



SANMARKS & ASSOCIATES
Chartered Accountants

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Sector - 81, Greater Faridabad, (HR.) -121002
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Independent Auditors' Examination Report on the Converged Financial Statement of Assets and Liabilities as at March 31, 2023, Converged Financial Statement of Profit and Loss (including other comprehensive income), the Converged Financial Statement of Changes in Equity and the Converged Financial Statement of Cash Flows for the financial year ended March 31, 2023, and the Converged Financial Statement of Significant Accounting Policies and other explanatory information of Quadrant Future Tek Limited (Collectively, the "Converged Financial Statements")

To
The Board of Directors
Quadrant Future Tek Limited.
Village Basma, on Basma Jhajan road, near Banur, Mohali

Dear Sirs,

1. We, SANMARKS & ASSOCIATES have examined the attached Converged Financial Statements of Quadrant Future Tek Limited (the "Company"), as at end of the financial years ended March 31, 2023 annexed to this report and prepared by the Company for the purpose of inclusion of Converged Financial Statement of Quadrant Future Tek Limited ("Statements in the Company") to be included in the Red Herring Prospectus (the "RHP") proposed to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and the Registrar of Companies, in connection with the proposed initial public offer of equity shares of face value of Rs.10 each of the Company (the "Offering"). The Converged Financial Statements, which have been approved by the Board of Directors of the Company at their meeting held on June 02, 2024, have been prepared in accordance with their requirements of:
 - a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
 - c. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Converged Financial Statements

2. The preparation of the Converged Financial Statements is the responsibility of the Board of Directors of the Company. The Converged Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Note 25 (A) to the Converged Financial Statements. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Converged Financial Statements. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, 2013 ('the Act'), ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Converged Financial Statements taking into consideration:
 - a. the terms of reference and terms of our engagement agreed with you vide engagement letter dated March 01, 2024 between the Company and SANMARKS & ASSOCIATES requesting us to carry out the assignment, in connection with the proposed offering of the Company;



- b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Converged Financial Statements; and
- d. the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

4. The Company proposes to make an initial public offering of its equity shares of face value of Rs.10 each, which comprises of fresh issue of equity shares and an offer for sale by certain existing shareholders of the Company at such premium arrived at by the book building process(referred to as the "Offer"), as may be decided by the Company's Board of Directors.

Converged Financial Statements as per audited financial statements

5. The Converged Financial Statements have been prepared by the management of the Company from:
 - a) the audited financial statements of the Company as at and for each of the financial years ended March 31, 2023 prepared in accordance with the accounting principles generally accepted in India specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on September 11, 2023 respectively (" Financial Statements");
6. For the purpose of our examination, we have relied on:
 - a) Auditors' Report issued by us dated September 11, 2023 on the Financial Statements as at and for each of the years ended March 31, 2023, respectively, as referred in paragraph 5 above.
7. Based on our examination and according to the information and explanations given to us, we report that the Converged Financial Statements:
 - a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years March 31, 2023 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended December 31, 2023;
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports for the year ended March 31, 2023..
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Converged Financial Statements do not reflect the effect of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in paragraph 6 above.
9. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the management of the Company in connection with the proposed offering for inclusion in the RHP to be filed with SEBI, the Stock Exchanges and the Registrar of Companies in connection with the proposed Offering. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept

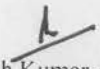


or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

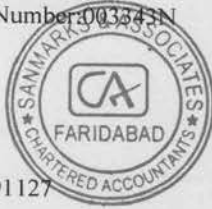
For SANMARKS & ASSOCIATES

Chartered Accountants

ICAI Firm Registration Number: 0038431


Santosh Kumar Agrawal
Partner

Membership Number: 091127



UDIN: 24091127BKALVS2402

Place of Signature: Basma

Date: June 02, 2024.

QUADRANT FUTURE TEK LIMITD
CIN No: U74999PB2015PLC039758
Balance sheet as at March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipments	1(a)	247.15	251.13
Capital Work in Progress	1(b)	-	24.35
Intangible Assets	1(c)	0.01	0.01
Intangible Assets Under Development	1(d)	445.40	271.15
Deferred Tax Assets	2	15.70	4.02
Financial assets			
i) Other Financial Assets	3	5.11	1.70
ii) Trade Receivables	6	12.22	-
Other Non Current Assets	4	36.28	36.28
Total Non-Current Assets		761.88	588.63
Current Assets			
Inventories	5	186.53	243.34
Financial assets			
i) Trade receivables	6	232.58	268.11
ii) Cash and cash equivalents	6(a)	2.00	0.81
iii) Bank balances other than cash and cash equivalents	6(b)	3.33	1.72
iv) Other Financial assets	8	3.07	2.60
Current tax Assets	15	-	-
Other current assets	9	49.15	89.71
Total Current Assets		476.67	606.28
Total Assets		1,238.55	1,194.91
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	100.00	100.00
Other equity	11	248.93	128.85
Total equity		348.93	228.85
LIABILITIES			
Non Current Liabilities			
Financial Liabilities			
i) Borrowings	12(a)	488.79	558.35
Employee benefit obligations	13	5.31	-
Deferred tax liabilities (net)	2	-	-
Total Non-Current Liabilities		494.10	558.35
Current Liabilities			
Financial liabilities			
i) Borrowings	12(b)	251.16	248.46
ii) Trade payables	14		
-Total outstanding dues of micro, small and medium enterprises		15.13	-
-Total outstanding dues of creditors other than micro, small and medium enterprises		48.86	138.40
iii) Other Financial Liabilities	15	15.77	10.50
Current tax liabilities	16	51.75	6.40
Other current liabilities	17	12.85	3.95
Total Current Liabilities		395.51	407.71
Total Liabilities		889.62	966.06
Total Equity and Liabilities		1,238.55	1,194.91
Significant Accounting Policies and Notes to Accounts	27		

As per our Report of even date

For SANMARKS & ASSOCIATES
CHARTERED ACCOUNTANTS

(Santosh Kumar Aggarwal)
Partner
FRN : 003343N, M.No. : 091127



For and on behalf of the Board of Directors

(Mohit Vohra)
Managing Director
(DIN 02534402)

(Satish Gupta)
Chairman
(DIN 06574539)

