

September 6, 2023

To,
Manager – Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Subject: Submission of the Annual Report for the financial year 2022-23 and Notice of the Annual General Meeting
NSE Symbol – PANACHE

Dear Sir/ Madam,

Pursuant to the requirements of Regulation 34 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2022-23 ("Annual Report") along with the Notice of the Sixteenth Annual General Meeting ("Notice") of the Company to be held on Friday, September 29, 2023 at 3:00 p.m. through electronic mode (video conference or other audio-visual means). In accordance with the circulars issued by Ministry of Corporate Affairs and SEBI, the Annual Report along with the Notice is sent through electronic mode to the Members of the Company.

Further, the aforesaid Annual Report along with Notice has also been uploaded on the website of the Company at www.panachedigilife.com.

We request you to take the aforesaid on records.

For Panache Digilife Limited

Harshil Chheda
Company Secretary & Compliance Officer

Encl: as above



2023

ANNUAL
REPORT

PANACHE DIGILIFE LIMITED

PANACHE®

Making Human Life Easy®

What's Inside

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Corporate Information

Board of Directors & Key Managerial Personnel

- | | |
|--|--|
| ✱ Amit Devchand Rambhia Chairman & Managing Director | ✱ Shailesh Premji Gala Independent Director |
| ✱ Nikit Devchand Rambhia Joint Managing Director | ✱ Tejaswini Chandrashekhar More Independent Director |
| ✱ Devchand Lalji Rambhia Whole-Time Director (Till February 16, 2023) | ✱ Jayesh Khimji Rambhia Independent Director (w.e.f. February 14, 2023) |
| ✱ Bhavin Vinod Adani Independent Director (Till February 16, 2023) | ✱ Harshil Chheda Company Secretary & Compliance Officer |
| ✱ Nitesh Manilal Savla CFO & Whole-Time Director (Whole-Time Director w.e.f. February 14, 2023) | |

Audit Committee

- | | | | |
|---------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| ✱ Shailesh Gala Chairperson | ✱ Tejaswini More Member | ✱ Amit Rambhia Member | ✱ Jayesh Rambhia Member |
|---------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|

Nomination and Remuneration Committee

- | | | |
|--|----------------------------------|-----------------------------------|
| ✱ Tejaswini More Chairperson | ✱ Shailesh Gala Member | ✱ Jayesh Rambhia Member |
|--|----------------------------------|-----------------------------------|

Stakeholders Relationship Committee

- | | | |
|--|----------------------------------|----------------------------------|
| ✱ Jayesh Rambhia Chairperson | ✱ Nikit Rambhia Member | ✱ Shailesh Gala Member |
|--|----------------------------------|----------------------------------|

Corporate Information

* Statutory Auditors

M/s. Jain Salia & Associates
Chartered Accountants

* Secretarial Auditor

M/s. D M Zaveri & Co.,
Company Secretaries

* Registered Office

Bldg.A3, 102-108 & 201-208,
Babosa Industrial Park,
Mumbai-Nashik Highway Nh3,
Saravali Village Bhiwandi,
Dist. Thane 421302, Maharashtra, India
CIN: L72200MH2007PLC169415
(T): 022 2500 7002
(E): info@panachedigilife.com
(W): www.panachedigilife.com

* Internal Auditor

M/s. SSPK & Associates
Chartered Accountants (For F.Y. 2022-23)

M/s. Sanket Sangoi & Associates
Chartered Accountants (For F.Y. 2023-24)

* Corporate Office

B-507, Raheja Plaza Premises CSL,
LBS Marg, Ghatkopar West,
Mumbai – 400 086,
Maharashtra, India

* Factory

Bldg. A3, 102-108 & 201-208,
Babosa Industrial park,
Mumbai-Nashik Highway NH3,
Saravali Village park, Taluka Bhiwandi,
Dist. Thane - 421302, Maharashtra

* Share Registrars and Transfer Agents

Bigshare Services Private Limited

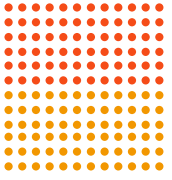
Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra
(T): 022 – 62638200
(E): investor@bigshareonline.com
(W): www.bigshareonline.com

* Listed on

The National Stock Exchange of India Limited
(Symbol - PANACHE)

* Banker

Canara Bank



About us

Project Specific Approach - ODM

Panache strongly contributes in the entire ODM model right from Product Ideation, Designing, Prototype, Manufacturing to After Sales Services.

- In favor of local manufacturing we have always promoted usage of locally made components in our products
- Our goal in line with our PM's Vision of a self-sustainable nation
- Contract Manufacturing is our strong focus where we manufacture a variety of products such as Hybrid PCs, Wireless Landline Phones, CCTVs, Charging Solutions and many more
- We have an experienced team with expertise in Supply Chain Management, Quality Management, Process Management and Product Support
- We also comply with the various compliances such as: BIS, WPC, Environment, International Certifications/Compliances
- All the manufacturing processes at various stages are taken care of as per ISO 9001: 2015 & ISO 14001:2015 standards: Stores, IQC, IPQC, FQC, Quality Analysis
- Well defined SOPs are made available to the people working on the Assembly Line, QA, Packaging, Stores and Record keeping is done at every stage and reports are maintained for at all stages



Journey So far

As is the case with most businesses, the journey of Panache Digilife Limited begun in a small way in the year 2007. The duo of Amit Rambhia and Nikit Rambhia established an assembling unit for white box manufacturing & desktop computing devices. Gradually, with the vision of bringing innovative products for the Indian market, the Company ventured into Small Form Factor computing devices and since then there has been no looking back. During the last decade, the Company's robust R&D team has developed and manufactured multiple revolutionising products in the Computer Technology Space.

