r.t to cut-off and service revenue with respect of time proportionate booking of revenue.
- A2** Cut-off procedures in respect of purchases
- A3** Measurement and recording of inventory.
- A4** Recognition and measurement of post employment defined benefits

A5 Accrual and booking of certain expenses.

A6 Measurement of exchange (gain) / loss

A7 Effect of temporary differences arising due to above mentioned adjustments.

A8 Adjustment on account of short/excess provision for Tax

B On account of implementation of IND AS

B1 Re-measurement of post employment benefit plans

Under the Indian GAAP, actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability was forming part of the profit or loss for the year. However under Ind AS 19, it is recognised in other comprehensive income. As a result of this change gains/ losses recognised in the statement of profit and loss under the Indian GAAP has been transferred to other comprehensive income upon transition

B2 Lease accounting

Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term

B3 Expected credit loss

Under the Indian GAAP, the Company had assessed provision for impairment of receivables based on the incurred loss model and no provision was created. Under Ind AS, impairment loss has been determined as per Expected credit loss (ECL) model. The provision amount as per Ind AS - ECL is recognised in retained earnings on date of transition and subsequently in the statement of profit and loss account.

B4 Impact on account of fair valuation of interest free security deposits and retention Money

Under the Indian GAAP, interest free refundable security deposits (given) and retention money were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, in case of security deposits the difference between the transaction amount and the fair value has been recognised as ROU. The security deposits and retention money have been subsequently amortised under effective interest rate method and the ROU on a straight line basis over the term of contract.

B5 Current tax

Under the Indian GAAP financial statements, the company had identified errors in accounting of earlier year tax adjustments and had accounted as prior period items in the year in which the errors were identified. Under IND AS, the errors are to be adjusted in the year in which the error has been done or in the first period presented. Accordingly, the company has adjusted the errors in respective financial years in which accounting error were identified.

B6 Deferred tax

- a) Deferred tax adjustments has been made in accordance with Ind AS, under balance sheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference including adjustments arising from Ind AS transition.
- b) Under the Indian GAAP, the Company had not recognised deferred tax assets. The Company has evaluated the carrying amount of deferred tax and it has envisaged that it will earn sufficient taxable profit that will be available to allow all of the deferred tax asset to be utilized.

Accordingly deferred tax assets has been recognised in the restated financial information.

B7 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but in other comprehensive income under "Statements of Profit and Loss (including other comprehensive income)" includes re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under Previous GAAP.

B8 The transition from the Previous GAAP to Ind AS did not have material impact on the statement of cash flow, except for payment of lease liabilities, which were forming part of operating activity under Previous GAAP and are now included under financing activity.

B9 Appropriate adjustments have been made in the Balance Sheet, Statement of Profits and Loss and Statement of Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Ind AS financial statements of the Company prepared in accordance with Schedule III of Companies Act 2013.

**For S S Kothari Mehta & Company
Chartered Accountants**

Firm's registration number : 000756N

Vijay Kumar

Partner

Membership No. 092671

Place : Faridabad

Date : 19-05-2023

**For and on behalf of the Board of Directors of
Netweb Technologies India Limited
(formerly known as Netweb Technologies (India)
Private Limited)****Sanjay Lodha**

Director

DIN: 00461913

Navin Lodha

Director

DIN: 00461924

Prawal Jain

Chief Financial Officer

Lohit Chhabra

Company Secretary

Place : Faridabad

Date : 19-05-2023

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ATTENDANCE SLIP

Meeting No: _____

Date: 20th May 2023

Folio No. / DP ID Client ID No.	
Name of First named Member/Proxy/Authorized Representative	
Name of Joint Member(s), if any:	
No. of Shares held	

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the Annual General Meeting of the Company being held at Shorter Notice on 20th day of May 2023 at Plot No H-1, Pocket 9, Faridabad Industrial Town(Fit), Sector-57, Ballabhgarh, Faridabad-121004, Haryana at 5:00 PM.

Member's/ Proxy's/ Authorized Representative's name in Block Letters

Member's/ Proxy's/ Authorized Representative's Signature

Note: 1. Please fill this attendance slip and hand it over at the entrance of the hall.

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FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration Rules 2014)

CIN	U72100HR1999PLC103911
Name of the Company	Netweb Technologies India Limited
Registered Office	Plot No H-1, Pocket 9, Faridabad Industrial Town(Fit), Sector-57, Ballabhgarh, Faridabad-121004, Haryana

Name of the Member	
Registered address	
E-mail Id	
Folio No./Client Id	
DP ID	NA

I/We, being the member(s) of (.....) shares of the above named company, hereby appoint

1	Name	
	Address	
	Email ID	
	Signature	

Or failing him/her;

2	Name	
	Address	
	Email ID	
	Signature	

Or failing him/her;

3	Name	
	Address	
	Email ID	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held at Shorter Notice on Saturday the 20th May 2023 at 3:00 PM at Plot No H-1, Pocket 9, Faridabad Industrial Town(Fit), Sector-57, Ballabhgarh, Faridabad-121004, Haryana and at any adjournment thereof

Signed this day of 2023

Signature of shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



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Corporate Office:

Plot No. H1, Pocket-9,
Faridabad Industrial Town(FIT),
Sector-57, Faridabad, Ballabgarh,
State - Haryana - 121 004, India.

Website: www.netwebindia.com

Tel.: 091-129-2310400

E-mail: info@netwebindia.com