(Amit Gaur)
Chief Financial Officer

(Ankit Kumar)
Company Secretary
M. No.43714

Place : Basma
Date : 02.06.2024
UDIN : 24091127BKALVS2402

QUADRANT FUTURE TEK LIMITD

CIN No: U74999PB2015PLC039758

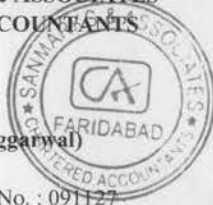
Statement of profit and loss for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	18	1,528.06	1,051.56
Other income	19	1.40	1.89
Total Income		1,529.46	1,053.46
Expenses			
Cost of Raw Material Consumed	20	1,028.36	894.95
Changes in inventories of Finished goods, work-in-progress and stock-in-trade	21	73.97	-84.67
Employee Benefit expense	22	57.69	68.81
Finance Cost	23	29.09	33.64
Depreciation and Amortisation expenses	1	54.38	40.96
Other Expenses	24	116.54	90.06
Total Expenses		1,360.04	1,043.74
Profit before Tax		169.43	9.72
Income Tax expense			
-Current Tax	25	61.03	10.30
-Deferred Tax		-11.68	-4.02
Total Tax Expense		49.34	6.28
Profit for the year		120.08	3.44
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year		120.08	3.44
Basic earnings per share of par value INR 10/- each (INR per share)	26	12.01	0.34
Diluted earnings per share of par value INR 10/- each (INR per share)	26	12.01	0.34
Significant Accounting Policies and Notes to Accounts	27		

As per our Report of even date
For SANMARKS & ASSOCIATES
CHARTERED ACCOUNTANTS

(Santosh Kumar Aggarwal)
Partner
FRN : 003343N, M.No. : 091127



For and on behalf of the Board of Directors

(Mohit Vohra)
Managing Director
(DIN 02534402)

(Amit Gaur)
Chief Financial Officer

(Satish Gupta)
Chairman
(DIN 06574539)

(Ankit Kumar)
Company Secretary
M. No.43714

Place : Basma
Date : 02.06.2024
UDIN : 24091127BKALVS2402

(All amounts in INR Millions, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Tax		169.43	9.72
Adjustments for:			
Depreciation and amortisation expense		54.38	40.96
Finance Costs		29.09	33.64
Income Tax paid		-	12.87
Provision for Gratuity		5.68	-
Interest Received		-0.13	-1.83
Operating Profit before working capital change		258.43	95.35
Adjustments for Working Capital Changes:			
(Increase)/Decrease in Inventories		56.80	(90.63)
(Increase)/Decrease in Financial-non current assets		(15.64)	0.44
(Increase)/Decrease in Other non current assets		-	-
(Increase)/Decrease in Financial-current assets		35.05	(93.55)
(Increase)/Decrease in Other current assets		40.55	(77.69)
Increase/(Decrease) in Trade payables		(74.42)	126.58
Increase/(Decrease) in Other-current Liabilities		13.80	(7.56)
Cash generated from Operations		314.59	-47.05
Direct Taxes paid		-15.68	(6.37)
Extraordinary Items/ Opg. Bal Adjustments		-	5.48
Net Cash flow from Operating activities	(A)	298.91	-47.93
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Intangible assets & CWIP		(200.30)	(317.63)
Sale proceeds from disposal of Fixed assets		-	-
Interest received		0.13	1.83
Net cash used in Investing activities	(B)	(200.17)	-315.80
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds / (repayment) of Borrowings		(66.85)	397.51
Finance Costs		(29.09)	(33.64)
Net cash (outflow)/inflow from financing activities	(C)	-95.94	363.87
Net (decrease)/increase in cash and cash equivalents (A+B+C)		2.80	0.14
Cash and cash equivalents at the beginning of the financial year		2.53	2.39
Cash and cash equivalents at the end of the year		5.33	2.53

B. Reconciliation of cash and cash equivalents as per the cash flow statement:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	5.33	2.53
Balance as per statement of cash flows	5.33	2.53

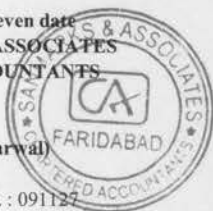
The above cash flow statement should be read in conjunction with the accompanying notes.

Significant Accounting Policies and Notes to Accounts

27

As per our Report of even date
For SANMARKS & ASSOCIATES
CHARTERED ACCOUNTANTS

(Santosh Kumar Aggarwal)
Partner
FRN : 003343N, M.No. : 091127



For and on behalf of the Board of Directors

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(Ankit Kumar)
Company Secretary
M. No.43714

Place : Basma
Date : 02.06.2024
UDIN : 24091127BKALVS2402

QUADRANT FUTURE TEK LIMITD

CIN No: U74999PB2015PLC039758

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

(All amounts in INR Millions, unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
As at April 01, 2021	1,00,00,000	100.00
Changes in equity share capital	-	-
As at March 31, 2022	1,00,00,000	100.00
Changes in equity share capital	-	-
As at March 31, 2023	1,00,00,000	100.00

B. Other equity

Particulars	Notes	Reserves and surplus		
		Securities premium	Retained earnings	Total
Balance at April 01, 2021		-	119.93	119.93
Profit for the year		-	3.44	3.44
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	3.44	3.44
Transactions with owners in their capacity as owners				
Other Adjustments		-	5.48	5.48
Balance at March 31, 2022		-	128.85	128.85
Profit for the year		-	120.08	120.08
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	120.08	120.08
Transactions with owners in their capacity as owners				
Other Adjustments		-	-	-
Balance at March 31, 2023		-	248.93	248.93

As per our Report of even date
For SANMARKS & ASSOCIATES
CHARTERED ACCOUNTANTS

(Santosh Kumar Aggarwal)
Partner
FRN : 003343N, M.No. 091127



For and on behalf of the Board of Directors

(Mohit Vohra)
Managing Director
(DIN 02534402)

(Satish Gupta)
Chairman
(DIN 06574539)

(Amit Gaur)
Chief Financial Officer

(Anki Kumar)
Company Secretary
M. No.43714

Place : Basma
Date : 02.06.2024
UDIN : 24091127BKALVS2402

1 Property, plant and equipment

a) Tangible Assets

	Freehold Land	Buildings	Plant & Equipment	Vehicles	Office Equipment/Furniture	Computer	Total
Year ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount	13.13	75.09	194.56	0.38	5.80	2.83	291.79
Additions	-	28.32	7.48	-	3.73	3.77	43.31
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	13.13	103.41	202.05	0.38	9.53	6.60	335.09
Accumulated depreciation							
Opening accumulated depreciation	-	5.84	35.73	0.03	0.85	0.56	43.00
Depreciation charge for the year	-	8.20	29.47	0.06	1.50	1.72	40.96
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	-	14.04	65.20	0.09	2.36	2.28	83.96
Closing net carrying amount	13.13	89.38	136.85	0.29	7.17	4.31	251.13
Year ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount	13.13	103.41	202.05	0.38	9.53	6.60	335.09
Additions	-	1.20	43.95	3.43	1.32	0.50	50.40
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	13.13	104.61	245.99	3.81	10.85	7.09	385.49
Accumulated depreciation							
Opening accumulated depreciation	-	14.04	65.20	0.09	2.36	2.28	83.96
Depreciation charge for the year	-	8.99	36.95	0.39	4.83	3.21	54.38
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	-	23.03	102.14	0.48	7.19	5.50	138.34
Closing net carrying amount	13.13	81.58	143.85	3.33	3.66	1.60	247.15