- Launched Intel Atom based SFF PC with Win XP Embedded
- Launched Small Form Factor PC Solutions
- Rugged Tablet on Intel Architecture
- 15.6 and 21.5 All In One launched

2011-13

2013-15

- Launch of Panache Air PC
- Launch of Telematics Solution
- Microsoft L-OEM Partner since 2014
- Panache IPC range of products launched

- Formed Wemart Global FZE, Wholly Owned Subsidiary in Ajman Free Zone to expand trade presence in Middle East & Africa Markets
- Conversion of Company from Private to Public
- Change of name of the Company to Panache Digilife Limited

2016-17

2017-19

- Launch of consumer product range under the brand name of Panache
- NSE Listing on SME Emerge Platform
- Commenced commercial production at new factory in Bhiwandi
- Launch of AquaTatva Smart water solution

- Listed on NSE Mainboard
- Launched IFPD & OPS
- Exclusive distribution rights from Viewsonic, Taiwan for Pen Display Products across India
- Launch of Lyf-Lyn Range of Products
- Launch of Embedded Laptops
- Signed Partnership with Shuttle Inc.

2019-21

2021-22

- Mobileye
- Vaccine tracking
- Media IP Set top Box
- Payment Kiosk
- Content Delivery Network
- IT Hardware PLI
- Telecom PLI
- Closure of Wemart Global FZE, Wholly Owned Subsidiary

- Introduced Embedded and secure Laptops for work from home solutions
- Health Safety Kiosk
- Agri Kiosk
- Ai4Youth

2022-23

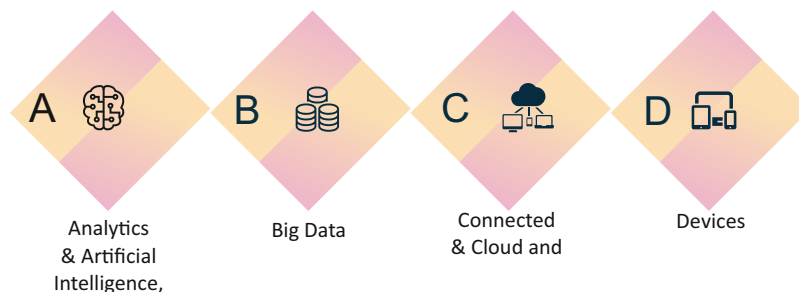
2023-On Going

- Manufacturing AI Based CCTV Camera
- HAZMAT Tracking with Intel Mobileye
- OPS Manufacturing
- Manufacturing IT Hardware for Baggage Scanning
- Manufacturing OPT Devices for Fuel Stations

Design Philosophy

Billions of physical devices around the world are now connected to the internet. Concepts like AI and IOT are making them talk to each other, collect and share data. The change being ushered in is making the world around us smarter and more responsive, merging the digital and physical universes. The new age revolution is powered by the symphony of smart solutions designing 'experiences' with IoT. With the ever-growing importance of technologies and platforms only those who can create and sustain world class experiences through them will thrive. Consumer 'experiences' are driving and disrupting industries like never before.

Panache's design philosophy for its devices is centered on four important pillars, "ABCD". Expanded, the term stands for



The Company has been making a significant contribution to the Government of India's '**Make in India**' and '**Atmanirbhar Bharat**' initiatives in the Electronics domain. Panache is completely in sync with both these missions and is hopeful that going forward it will go a long way in making the country a global manufacturing hub and also facilitate job creation, foster innovation, enhance skill development and protect intellectual property.

In the same vein, the '**Atmanirbhar Bharat**' initiative which is a part of '**Make in India**' aims to boost cottage industry and MSME's in India. Accordingly, a host of bold reforms to attract investments, enhance the ease of doing business, boost local manufacturing, local markets and local supply-chains have been initiated to transform domestic companies into global brands. These programs will prove to be noteworthy milestones and immensely enable the country in its digital transformation.

Awards & Accolades

Panache's efforts have been well recognized by various industrial bodies and the Government, as reflected from the awards and accolades.

Rated in Education World India Eduresources Star Rating 2020 with 7 stars (Max.) under the parameters of User Interface Design, Value for Money & Innovation.



Intel Business Excellence Award in 2022



CRN Excellence Award in Big Data & Analytics in 2018



Intel IoT Group Partner Performance Award in 2017



Edge Innovation award in 2014 by Information Week, UBM



Best System Builder award in 2010, 2011, 2012 & 2013 by CRN



Intel Embedded Hero Award in 2012

About the Factory



Manufacturing facility :
Bhiwandi



Manufacturing facility areas :
57,000 Sq.ft.



Manufacturing Capacity :
5 Lac units per annum

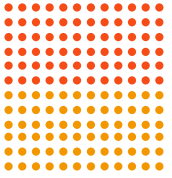


Safety Measures :
Anti-static environment for assembly Semi Automated



Certified :
ISO 9001:2015
ISO 14001:2015



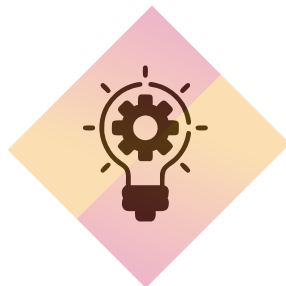


Our Core Value



Customer Focus

Customer needs are ever-evolving, and keeping up with their expectations can often be overwhelming. However, Panache Digilife is different; it is a customer-focused organization and ensures that all the facets of business are prioritized around customer satisfaction. This customer centric approach has proved to be mutually beneficial and paid rich dividends in terms of business growth and success. Needless to say, the Company has been able to build customer royalty and differentiate itself from the competition.



Innovative Approach

The Company has a culture of Innovative Approach for its products and services. Being innovative is intricate to organizations and it has been found that Companies that really stand out in the crowd have one common factor - they all embraced innovation; and disrupted the status quo. One cannot expect to maintain a competitive edge if innovation is not part of the overall business strategy. Panache has embraced innovation and this has afforded it a sizable advantage in meeting customers' expectations.



Global Scalability

Panache has a globally scalable business model which means that the Company has the ability to multiply revenue with minimal incremental cost. And the Company can expand to new geographies and market with fewer efforts. At the same time agile enough to adapt to the changing needs of the customers. Panache believes that scalability is inseparable to the technology business.



Transparency & Accountability

The Company's operations are transparent and accountable by nature. In fact, both complement each other. Panache is honest in providing all the relevant information from time-to-time to its stakeholders. The Company's accountability extends to answering to all concerns pertaining to its business and providing justification as to how its actions aligns with expectations; and vision.

Products Portfolio

IT Products



Smart Compute Devices

Panache's focus is always on designing Compute Devices that are Smart and Innovative; and also helps it to work towards saving energy and carbon footprint by being low powered and small in size. The Company's gamut of products in Compute comes in different form factors including Laptops that are ideal for Education, Work from Home, etc.; Tablet PC for Education; Servers for SMBs and Education; and All in One PCs for Education, SMB, etc. Most of these are IoT enabled devices which can form the medium of communication between Cloud and the Data.

Panache has also forayed into Telecom products such as Wireless Landline Phones, Switches, Routers, Firewall, 4G/5G/Wireless Devices, etc.

Retail IOT

In this space, Panache has IoT enabled Point Of Sale (POS) devices that are designed to meet the needs of standalone and networked POS users. The Company's integrated and stand-alone POS terminals come with capacitive touch, non-touch screens and wide range of compute options. The complete range of POS Peripherals is designed with Fanless & Energy Saving Architecture and Toughened Glass & Rugged Design. Panache also offers Kiosk based solution of Visitor Management System for various sectors including BFSI, Retail, Hospitality and others.

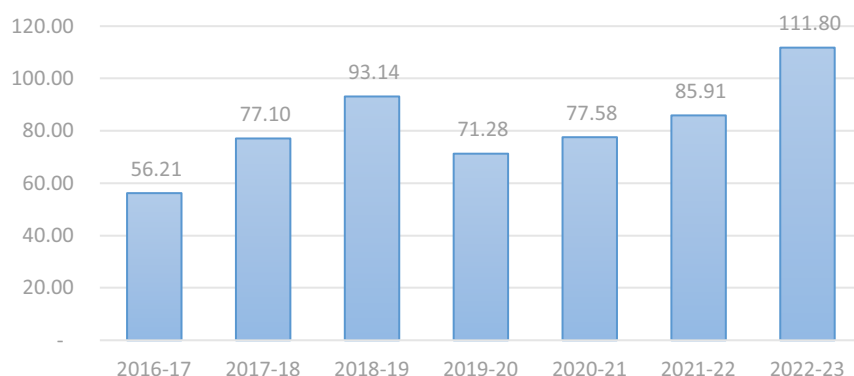


Education

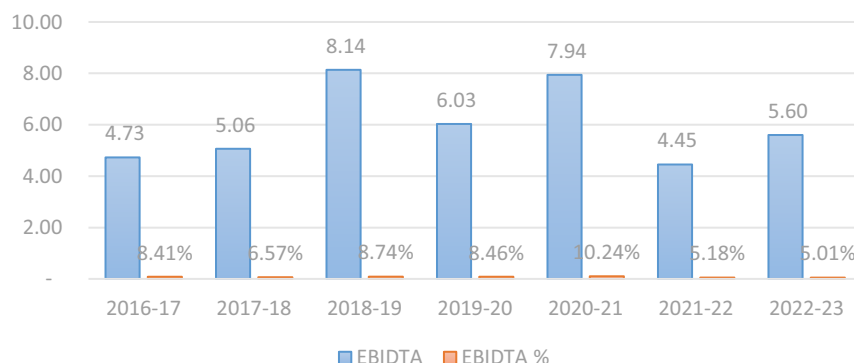
Panache's Education Solution provides smart education solution for classroom learning and teaching. The Company also has interactive tools to help teachers for new and innovative teaching ways and also make classroom interesting and interactive for students.

Annual Financial Highlights

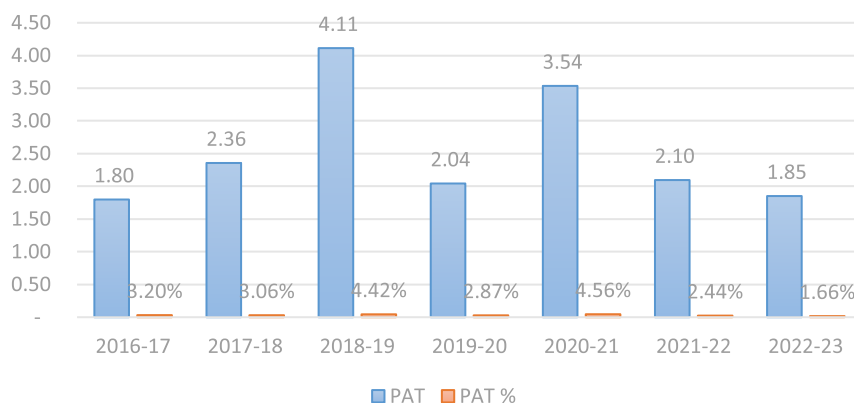
Net Revenue (Rs. in cr)