b) Capital Work In Progress

	Plant and Machinery	Total
Year ended March 31, 2022		
Gross carrying amount		
Opening gross carrying amount	21.17	21.17
Additions	3.18	3.18
Disposals	-	-
Closing gross carrying amount	24.35	24.35
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge for the year	-	-
Disposals	-	-
Closing accumulated depreciation	-	-
Closing net carrying amount	24.35	24.35
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	24.35	24.35
Additions	-	-
Disposals	(24.35)	(24.35)
Closing gross carrying amount	-	-
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge for the year	-	-
Disposals	-	-
Closing accumulated depreciation	-	-
Closing net carrying amount	-	-

b) Intangible Assets

	Computer Software		Total
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount	0.13		0.13
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	0.13	-	0.13
Accumulated Amortisation			
Opening accumulated Amortisation	0.13	-	0.13
Amortisation charge for the year	-	-	-
Disposals	-	-	-
Closing accumulated Amortisation	0.13	-	0.13
Closing net carrying amount	0.01	-	0.01
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount	0.13	-	0.13
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	0.13	-	0.13
Accumulated Amortisation			
Opening accumulated Amortisation	0.13	-	0.13
Amortisation charge for the year	-	-	-
Disposals	-	-	-
Closing accumulated Amortisation	0.13	-	0.13
Closing net carrying amount	0.01	-	0.01

c) Intangible Assets Under Development

	Computer Software	Intangible Assets-Under Development	Total
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount	-	-	-
Additions	-	271.15	271.15
Disposals	-	-	-
Closing gross carrying amount	-	271.15	271.15
Accumulated Amortisation			
Opening accumulated Amortisation	-	-	-
Amortisation charge for the year	-	-	-
Disposals	-	-	-
Closing accumulated Amortisation	-	-	-
Closing net carrying amount	-	271.15	271.15
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount	-	271.15	271.15
Additions	-	174.25	174.25
Disposals	-	-	-
Closing gross carrying amount	-	445.40	445.40
Accumulated Amortisation			
Opening accumulated Amortisation	-	-	-
Amortisation charge for the year	-	-	-
Disposals	-	-	-
Closing accumulated Amortisation	-	-	-
Closing net carrying amount	-	445.40	445.40

QUADRANT FUTURE TEK LIMITD

CIN No: U74999PB2015PLC039758

Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

3 Other Financial Assets

Security deposits
Unsecured, Considered good
Total Other Financial Assets

As at March 31, 2023	As at March 31, 2022
5.11	1.70
5.11	1.70

4 Other Non Current Assets

Preliminary and Pre operative expenses
Total Other Non Current Assets

As at March 31, 2023	As at March 31, 2022
36.28	36.28
36.28	36.28

2 Deferred tax assets/(liabilities) (net)

The balance comprises temporary differences attributable to:

Deferred tax assets
Property, plant and equipment
Total deferred tax assets (A)

As at March 31, 2023	As at March 31, 2022
15.70	4.02
15.70	4.02

Deferred tax liabilities
Property, plant and equipment
Total deferred tax liabilities (B)

-	-
-	-
15.70	4.02

Deferred tax assets/(liabilities) (net) (A-B)

Movement in deferred tax assets/liabilities

Particulars	As at March 31,2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
Deferred tax assets				
Property, plant and equipment	4.02	11.68	-	15.70
Total deferred tax assets (A)	4.02	11.68	-	15.70
Deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Total deferred tax liabilities (B)	-	-	-	-
Deferred tax assets/(liabilities) (net) (A-B)	4.02	11.68	-	15.70

Particulars	As at March 31,2021	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2022
Deferred tax assets				
Property, plant and equipment	-	4.02	-	4.02
Total deferred tax assets (A)	-	4.02	-	4.02
Deferred tax liabilities				
Property, plant and equipment	-	-	-	-
Total deferred tax liabilities (B)	-	-	-	-
Deferred tax assets/(liabilities) (net) (A-B)	-	4.02	-	4.02

(i) Deferred tax assets have been recognized to the extent of available and reasonable certainty of future taxable profits which will be available against which temporary differences can be utilised.

QUADRANT FUTURE TEK LIMITD

CIN No: U74999PB2015PLC039758

Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

5 Inventories

Raw Materials
Work-in-progress
Finished Goods
Total Inventories

As at March 31, 2023	As at March 31, 2022
45.74	28.58
41.74	195.47
99.05	19.29
186.53	243.34

4.1 Inventories are valued at cost or net realisable value whichever is lower. The cost formulas used are First-in First Out ('FIFO') in case of Ancillary Raw Material and Stores & Spares. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

6 Trade receivables

Unsecured, considered good
Less: Allowance for bad and doubtful debts*
Total trade receivables

As at March 31, 2023	As at March 31, 2022
232.68	268.11
-0.10	-
232.58	268.11

Non Current
Secured, Considered Good
Unsecured Considered Good
Doubtful
Total trade receivables

-	-
12.22	-
12.22	-

*The allowance for bad & doubtful debts (for impairment of trade receivable) has been made on the basis of Expected Credit Loss (ECL) Method based on management's judgement. To the extent of ECL provision, the trade receivables have been classified as doubtful and the remaining have been considered as good

6.1 Trade Receivable ageing (As on 31st March 2023)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 years	
i) Undisputed Trade receivables – considered good	231.43	0.91	0.05	-	0.29	232.68
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

6.2 Trade Receivable ageing (As on 31st March 2022)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 years	
i) Undisputed Trade receivables – considered good	261.59	2.58	3.48	0.46	-	268.11
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

7 (a) Cash and cash equivalents

Cash on hand
Balance with banks in current accounts
Total cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
	0.63	0.21
	1.37	0.60
	2.00	0.81

(b) Bank balances other than cash and cash equivalents

Deposits account with bank maturity more than 3 months but less than 12 months
- Remaining maturity for less than twelve months (FDR with HDFC Bank agt BG)

Total bank balances other than cash and cash equivalents

	3.33	1.72
	3.33	1.72

8 Other current financial assets

Security deposits
Unsecured, considered good
Other receivables (unsecured, considered good)
 Earnest Money(Railway)
 Advance to Employees

Total other current financial assets

	As at March 31, 2023	As at March 31, 2022
	1.77	1.76
	0.84	0.84
	0.45	-
	3.07	2.60

9 Other current assets

Goods in Transit
Happy Card
Advance to Suppliers
Advance Payment of Taxes (net)
Gst Recoverable
Prepaid expenses
Tcs and Tds Receivable
Total other current assets

	As at March 31, 2023	As at March 31, 2022
	-	6.35
	-	0.01
	27.54	32.90
	-	9.14
	19.03	39.39
	0.43	0.48
	2.16	1.45
	49.15	89.71