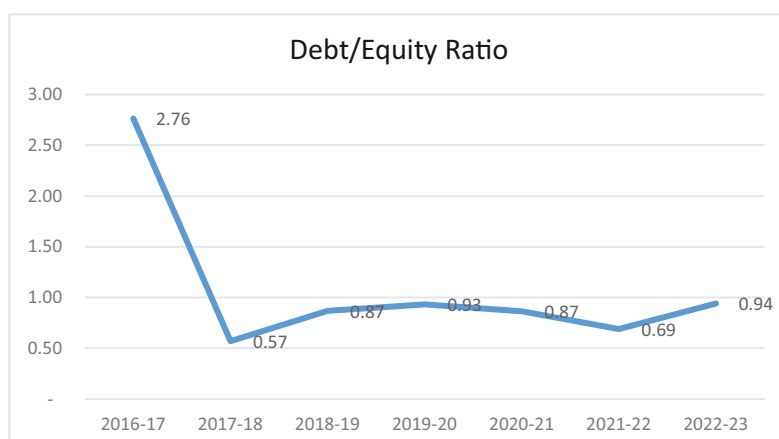
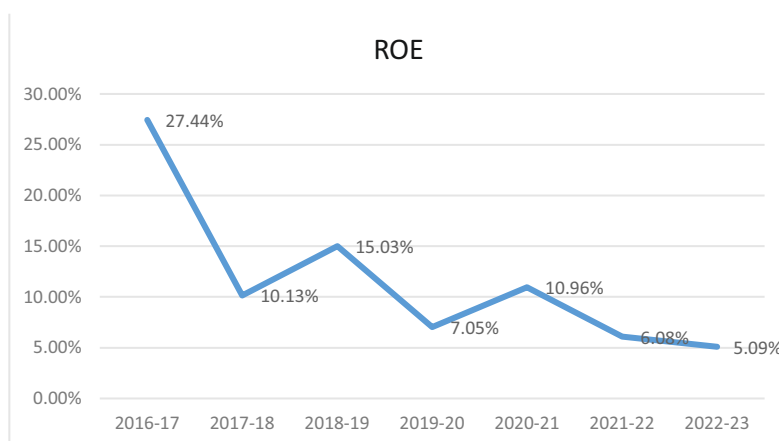
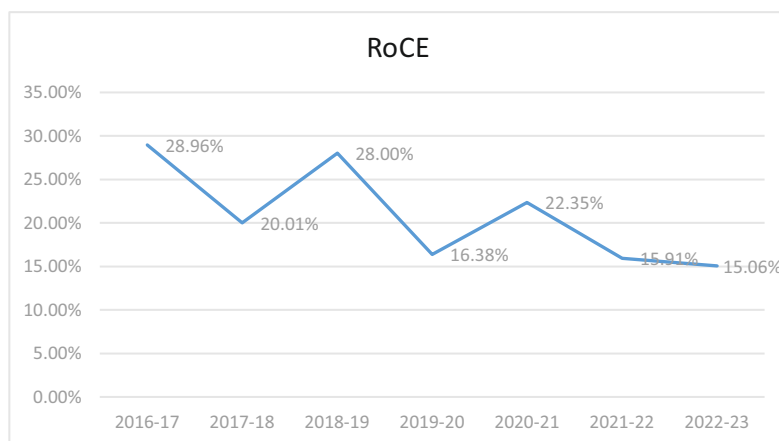
EBIDTA (Rs. in cr) & Margin



PAT (Rs. in cr) & Margin



Key Return Ratios





Chairman's Letter



I stand before you today as the Chairman of Panache Digilife Limited, filled with pride and gratitude as we gather to reflect upon the achievements and progress of our company during the fiscal year 2022-23. On behalf of all the Panache DigiLife board members and the Panache team, I would like to welcome you to the 16th Annual General Meeting. This year has been one of challenges, innovation, and growth, and I am thrilled to share with you the remarkable journey we have undertaken together.

Before we delve into the details, it is with a mix of gratitude and reflection that we share the news that Mr. Bhavin Adani has completed his tenure as an Independent Director on our board. During his tenure, Mr. Adani has contributed a wealth of knowledge, experience, and insights that have greatly benefited our company.

I would also like to extend a warm welcome to our esteemed new member, Mr. Jayesh Rambhia. Mr. Rambhia has joined us as an Independent Director on the board of our company, effective from February 2023. We are thrilled to have his expertise and insights enrich our leadership team.

The pandemic accelerated the adoption of digital technologies across industries. Businesses that were able to quickly pivot to online operations, e-commerce, and digital service delivery gained a competitive edge. Digital transformation remains a priority to enhance efficiency, customer experience, and operational resilience. In the face of such change, I am delighted to report that Panache Digilife has continued to display resilience, innovation, and adaptability, reinforcing our position as a frontrunner in the IT Hardware solutions arena.

I am pleased to inform you that Panache Digilife Ltd has achieved a significant milestone in its journey. Our relentless pursuit of excellence has yielded remarkable results. Financially, we have achieved significant growth, with an increase in revenue by 30 % and achieving the highest ever Turnover since inception at Rs 111.80 Cr. These figures not only validate our strategies but also underscore the trust that our stakeholders have placed in us. I extend my heartfelt gratitude to our shareholders, clients, and partners for their unwavering support.

The past year has been one of both challenges and triumphs, as we navigated through an ever-evolving business landscape and remained steadfast in our commitment to innovation, resilience, and sustainability.

The vision of a "Digital India" has been a key initiative for the Indian government in recent years. The goal is to transform India into a digitally empowered society and knowledge economy by leveraging information technology. Indeed, as technology continues to advance, we can expect to see more gadgets and systems deployed across the country, further realizing the dream of a true Digital India. Here are some of the key considerations on which this vision may continue to evolve :

- Digital Infrastructure Expansion:** To achieve a truly digital India, it's crucial to expand digital infrastructure, including high-speed internet access to even the most remote areas. This expansion can involve the deployment of more advanced telecommunications networks, such as 5G, and the establishment of public Wi-Fi hotspots.
- E-Governance:** Digital systems can streamline government services, making them more accessible and efficient for



citizens. This includes online platforms for everything from applying for government documents to paying taxes.

3. **Digital Education:** The pandemic has accelerated the adoption of online learning. More hardware devices may be deployed in the education sector, ensuring that quality education is accessible to all, regardless of geographical location.
4. **Healthcare Technology:** Telemedicine and health monitoring devices have gained prominence. Increasingly, healthcare services can be delivered digitally, reaching people in rural areas and improving healthcare access.
5. **Financial Inclusion:** Digital payment systems and financial technology (fintech) solutions have made banking services more accessible. This trend is likely to continue, promoting financial inclusion for all segments of the population.
6. **Smart Cities:** The development of smart cities involves deploying various technologies to enhance urban living, including smart transportation systems, waste management, and energy-efficient infrastructure.
7. **Cybersecurity:** As more systems and gadgets become connected, ensuring the security of digital infrastructure and data becomes paramount. Investments in cybersecurity will continue to grow to protect against cyber threats.
8. **Innovation and Startups:** The growth of the digital ecosystem fosters innovation and entrepreneurship. India has seen a surge in tech startups, and this trend is likely to continue as more opportunities arise.
9. **Digital Literacy:** To fully realize the benefits of a digital India, digital literacy programs must be expanded to ensure that citizens can effectively use and navigate digital technologies.

10. Environmental Considerations: As technology advances, there is also a need to consider its environmental impact. Sustainable and green technologies should be promoted to minimize the ecological footprint of digital infrastructure.

Overall, the deployment of more electronic devices as part of the digital revolution in India holds great potential for improving the lives of its citizens and driving economic growth. However, it is essential to address challenges such as digital divide, privacy concerns, and cybersecurity to ensure that the benefits are equitably distributed and secure.

At the heart of our success lies the dedication and skill of our workforce. Our employees have proven time and again that they are our most valuable asset. Their commitment to innovation, collaboration, and customer satisfaction has allowed us to develop cutting-edge solutions that meet the ever-changing demands of our clients. In recognition of their contributions, we have initiated several programs to foster professional development, ensure work-life balance, and promote a culture of inclusivity.

Our journey would not have been possible without our clients and partners. Your trust in our capabilities has driven us to continually raise the bar. We remain committed to delivering not just products and services, but comprehensive solutions that empower businesses to harness the true potential of the digital age.

As we celebrate our successes, let us not forget the challenges we have overcome. They have not only tested our mettle but also strengthened our resolve. Our ability to adapt, learn, and grow from these experiences is what truly sets us apart.

Thank you all for being an integral part of this remarkable journey. Here's to a future filled with innovation, growth, and shared success.

With warm regards,

Mr. Amit Rambhia
Chairman and Managing Director

Management Discussion & Analysis Report

Forward looking statement –

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS"), as notified under the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued by Ministry of Corporate Affairs in respect of sections 133 of Companies Act 2013. The management of Panache Digilife Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited standalone & consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Panache" are to Panache Digilife Limited and its subsidiaries and associates.

We are pleased to present our performance highlights for FY2022-23 and business outlook for this year:

WORLD ECONOMIC OUTLOOK: WAR SETS BACK THE GLOBAL RECOVERY

Tentative signs in early 2023 that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears

of contagion have risen across the broader financial sector, including nonbank financial institutions. Policymakers have taken forceful actions to stabilize the banking system.

In parallel, the other major forces that shaped the world economy in 2022 seem set to continue into this year, but with changed intensities. Debt levels remain high, limiting the ability of fiscal policymakers to respond to new challenges. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions. Despite the fillips from lower food and energy prices and improved supply-chain functioning, risks are firmly to the downside with the increased uncertainty from the recent financial sector turmoil.

The baseline forecast, which assumes that the recent financial sector stresses are contained, is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before rising slowly and settling at 3.0 percent five years out—the lowest medium-term forecast in decades. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023—the weakest growth since the global downturn of 2001, barring the initial COVID-19 crisis in 2020 and during the global financial crisis in 2009—with advanced economy growth falling below 1 percent. The anemic outlook reflects the tight policy stances needed to bring down inflation, the fallout from the recent deterioration in financial conditions, the ongoing war in Ukraine, and growing geo economic fragmentation. Global headline inflation is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases. Once inflation rates are back to targets, deeper structural drivers will likely reduce interest rates toward their pre-pandemic levels.

Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply. Financial sector stress could amplify and contagion could take hold, weakening the real economy through a sharp deterioration in financing conditions and compelling central banks to reconsider their policy paths. Pockets of sovereign debt distress could, in the context of higher borrowing costs and lower growth, spread and become more systemic. The war in Ukraine could intensify and lead to more food and energy price spikes, pushing inflation up. Core inflation could turn out more persistent than anticipated, requiring even more monetary tightening to tame. Fragmentation into geopolitical blocs has the scope to generate large output losses, including through its effects on foreign direct investment.

Policymakers have a narrow path to walk to improve prospects and minimize risks. Central banks need to remain steady with their tighter anti-inflation stance, but also be ready to adjust and use their full set of policy instruments—including to address financial stability concerns—as developments demand. Fiscal policymakers should buttress monetary and financial policymakers' actions in getting inflation back to target while maintaining financial stability. In most cases, governments should aim for an overall tight

stance while providing targeted support to those struggling most with the cost-of-living crisis. In a severe downside scenario, automatic stabilizers should be allowed to operate fully and temporary support measures be utilized as needed, fiscal space permitting. Medium-term debt sustainability will require well timed fiscal consolidation but also debt restructuring in some cases. Currencies should be allowed to adjust to changing fundamentals, but deploying capital flow management policies on outflows may be warranted in crisis or imminent crisis circumstances, without substituting for needed macroeconomic policy adjustment. Measures to address structural factors impeding supply could ameliorate medium-term growth. Steps to strengthen multilateral cooperation are essential to make progress in creating a more resilient world economy, including by bolstering the global financial safety net, mitigating the costs of climate change, and reducing the adverse effects of geo economic fragmentation.

(Source: WORLD ECONOMIC OUTLOOK: A ROCKY RECOVERY International Monetary Fund | April 2023)

INDIA ECONOMIC OUTLOOK

This year began with the anticipation that runaway inflation, aggressive policy rate hikes, and high commodity prices might topple a few major economies into recession in 2023. We are halfway past 2023 and, while the world is still in the woods, the probability of a recession this year has trimmed. Labor markets in several advanced countries remain tight, while the largest economy, the United States, is seeing a rebound in consumer confidence and spending. Risk spreads are declining on both sides of the Atlantic after the recent banking crisis in the United States.