10 Share capital

	Number	31-March, 2023	Number	31-March, 2022
Authorised equity share capital				
Equity shares of INR 10 each	1,00,00,000	100	1,00,00,000	100
Issued, Subscribed and Paid up share capital				
Equity shares of INR 10 each	1,00,00,000	100	1,00,00,000	100
Reconciliation of the number of shares outstanding				
Equity shares at the beginning of the year (Face Value INR 10)	1,00,00,000	100	1,00,00,000	100
Total	10,00,00,000	100	1,00,00,000	100

Terms / Rights attached to equity shares

- a) The Company has a single class of Equity Shares having a par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- b) The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- c) In the event of liquidation of the company, the holders of equity share will be eligible to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares (in Lakhs)	% holding	Number of shares (in Lakhs)	% holding
Rupinder Singh	19,00,000.00	19.00%	19,00,000.00	19.00%
Amrit Singh Randhawa	13,50,000.00	13.50%	13,50,000.00	13.50%
Mohit Vohra	12,50,000.00	12.50%	12,50,000.00	12.50%
Amit Dhawan	12,50,000.00	12.50%	12,50,000.00	12.50%
Vivek Abrol	7,75,000.00	7.75%	7,75,000.00	7.75%
Vishesh Abrol	7,75,000.00	7.75%	7,75,000.00	7.75%
Mohan Krishan Abrol	8,50,000.00	8.50%	8,50,000.00	8.50%
Rajbir Singh Randhawa	6,00,000.00	6.00%	6,00,000.00	6.00%

(iii) Shareholding of Promoter at the end of the year

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of Total Share	% Change during the year	No. of Shares	% of Total Share	% Change during the year
1. Rupinder Singh	19,00,000.00	19.00%	Nil	19,00,000.00	19.00%	Nil
2. Amrit Singh Randhawa	13,50,000.00	13.50%	Nil	13,50,000.00	13.50%	Nil
3. Mohit Vohra	12,50,000.00	12.50%	Nil	12,50,000.00	12.50%	Nil
4. Amit Dhawan	12,50,000.00	12.50%	Nil	12,50,000.00	12.50%	Nil
5. Vivek Abrol	7,75,000.00	7.75%	Nil	7,75,000.00	7.75%	Nil
6. Vishesh Abrol	7,75,000.00	7.75%	Nil	7,75,000.00	7.75%	Nil
8. Rajbir Singh Randhawa	6,00,000.00	6.00%	Nil	6,00,000.00	6.00%	Nil
9. Aikjot Singh	5,00,000.00	5.00%	Nil	5,00,000.00	5.00%	Nil

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

11 Other equity**Reserves and Surplus**

Securities premium

Retained earnings

Total reserves and surplus**As at March 31, 2023****As at March 31, 2022**

-

-

248.93

128.85

248.93**128.85****(i) Securities premium**

Opening balance

Amount received on issue of shares

Amount utilized towards bonus issue of shares

Closing balance

-

-

-

-

-

-

-

-

(ii) Retained earnings

Opening balance

Profit for the year

Adjustment Previous Year

Closing balance

128.85

119.93

120.08

3.44

-

5.48

248.93**128.85****Nature and purpose of other reserves****Securities premium**

Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium Account" and the utilisation thereof is in accordance with the provisions of Section 52 of the Companies Act, 2013.

Retained Earnings

Retained Earnings (RE) are the accumulated portion of a business's profits that are not distributed as dividends to shareholders but instead are reserved for reinvestment back into the business. Normally, these funds are used for working capital and fixed asset purchases (capital expenditures) or allotted for paying off debt obligations.

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

12 Borrowings
a) **Non - Current**

	As at March 31, 2023	As at March 31, 2022
Secured		
Loans from Banks		
Rupee Term Loan	330.54	387.59
Rupee Car Loan	-	
Working Capital Term Loan	-	
Unsecured Borrowings		
Loans and Advances from Others	158.25	170.75
Total Borrowings - Non Current	488.79	558.35

b) **Current**

	As at March 31, 2023	As at March 31, 2022
Secured		
Loans from Banks		
Rupee Term Loan		
Rupee Car Loan		
Working Capital Term Loan		
Cash credit facilities	194.11	213.80
Current Maturity of Long Term Debt	57.06	34.66
Total Borrowings - Current	251.16	248.46

1) The Company has availed various credit facilities from HDFC bank in the form of CC limit of Rs. 180.00 Millions, Working capital loan of Rs. 65.00 Millions performance based BG of Rs. 100.00 Millions, Working Capital term loan of Rs. 20.00 Millions, GECL-I of Rs. 52.00 Millions and GECL-II of Rs. 29.00 Millions and a working capital term Loan of Rs. 300.00 Millions

2) All the above facilities are collaterally secured by following properties

- a) Industrial property Plot No.F 454Phase 8 Industrial Area Focal point of 11700 sq ft. valued at Rs. 120.00 Millions
- b) Residential plot 642, Phase 6 of 300 sq ft. valued at Rs. 24.98 Millions
- c) Residential Flat 602, Uniwords Garden, Sector-47 of 1670 sq.ft. valued at Rs. 20.00 Millions.
- d) Industrial plot at village Basma banur Mohali of 46384 sq.ft. valued at Rs. 60.00 Millions
- e) Commercial Property at Urban Estate Gurugram measuring 667.36 Sq.ft. valued at Rs. 36.11 Millions
- f) House No. 268 Phase 4, Mohali measuring 7675 Sq.ft. valued at Rs. 22.32 Millions
- g) SCO 54, Sector-31, Faridabad measuring 1200 Sq.ft. valued at Rs. 40.00 Millions
- h) Residential House at kapurthala Saffron homes Village Wadala Kalankothi No.7 Wakia rakba Wadala measuring 4313.05 sq ft. Rs. 14.50 Millions
- i) Plot at Kapurthala Saffron Homes Wadala Kalan vadala Kalan Khasra No.26/1/1/5-8, 10/2/5-8, 11/1/5-8, 27//15/2/4 near Hotel Ramada measuring 17802.90 Sq. ft. Rs. 24.42 Millions.

13 Employee benefit obligations

	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity and Leave Encashment	5.31	
Total employee benefit obligations	5.31	-

14 Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro, small and medium enterprises	15.13	-
Total outstanding dues of creditors other than micro, small and medium enterprises	48.86	138.40
Total trade payables	63.99	138.40

The carrying values of trade payables are considered to be a reasonable approximation of fair value. Amounts due to related parties are unsecured, interest free and repayable on demand.

14.1 Trade Payable ageing (As on 31st March 2023)

Particulars	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Total
i) MSME	15.13	-	-	-	15.13
ii) Others	39.17	9.44	-	0.26	48.86
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-

14.2 Trade Payable ageing (As on 31st March 2022)

Particulars	Less than 1 year	1-2 Years	2-3 Years	More Than 3 years	Total
i) MSME	-	-	-	-	-
ii) Others	134.85	3.06	0.26	0.24	138.40
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-

15 Other Financial Liabilities

Current

Interest Accrued	
Salary Payable	
Advance from Customers	
Bonus Payable	

	As at March 31, 2023	As at March 31, 2022
Interest Accrued	1.63	-
Salary Payable	5.50	5.38
Advance from Customers	5.92	2.96
Bonus Payable	2.72	2.16
Total	15.77	10.50

16 Current tax liabilities

Opening balance	
Add: Current tax payable for the year	
Less: Taxes Paid	

	As at March 31, 2023	As at March 31, 2022
Opening balance	6.40	-10.40
Add: Current tax payable for the year	61.03	23.17
Less: Taxes Paid	-15.68	-6.37
Total	51.75	6.40

17 Other Current Liabilities

Cheque issued not cleared	
Provision for Gratuity and Leave Encashment	
Epf Payable	
Esi Payable	
Tds Payable & Tcs Payable	
Professional tax payable	
Hdfc Credit Card	
Other Expenses Payable	
Audit Fees Payable	
Gst Payable	
Total other current liabilities	

	As at March 31, 2023	As at March 31, 2022
Cheque issued not cleared	-	2.29
Provision for Gratuity and Leave Encashment	0.36	-
Epf Payable	0.43	0.36
Esi Payable	0.10	0.08
Tds Payable & Tcs Payable	1.93	0.82
Professional tax payable	0.02	-
Hdfc Credit Card	-	0.13
Other Expenses Payable	1.36	0.07
Audit Fees Payable	0.20	0.20
Gst Payable	8.45	-
Total other current liabilities	12.85	3.95

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

18 Revenue from operations

Sale and Processing Income of Products

Finished Goods
Less : Inter unit Supply

Sale of Services

Export

Other Operating Revenue

Job Work

Total revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
	1,527.42	1,053.12
	-2.84	-2.26
	1,524.58	1,050.86
	0.05	0.07
	3.44	0.64
	1,528.06	1,051.56

19 Other income

Interest income
Foreign Exchange
Other Non Operating Income
Other items

Total other income

	Year ended March 31, 2023	Year ended March 31, 2022
	0.13	1.83
	1.27	0.01
	-	0.05
	1.40	1.89

20 Cost of Raw Material Consumed

Opening Stock of Raw Material
Purchase Raw Material
Store Consumable
Packaging Material
Less : Interunit Supply
Less : Closing Stock of Raw Material
Total Raw Material Consumed

	Year ended March 31, 2023	Year ended March 31, 2022
	28.58	22.62
	1,020.86	877.52
	3.46	1.44
	24.05	24.22
	-2.84	-2.26
	45.74	28.58
	1,028.36	894.95

21 Changes in inventories of Finished goods, work-in-progress and stock-in-trade

Stock at Commencement

Work in progress
Finished Goods

Stock at Close

Work-in-progress
Finished Goods

Total Changes in inventories of Finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2023	Year ended March 31, 2022
	195.47	84.28
	19.29	45.81
	214.76	130.09
	41.74	195
	99.05	19.29
	140.79	214.76
	73.97	(84.67)

22 Employee benefit expense

Salaries, Wages and Bonus
Bonus
Gratuity
Contribution to provident & other funds
Staff and Labour welfare
Leave Encashment
Professional Tax
Provision for Gratuity and Leave Encashment
Total Employee benefit expense

	Year ended March 31, 2023	Year ended March 31, 2022
	44.61	63.34
	2.66	1.98
	0.15	-
	3.14	2.48
	1.04	1.01
	0.41	-
	0.01	-
	5.68	-
	57.69	68.81

23 Finance cost

Bank charges
Interest and finance charges on financial liabilities
Total finance cost

	Year ended March 31, 2023	Year ended March 31, 2022
	0.83	1.32
	28.26	32.32
	29.09	33.64

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

24 Other expenses

Direct Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Electricity & Water Expenses	18.73	10.13
Custom Duty - Expenses	1.41	0.96
Freight and Transportation	14.56	9.23
	<u>34.70</u>	<u>20.33</u>
Accounting Charges	0.43	0.28
Advertisement Expenses	1.20	0.14
AMC Charges	0.56	-
Business Promotion	2.53	4.47
Commission	10.40	3.74
Conveyance & Travelling Expense	4.28	3.02
Corporate Social Responsibility expenses	1.46	1.18
Discount Allowed	0.02	0.35
Festival Celebration Expenses	0.11	0.04
Hire Charges	0.07	0.09
Inspection Charges	3.67	3.56
Installation charges	2.39	1.01
Insurance	1.20	0.39
Interest and Penalties	0.81	0.03
Income Tax Paid	10.52	12.87
Liquidated Damages Expenses	14.33	2.91
Legal & Professional Expenses	1.24	2.95
Loading & Unloading Expenses	0.60	0.22
Manpower Supply	1.47	0.34
Office Expenses	1.00	1.54
Other expenses	0.71	0.55
Postage & Courier Expenses	0.64	0.59
Printing & Stationary	0.62	0.79
Provision for Bad and Doubtful Debts	0.10	-
Rates, Fee and Taxes	0.89	1.88
Rent	4.29	6.07
Repair & Maintenance - Machinery	4.80	9.87
Repair & Maintenanac Others	4.34	4.21
Roc Fee & Charges	0.02	0.02
Round off	0.02	0.01
Security Expenses	4.44	3.32
Software Expenses	0.05	0.06
TDS- Paid on Import Services	-	0.19
Telephone & Internet Expenses	1.61	0.35
Testing Charges	1.01	2.50
Total Other Expenses	<u>116.54</u>	<u>89.86</u>

Note 24(a) : Details of payments to auditors

Payments to auditors

As auditor :

Audit fee

Total payments to auditors

	Year ended March 31, 2023	Year ended March 31, 2022
	-	0.20
	-	0.20

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

25 Income tax expense

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Income tax expense		
Current tax on profits for the year		
Current Tax	61.03	10.30
Adjustments for current tax of prior periods	-	-
Total current tax expense	61.03	10.30
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets		-
(Decrease) increase in deferred tax liabilities	-11.68	-4.02
Total deferred tax expense/(credit)	-11.68	-4.02
Income tax expense	49.34	6.28
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate :		
	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax as per statement of profit & loss	169.43	9.72
Indian Income Tax Rate	0.29	0.29
Computed Tax expense	49.34	2.83
Tax effect of:		
Expenses disallowed -Expenses that are not deductible in determining taxable profit	11.69	7.47
Current Tax provision (A)	61.03	10.30
Incremental Deferred Tax Liability on account of Tangible and Intangible Assets	-11.68	-4.02
Deferred Tax provision (B)	-11.68	-4.02
Tax expense recognised in Statement of Profit and Loss (A+B)	49.34	6.28
Effective Tax Rate	29.12%	64.61%

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Notes to the financial statements for the year ended March 31, 2023

(All amounts in INR Millions, unless otherwise stated)