India, meanwhile, enjoys a Goldilocks moment as it sees its economic activity gaining momentum amid continuing global uncertainties. The last quarter's GDP data was pleasantly surprising but not completely unexpected. The GDP growth in the fourth quarter has pushed up the full-year GDP growth of FY2022–23 to 7.2%, 200 basis points (bps) higher than the earlier estimate. The recently released Annual Economic Review for the month of May 2023 highlighted that the post pandemic quarterly trajectories of consumption and investment have crossed pre pandemic levels.

Evidently, economists and analysts are bullish about the Indian economy. Our growth forecasts for FY 2023-24 remain similar to our April forecast,

although higher-than-expected growth in FY 2022-23 has raised our base for comparison. That said, we have raised our lower limit of the range given the buoyancy of the economy. We expect India to grow between 6% and 6.3% in FY 2023-24 and have a stronger outlook thereafter. In fact, if global uncertainties recede, we expect growth to surpass 7% over the next two years.

There are multiple downside risks to our forecasts, but we find the uncertainties around the actions of the central banks of major economies and the oil price movements this past quarter particularly interesting. In this edition, we highlight the significance of these developments and their future implications for India.

Indian economy enters a Goldilocks period—not too good, not bad either

India grew by 6.1% in the last quarter, which is approximately ~100 bps higher than what the market had anticipated. While the overall growth was broad-based, many sectors such as construction and agriculture experienced more-than-expected growth. In fact, strong growth in manufacturing proved to be a reassuring development as modest growth in the sector in previous quarters had been a concern for policymakers.

On the expenditure side, exports performed well despite global headwinds, while imports recorded their slowest growth since December 2020, primarily because of easing crude oil prices bringing down India's import bills. Private consumption, the largest component of India's final demand, with a modest growth of 7.5% in FY 2022-23, emerged as the weakest link in overall growth. The share of private consumption in GDP fell in the last quarter and was the lowest in the past seven quarters, dragged down by weak rural demand. However, things might be changing on that front as well.

Urban demand conditions have remained resilient, as evidenced by the sales of mid- to high-end segments of automobiles, the number of UPI transactions, and domestic air passenger traffic data. Rural demand, which was lagging, has also been rising lately, as seen in the sales of tractors, IIP nondurable goods, and Mahatma Gandhi National Rural Employment Guarantee Act data.

Overall, the first-quarter data of FY 2024 instils confidence in the improving health of the economy. Inflation in the first quarter was 4.5%, the lowest since the quarter of September 2019. Goods and

Services Tax collections remain strong, suggesting that revenue buoyancy will aid in improving the budgeted fiscal deficit ratio to GDP. At the same time, India's external account has been improving, thanks to the falling import bills as oil prices ease.

Interestingly, the credit-deposit ratio has continued to improve strongly from the lows of the pandemic despite the rising interest rates. A deeper dive reveals that most of the lending is happening in the industry and services sector. This points to improving investment, which means that the supply side is gearing up to meet the rising demand.

Adelante (step forward) and Atras (step backward) —the salsa of central banks

Central banks around the world are frantically dancing to the tune of inflation, which seems to be coming under control, although is still far from being tamed completely. Between the three major central banks—the US Federal Reserve (Fed), the European Central Bank (ECB), and the Bank of England (BoE)—the policy rates have been raised by 1440 bps within a span of 18 months. Yet, the 12-month average inflation after the first policy rate hike is significantly higher than the 12-month average inflation prior to the hike in these countries. Instead, liquidity conditions have tightened too quickly in countries that had ultra-loose monetary policies for over a decade. Since these countries also host a large share of global investors, such an aggressive measure has unnerved the sentiments, leading to capital outflows from emerging countries.

Comparatively, India has had better success in taming inflation with relatively lesser policy tightening. The Reserve Bank of India (RBI) intervened in May 2022 and has increased the policy rate six times in 11 months since, increasing the repo rate by 250 bps. The inflation in June 2023 was 4.8%, considerably lower than the last fiscal year.

The only major country that has defied the global trend of raising or pausing policy rates is China, which cut its key policy rate (a much-awaited action) in response to low inflation (again an exception) and a weaker economic economy. It also increased liquidity in the market by injecting CNY 2 billion into the market through short-term bonds.

For those who may seek reassurance about the declining inflation in the United States and the European Union in the past few months, here is a spoiler: The headline inflation levels remain above the central bank's target level of 2%. Moreover, core

inflation (after adjusting for food and fuel prices) remains resilient, suggesting there isn't enough tangible evidence of a stabilizing or declining inflation.

Atras seems unlikely for central banks, but Adelante may also be challenging

The US Fed's aggressive policy-rate hikes have had a significant impact on the US banking sector. In the first five months of 2023, the sector saw 18 defaults worth US\$ 21 billion. This number and volume of defaults are higher than all of 2021 and 2022 combined. Also, higher policy rates translate into higher mortgage rates, which is a source of concern for the US real estate sector. House prices and demand have been moderating in the United States lately. That does not bode well for an economy where housing (investment and services) accounts for 15% to 18% of GDP.

In addition to this, the recent resolution of the debt-ceiling crisis will also have added repercussions. Due to the resolution of the debt-ceiling crisis, the US Treasury will issue more bonds worth US\$ 1.1 trillion in short-dated Treasury securities by the end of 2023. This will drive up the bond yields and squeeze cash out of banks, which in turn will compel banks to raise their deposit rates. Besides, cheaper Treasury securities will put further pressure on banks' assets as they hold these securities.

India to be in sync?

A moderation in the rate hikes by the United States after a spree of rate hikes since February 2022 is a positive news for India. It has reduced the pressures on the RBI to maintain an interest differential needed for the currency carry trade (leveraging the interest-rate arbitrage) and to attract foreign investment (which has declined due to tighter global liquidity conditions).