26 Earnings per share

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Basic earnings per share		
Diluted earnings per share	12.01	0.34
	12.01	0.34
(b) Reconciliation of earnings used in calculating earnings per share		
	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity shareholders of the Company		
Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders	120.08	3.44
(c) Weighted average number of shares used as denominator		
	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of shares used as denominator in calculating basic and diluted earnings per share	1,00,00,000	1,00,00,000

27 Significant Accounting policies & Notes to the financial statements**COMPANY OVERVIEW**

Quadrant Future Tek Limited ("the company") was originally incorporated under the provisions of Companies Act, 2013 as on 18th September 2015. In the Financial Year 2021- 2022 the name of the company got changed in the duly called extra-ordinary General Meeting held on 06/08/2021 from "Qudarant Cables Private Ltd" to "Quadrant Future Tek Private Limited". Further, the company got converted into Public Limited company in the duly called Extra-ordinary General Meeting held on 13/10/2021 from "Quadrant Future Tek Private Ltd." to "Qudarant Future Tek Limited" having its registered office at Village Basma , Tehsil banur , District Mohali, Punjab 140417. The Company is engaged in the business of manufacturing of Specialised cable used in Indian railways, Defence etc.

A Basis of preparation**a) STATEMENT OF COMPLIANCE**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

c) USE OF ESTIMATES

The preparation of the standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

B Significant Accounting policy**a) Revenue Recognition :-**

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligation in contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of goods or services to buyer in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. Sale of products is adjusted net of Goods and Service tax, returns, trade discounts, and volume rebates.

Service income is recognised when the related services are rendered unless significant future contingencies exist.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

Other Income**a) Interest Income**

Interest income from a financial asset is recognized 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, taking into account the amount outstanding and effective interest rate

b) Property Plant and Equipment :-**i) Recognition and Measurement**

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the standalone statement of profit or loss. Borrowing costs directly attributable to the acquisition/ construction of the qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as expense in the standalone statement of profit and loss in the period in which these are incurred.

ii) Depreciation methods, estimated useful lives and residual values

Depreciation is provided on a Written Down value Method ("WDV") over the useful life of property, plant and equipment as prescribed under Part C of Schedule II of the Companies Act, 2013. In case of second hand assets purchased, the useful life considered is based on the remaining useful life of such asset determined based on technical evaluation and its proposed use. Depreciation for assets purchased/sold during a period is proportionately charged. The useful lives for property, plant and equipment is as follows:

Asset category	Estimated useful life (in years)
Buildings	30
Plant and machinery	15
Furniture and fixtures	10
Vehicles	8
Office equipment	5-10
Electrical Equipments	5
Computers (including software)	3
AC, Fan and Stabilizers	10

Freehold land is not depreciated.

*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

c) Intangible Assets

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

The Company was under the development of a Software named Train Collision Avoidance Software (TCAS) since 2022 and all the expenses specifically attributable to the development of such software were capitalized as Intangible Asset under Development

d) Inventories :-

Inventories are valued at cost or net realizable value whichever is less. Cost comprises purchase price and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

Raw materials, stores and spares : First in First Out Basis

Work in progress : includes cost of conversion

Finished goods : includes cost of conversion

i. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The comparison of cost and NRV is made on an item-by item basis. Spare parts that meet the definition of asset are capitalised at their respective carrying amounts. The NRV of work-in-progress is determined with reference to NRV of related finished goods.

ii. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their NRV.

iii. Provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

The inventory has been taken, valued and certified by the management.

e) **Employment Benefits :-**a. **Defined Benefit Plan:-**i) **Gratuity**

The Company's gratuity plan is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary. Actuarial gains and losses are recognised immediately in the standalone statement of profit and loss as Employee Benefit Expenses

ii) **Compensated Leave Absences**

The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The calculation of the Company's obligation is performed annually by an independent actuary. The Company recognises actuarial gains and losses immediately in the standalone statement of profit and loss as Employee Benefit Expenses.

Provision for Gratuity and Leave Encashment of Rs. 56,75,259/- has been provided during the year and the balance of Rs.56,75,259/- stands in Standalone Balance sheet. The company has neither taken any policy, from Life Insurance Corporation of India nor from any other company for the payment of gratuity.

a. **Defined Contribution Plan:**i) **Provident Fund**

Provident fund is a post-employment benefit plan under which the Company makes specified monthly contribution towards Government administered provident fund scheme. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the standalone statement of profit and loss during the period in which the related services are rendered by the employees.

Provision for Performance Allowance has not been made by the Company. It has been recognised by the Company on Payment basis.

f) **INCOME TAXES**a) **Current Income Tax**

Current income tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current income tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

b) **Deferred Income Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

g) **Earnings Per Share:-**

Basic Earnings per share is calculated by dividing the net earnings after tax for the year attribute to equity shareholders by weighted average number of equity shares outstanding during the year.

h) **Foreign Currency Transaction:-**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the standalone statement of profit and loss.

All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on a net basis within other gains/ (losses).

i) **Provisions and Contingencies:-**

A provision is recognised when an enterprise has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the standalone financial statements

j) FINANCIAL INSTRUMENTS

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

ii) Cash and cash Equivalent

Cash and cash equivalents include cash in hand, 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.

k) FAIR VALUE MEASUREMENTS

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable , the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

l) 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.

28 Fair value measurements

Financial instruments by category:

March, 31, 2023

	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Trade receivables	-	-	232.58	232.58
Cash and cash equivalents	-	-	2.00	2.00
Bank balances other than cash and cash equivalents	-	-	3.33	3.33
Other financial assets	-	-	3.07	3.07
Total financial assets	-	-	240.98	240.98
Financial liabilities				
Borrowings	-	-	251.16	251.16
Trade payables	-	-	63.99	63.99
Other Financial Liabilities	-	-	15.77	15.77
Total financial liabilities	-	-	330.92	330.92

March, 31, 2022

	FVTPL	FVTOCI	Amortised Cost	Total
Financial assets				
Trade receivables	-	-	268.11	268.11
Cash and cash equivalents	-	-	0.81	0.81
Bank balances other than cash and cash equivalents	-	-	1.72	1.72
Other financial assets	-	-	2.60	2.60
Total financial assets	-	-	273.23	273.23
Financial liabilities				
Borrowings	-	-	248.46	248.46
Trade payables	-	-	138.40	138.40
Other Financial Liabilities	-	-	10.50	10.50
Total financial liabilities	-	-	397.36	397.36

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

March, 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets	-	-	3.07	3.07
Total financial assets	-	-	3.07	3.07

March, 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets	-	-	2.60	2.60
Total financial assets	-	-	2.60	2.60

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Fair value of financial assets and liabilities measured at amortized cost

As of March, 31 2023 and March, 31 2022 the fair value of cash and bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amount largely due to the short term nature of these instruments. For other financial assets that are measured at amortised cost, the carrying amounts approximate the fair value.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents	Credit ratings	Diversification of Bank Accounts
Credit risk	Trade receivables	Ageing analysis	Part of daily business management
Credit risk	Financial assets measured at amortised cost	Ageing analysis	Credit limits
Market risk - Interest Rate risk	Borrowings	Sensitivity Analysis	Regularly assessing the market
Market risk - Commodity price risk	Inventories	Sensitivity Analysis	Part of daily business management
Liquidity risk	Borrowings, Trade payables, other financial liabilities	Maturity analysis	Part of daily business management

a) Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to our Group. Our exposure to credit risk is influenced mainly by cash and cash equivalents and trade receivables. We continuously monitor defaults of customers and other counterparties and incorporate this information into its credit risk controls. However, majority of our total sales comprises of sales to Indian Railways or PSUs, details of which are as under:

Nature of customers	March 31, 2023		March 31, 2022	
	Sales	%age*	Sales	%age*
Wires and Cables (Railways)				
Indian Railways (through Zonal railways / their divisions / production units)	737.56	48.27%	562.47	53.95%
Wires and Cables (Defence)				
Public Sector Undertakings	369.16	24.16%	30.45	2.92%

* As %age to total revenue from operations.

Furthermore, we are also exposed to credit risk in relation to the corporate guarantee or retention money or earnest money given / retained on behalf of our Company for business generated from Indian Railways and defence PSUs to secure the obligations as per the requirement of tender under which such contracts were awarded.

Credit risk on cash and cash equivalents is limited as the Company utilises its cash credit facility for reducing borrowings in short term.

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three type of risks: Currency risk, Interest rate risk and other price risk. Financial instruments affected by market risk include loans, borrowings, term deposits, and investments.

Foreign Currency Risk

A significant portion of the payments are made by the Company towards consideration for acquiring rights to use intellectual properties, reference designs and engineering services from abroad for development of its TCAS software and KAVACH equipments. Such payments are denominated in foreign currency, mostly the Euro. Accordingly, we have currency exposures relating to forex payments, other than in Indian Rupees, particularly the Euro. During the nine months ended Fiscal 2023 and Fiscal 2022 our net imports of services amounted to ₹ 55.26 millions and ₹ 186.13 millions respectively, which constituted 66.89% and 92.29% respectively, of the aggregate of expenditure incurred on development of intangible assets.

The %age of import of services from various countries is as under:

(₹ million)

Division Wise: County Wise Import	March 31, 2023		March 31, 2022	
	Amount	%age	Amount	%age
a) CABLE DIVISION				
Material				
China	2.24	2.33%	0.10	0.04%
Singapore	0.43	0.45%		
Germany				
a) TCAS DIVISION				
Material				
USA	19.87	20.64%	9.46	3.96%
Italy	0.55	0.57%	2.8	1.17%
China	8.79	9.13%	5.52	2.31%
Singapore	-	-	0.44	0.18%
Germany	-	-	0.05	0.02%
Hong Kong	-	-	-	-
Services				
Italy	55.26	57.42%	186.13	78.00%
Spain	9.11	9.47%	34.09	14.29%
Switzerland	-	-	0.04	0.02%
Total value of imports made by the Company	96.25	100%	238.63	100%

* As a percentage to the total value of import of Material and services

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. We are exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate, projected debt servicing capability and view on future interest rate. Our borrowings are denominated in Indian Rupees with a mix of fixed and floating rates of interest.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	As at March 31, 2023	As at March 31, 2022
Loans - Variable Rates		
Long Term Loan	330.54	387.59
Short Term Loan	251.16	248.46
Total	581.71	636.06

Impact on Interest Expenses for the year on 1% change in Interest rate

Particulars	As at March 31, 2023	As at March 31, 2022
Impact on P&L	5.82	6.36
Total	5.82	6.36

Commodity Price Risk

We are exposed to risks in respect of price and availability of copper and PVC Compounds used for our manufacturing operations. The prices of copper are linked to the international prices on the London Metal Exchange (LME) and the price of PVC Compounds are directly linked to the price of crude oil globally. As a result, our procurement cost and costs of goods sold tend to be impacted by the movements of the LME and of crude oil benchmarks. Since the majority of our business is with government division or PSU, most of the orders being executed by us contains price variation clause which may allow us to pass on changes in the cost of our primary raw materials to our customers. However, we may not be able to do so immediately or fully, and so strong and rapid fluctuations in the prices of these raw materials could affect our operating results.

c) Liquidity Risk

Liquidity risk is the risk that our Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. Our approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows and the due dates for repayment of term loans. We are confident of managing our financial obligation through available cash and bank balances, short term borrowings and liquidity management.

30 Capital Management

The Company's objective with respect to capital management is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	739.96	806.81
Less: Cash & Cash equivalents	2.00	0.81
Net Debt	737.95	806.00
Total Equity	348.93	228.85
Net Debt to Equity Ratio	2.11	3.52

31 Related party relationships, transactions and balances**a) Key management personnel**

Amrit Singh Randhawa	Director
Rajbir Singh Randhawa	Director
Rupinder Singh	Director
Amit Dhawan	Director
Vivek Abrol	Director
Vishesh Abrol	Director
Mohit Vohra	Director
Aikjot Singh	Director
Anupma Kashyap	Company Secretary

Enterprises in which directors are**b) having significant interest**

International Swithgear Private Limited
MV Electrosystem Limited
Indo Rail Engineering System Private Limited
Prime Electronics
NEC Swithgear & Controls
Abrol Engineering Co Pvt Ltd
MV Mobility Limited
Iboard India Limited
A.M. Speciality Material Private Limited
Vernuft Technology Private Limited
Logomotive Private Limited

c) Other Related Parties

Anita Abrol
Navneet Kaur
Swinder Kaur

Wife of Director (Vivek Abrol)
Wife of Director (Rajbir Singh Randhawa)
Wife of Director (Amrit Singh Randhawa)

b) Transactions with related parties :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	
Sale			
-Abrol Engineering Co Pvt Ltd	50.29	138.93	
-International Swithgear Private Limited	82.02	68.36	
MV Electrosystem Limited	25.93	86.56	
-NEC Swithgear & Controls	82.70	57.33	
-Prime Electronics	65.51	69.80	
MV Mobility Limited	0.60	-	
Purchase			
-Abrol Engineering Co Pvt Ltd	151.66	92.33	15,16,60,761.60
MV Electrosystem Limited	8.88	9.52	88,81,714.50
-NEC Swithgear & Controls	29.83	2.73	2,98,29,461.48
-International Swithgear Private Limited	59.27	104.36	5,92,68,796.86
Loan received			
-Amrit Singh Randhawa	1.50	10.00	0
-Rajbir Singh Randhawa	1.50	2.50	0
-Rupinder Singh	12.00	35.00	
-Amit Dhawan	1.50	17.50	
-Vivek Abrol	-	10.00	
-Vishesh Abrol	-	5.00	
-Mohit Vohra	-	7.50	
-Swinder kaur	-	2.50	
Loan Repaid			
-Rupinder Singh	29.00	-	
-Amit Dhawan	-	5.00	
Salary			
Anupma Kashyap	-	0.23	

c) Outstanding balances arising from sale/purchase of goods and services

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Trade Receivable		
MV Mobility Limited	2.10	-
MV Electrosystems Limited	0.71	-
-International Swithgear Private Limited	1.11	-
-NEC Swithgear & Controls	0.08	0.12
-Prime Electronics	20.63	14.70
Trade Payable		
-Abrol Engineering Co Pvt Ltd	4.64	0.69
MV Electrosystems Limited	1.25	2.25
-International Swithgear Private Limited	-	105.55