China's easing of monetary policy has led to a depreciation of the Renminbi against the US dollars. A depreciated CNY will surely benefit Indian importers, who now pay a lesser amount for the same quantity of imports. However, cheaper products are likely to increase India's dependence on China for critical inputs. This is likely to adversely impact the overall trade deficit with China, which is already a concern for India. For a nation that has seen its trade deficit with China go up sharply, a depreciating INR against the Chinese currency could make the deficit worse.

Are oil prices on a slippery slope?

Global crude oil prices have been trending down over the past few weeks owing to increased oil flows from Russia into the global markets, rising US production, and concerns over oil demand amid a weak economic outlook this year. This is despite the two cuts in oil production by the Organization of the Petroleum Exporting Countries (OPEC) nations since October 2022. Crude prices have been shed more than 40% as of June 2023 since the Russian invasion of Ukraine in February 2022. While WTI fell below US\$ 70 per barrel this week (US\$ 67.1 per barrel on June 12) before going up again, Brent prices have hovered around US\$ 75 per barrel.

To reverse this trend, Saudi Arabia, the top producer in the OPEC cartel, has recently unanimously decided to cut production by another one million barrels per day from July and further limit the supply in 2024. These measures will likely keep prices volatile for a while, although the short-term outlook seems to be bearish.

Since India is a heavy importer of oil and oil products, lower oil prices will reduce import bills and aid in decreasing input costs for products that depend on crude oil or its derivatives, thereby reducing inflationary pressures.

What lies ahead

The first-quarter data points to further building on the positive momentum in the economic data. We continue to remain optimistic about the economy this year and expect India to grow between 6.0% and 6.3% during FY 2023-24 in our baseline scenario, followed by 6.6% and 7.2% over the next two years as the global economy turns buoyant. However, if downside risks weigh on the economic fundamentals and outlook, we may see a substantial economic slowdown. For more on our optimistic and pessimistic scenarios, read "Key assumptions."

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(source:
<https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>)

Electronics System Design & Manufacturing (ESDM) Industry in India

The Indian electronics system design and manufacturing (ESDM) sector is one of the fastest growing sectors in the economy and is witnessing a strong expansion in the country. The ESDM market in India is well known internationally for its potential for consumption and has experienced constant growth



INTRODUCTION

The ESDM market in India is well known internationally for its potential for consumption and has experienced constant growth. Indian manufacturers are attracting the attention of multinational corporations due to shifting global landscapes in electronics design and manufacturing capabilities, as well as cost structures. Companies from all over the world are striving to develop local capacities in India not only to serve the domestic market but also to cater to international markets.

The Electronics System Design & Manufacturing (ESDM) industry includes electronic hardware products and components relating to information technology (IT), office automation, telecom, consumer electronics, aviation, aerospace, defence, solar photovoltaic, nano electronics and medical electronics. The industry also includes design-related activities such as product designing, chip designing, Very Large-Scale Integration (VLSI), board designing and embedded systems.

India witnessed a substantial spike in demand for electronic products in the last few years; this is mainly attributed to India's position as second-largest mobile phone manufacturer worldwide and surge in internet penetration rate. The Government of India attributes high priority to electronics hardware

manufacturing, as it is one of the crucial pillars of Make in India, Digital India and Start-up India programmes.

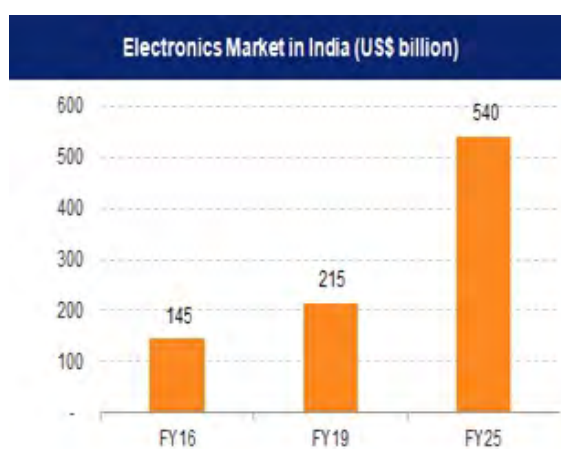
The Electronics System Design & Manufacturing (ESDM) sector plays a vital role in the government's goal of generating US\$ 1 trillion of economic value from the digital economy by 2025. With various government initiatives aiming to boost domestic manufacturing, India has already started witnessing initial movement with increased production and assembly activities across products such as mobile phones and other consumer electronics.

MARKET SIZE

The Indian electronics manufacturing industry is projected to reach US\$ 520 billion by 2025. The demand for electronic products is expected to rise to US\$ 400 billion by 2025 from US\$ 33 billion in FY20. Electronics market has witnessed a growth in demand with market size increasing from US\$ 145 billion in FY16 to US\$ 215 billion in FY19—the market witnessed a growth of 14% CAGR from 2016-19. Electronics system market is expected to witness 2.3x demand of its current size (FY19) to reach US\$ 160 billion by FY25. The top products under the

ESDM sector with the highest CAGR include IT/OA at 54%, followed by industrial electronics at 38% and automotive electronics at 10%.

In India, smartphone shipments from India crossed 168 million units in CY 2021, and in 2022, smartphone shipments from India are expected to reach ~190 million. 5G device shipments are expected to increase by 129% YoY, from 28 million in CY 2021 to about 64 million in CY 2022. Electronics design segment, growing at 20.1%, was 22% of the ESDM market size in FY19; it is anticipated to be 27% of the ESDM market size in FY25.



India is one of the largest consumer electronics markets in Asia Pacific Region and is home to considerable talent for electronic chip design and embedded software. India has committed to reach US\$ 300 billion worth of electronics manufacturing and exports of US\$ 120 billion by 2025-26.

Major Government initiatives such as 'Digital India', 'Make in India' and supportive policies including favourable FDI Policy for electronics manufacturing have simplified the process of setting up manufacturing units in India.