32 Contingent liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Claims against the company not acknowledged as debts	-	-
Bank gurantee issued	29.36	9.74
Total contingent liabilities	29.36	9.74

33 Dues to micro small and medium enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act 2006 ('MSMED Act'). Disclosures pursuant to the said MSMED Act are as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal Amount Due to suppliers registered under the MSMED Act and remaining unpaid as at year end	15.13	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to supplier registered under the MSMED Act, beyond the appointment day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of MSMED Act	-	-

34 Corporate Social Responsibility

1. As per Section 135 of the Companies Act, 2013 the following expenses have been incurred by the company on CSR activities:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per section 135 of the Act		
- amount unspent for previous years	0.39	0.39
- for current year	1.06	1.18
Amount spent during the year on		
i) Construction/acquisition of an asset	-	-
ii) on purpose other than (i) above	1.46	1.18

2. Details of CSR expenditure under 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 01, 2022	Amount deposited in specified fund of Schedule VII of the act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
0.39	-	1.06	1.46	-

3. Details of excess CSR expenditure under 135(5) of the Act

Balance excess spent as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Amount spent for previous years	Balance excess spent as at March 31, 2023
-	-	-	-	-

Details of CSR Expenditure

Year	PBT	Average (preceding 3 years)	2% to be spent in succeeding FY.	Actual Amt Spent	Amount Unspent at the end of FY
2019-20	65.34				
2020-21	71.18	58.91	0.39	-	0.39
2021-22	22.59	53.04	1.18	1.18	0.39
2022-23	180.05	91.28	1.06	1.46	0.00

An amount of Rs. 3.95 lakhs unspent during the FY 2020-21 related to CSR has been spent during the FY 2022-23 and the same has been spent in accordance with rules made for CSR under Companies Act 2013

5. The Company does not have any ongoing projects as at 31st March, 2023

35 Dividend

The Company has not declares and pays dividends in during the period.

36 Additional Regulatory Information

Title deeds of immovable properties not held in the name of Company.

36.1 Details of all the immovable properties (other than properties where the Company is the lessee of and the lease agreements are duly executed in favour of the lessee) whose deeds are not held in the name of the Company:

NIL

36.2 There are no investment in properties

36.3 The Company has not revalued its Property, Plant and Equipment during the year.

36.4 The Company has not revalued its intangible assets during the year.

36.5 The Company had not granted any Loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person

36.6 No proceedings have been initiated or pending against Company for holding any Benami Property under Prohibitions of Benami Transactions Act, 1988 (Earlier titled as Benami transactions (Prohibitions) Act, 1988

36.7 The quarterly returns/statement of current assets filed by Company with Banks for Borrowings are in agreement with the books of accounts

36.8 The Company is not declared a wilful defaulter by any Bank or Financial Institution or any other lender

36.9 The Company has no transaction with Companies which are stuck off under section 248 of the Companies Act, 2013 or under section 530 of Companies Act, 1956

36.10 No charges of satisfaction are pending for registration with the Registrar of Companies (ROC)

37 Financial Ratios (22-23)

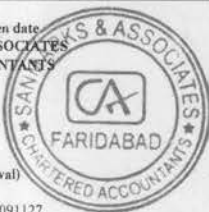
Particulars	Numerator	Denominator	Numerator		Denominator		For the period from 01-04-2022 to 31-03-2023	For the period from 01-04-2021 to 31-03-2022	Change	Reason of Change
			22-23	21-22	22-23	21-22				
Current Ratio (In times)	Current Assets	Current liabilities	476.67	606.28	395.51	407.71	1.21	1.49	-18.95%	NA
Debt - Equity Ratio (In times)	Total Debt	Total equity	739.96	806.81	348.93	228.85	2.12	3.53	-39.85%	Ploughing Back of profits to Total Equity and decrease in Debt due to Repayment
Debt Service Coverage Ratio (In times)	EBITDA	Interest & Lease Payments + Principal Repayments	252.89	84.32	63.75	59.48	3.97	1.42	179.83%	Increase in EBITDA
Return on Equity (ROE) (In %)	Net Profit after Tax	Average Shareholder's Equity	120.08	3.44	288.89	224.39	41.57	1.53	2612.17%	Increase in PAT
Inventory Turnover Ratio	Cost of Goods Sold	Average inventory	1,137.03	830.60	214.94	198.02	5.29	4.19	26.12%	Increase in Cost of Goods Sold
Trade receivables turnover ratio (In times)	Turnover	Average Trade Receivable	1,528.06	1,051.56	250.35	222.00	6.10	4.74	28.86%	Increase In Turnover
Trade payables turnover ratio (In times)	Net Credit Purchases	Average Trade Payables	1,045.52	900.91	101.19	75.11	10.33	11.99	-13.86%	NA
Net capital turnover ratio (In times)	Net Sales	Average Working Capital	1,528.06	1,051.56	139.87	144.38	10.93	7.28	50.00%	Increase in Turnover
Net profit ratio (In %)	Net Profit after Tax	Net Sales	120.08	3.44	1,528.06	1,051.56	7.86	0.33	2302.94%	Increase in PAT
Return on capital employed (ROCE) (In %)	EBIT	Capital employed	198.52	43.36	894.78	821.86	22.19	5.28	320.56%	Increase in EBIT
Return on Investment (ROI) (In %)*	{MV(T1) - MV(T0) - Sum [C(t)]}	{MV(T0) + Sum [W(t) + C(t)]}	-	-	-	-	-	-	-	NA

* Return on investment is NIL as no investments made by the company

38 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

As per our Report of even date
 For SANMARKS & ASSOCIATES
 CHARTERED ACCOUNTANTS



(Santosh Kumar Aggarwal)
 Partner
 FRN : 003343N, M.No. : 091127

For and on behalf of the Board of Directors

(Mohit Vohra)
 Managing Director
 (DIN 02534402)

(Satish Gupta)
 Chairman
 (DIN 06574539)

(Amit Gaur)
 Chief Financial Officer

(Ankit Kumar)
 Company Secretary
 M. No.43714

Place : Basma
 Date : 02.06.2024
 UDIN : 24091127BKALVS2402