India is the second fastest digitizing economy amongst the 17 leading economies of the world. The Government of India aims to make Electronics Goods amongst India's 2-3 top ranking exports by 2026. Electronics Goods exports are expected to increase from the projected US\$ 15 billion in 2021-22 to US\$ 120 billion by 2026.

INVESTMENTS

Major Government initiatives such as 'Digital India', 'Make in India' and supportive policies including favorable FDI Policy for electronics manufacturing have simplified the process of setting up manufacturing units in India.

Post COVID, the Government of India aims to increase India's contribution by around US\$ 400 billion worth of electronics goods including exports worth US\$ 120 billion, which would account for 9-10% of the overall global value chains, from the current supply potential of 1-2%.

Union Budget 2023-24 has allocated Rs. 16,549 crore (US\$ 2 billion) for the Ministry of Electronics and Information Technology, which is nearly 40% higher on year. The budget for FY23 had allocated Rs. 14,300 crore (US\$ 1.73 billion) for the IT ministry.

The first-of-its-kind in India Electropreneur Park (EP) set up by MEITY and IESA started in 2016 and created 51 hardware products, 51 patents, and 23 startups were funded. The EP will grow to be a hub with 20 spoke centres aimed to promote innovation and create unicorns in ESDM by offering access to a holistic ecosystem to accelerate the government's flagship schemes like Startup India and Make in India.

STPI Signs MoUs to strengthen tech startup ecosystem: AIC STPINEXT Initiatives (STPINEXT), a special purpose vehicle of Software Technology Parks of India (STPI), an organisation under the Ministry of Electronics and Information Technology (MeitY) has signed two memorandums of understanding (MoUs), one with HDFC Bank, and another with Excelpoint Systems India Pvt. Ltd., a niche technology player for fostering entrepreneurship and nurturing tech startups in the country. These partners would play critical role in supporting and handholding the startups in the growth journey through technical guidance & assistance, mentoring, pitching to investors, funding support, and market connect & access etc.

Some of the investments/ developments in the Electronics System Design & Manufacturing (ESDM) sector in the recent past are as follows:

- The cumulative FDI equity inflow in the Electronics industry is US\$ 3.75 billion during the period April 2000-December 2022.
- In FY23, the exports of electronic goods were recorded at US\$ 23.57 billion as compared to US\$ 15.66 billion during FY22, registering a growth of 50.52%.

- Exports of electronic goods stood at US\$ 2.0 billion in September 2022.
- During April 2022 - February 2023, the imports of electronics goods stood at US\$ 70.07 billion, whereas exports stood at US\$ 20.69 billion.
- Imports of electronics goods stood at US\$ 7.14 billion in September 2022.
- A nine-member task force has been constituted by the Ministry of Electronics and Information Technology (MeitY) in March, 2023 with the primary goal of making India a 'product developer and manufacturing nation', as per a report. The members of task force are some of the veterans from the Indian electronic industry, including HCL Founder Mr. Ajay Chowdhary, Lava International Chairman Mr. Hari Om Rai, and Boat Lifestyle Co-Founder Mr. Aman Gupta, among others.
- In March 2023, the Government approved setting up of the Electronics Manufacturing Cluster (EMC) at Hubli-Dharwad in Karnataka, worth US\$ 22 million (Rs. 180 crore) and is expected to create about 18,000 jobs.
- As global companies are leveraging the well-developed manufacturing system in the State, Tamil Nadu has emerged as one of the major electronics hardware manufacturing and exporting States in the country. The state is well positioned to achieve a US\$ 100 billion ESDM industry in the next five years.
- The India Cellular and Electronics Association in February 2023 signed a memorandum of understanding with the Uttar Pradesh government to facilitate investments as the electronics manufacturing and skill hub to cater to domestic demand and exports. The government has set a target to achieve US\$ 300 billion of electronics manufacturing by 2025-26, out of which US\$ 75-100 billion of electronics manufacturing is expected from UP.
- Mitsubishi Electric India would invest Rs. 1,891 crore (US\$ 230.9 million) to build an air conditioner and compressor factory in Tamil Nadu. This facility will generate over 2,000 jobs, 60% of which would be held by women.
- Vedanta Group signed memorandums of understanding (MoUs) with 20 Korean companies from the display glass industry for the development of an electronics manufacturing hub in India. The MoUs were signed at the 'Korea Biz-Trade Show 2023' event organised by KOTRA, in collaboration with Korea's Ministry of Trade, Industry, and Energy.

- In November 2022, Voltas entered into a technology license agreement with Denmark's Vestfrost Solutions to develop, manufacture, sell and service medical refrigeration and vaccine storage equipment including ice lined refrigerators, vaccine freezers and ultra-low temperature freezers to the India market.
- Voltas announced plans of Rs. 400 crore (US\$ 50.10 million) capex under PLI scheme to manufacture components for white goods in May 2022.
- In March 2022, Reliance announced that it would invest US\$ 220 million in a joint venture with Sanmina Corp, a US- listed company for making electronic products in the Asian countries.
- Intel has invested over US\$ 7 billion in design and R&D facilities in the country to date.

GOVERNMENT INITIATIVES

The Government of India has adopted few initiatives for the ESDM sector in the recent past, some of these are as follows:

- Union Budget 2023-24 has allocated Rs. 16,549 crore (US\$ 2 billion) for the Ministry of Electronics and Information Technology, which is nearly 40% higher on year. The budget for FY23 had allocated Rs. 14,300 crore (US\$ 1.73 billion) for the IT ministry.
- The Government attaches high priority to electronics hardware manufacturing, and it is one of the important pillars of both "Make in India" and "Digital India" programme of Government of India.
- The National Policy on Electronics (NPE) 2019 envisions to position India as a global hub for ESDM by encouraging and driving capabilities in the Country for developing core components, including chipsets and by creating an enabling environment for the industry to compete globally.
- By 2030, ADIF, a think tank for IT start-ups, aims to put India among the top three start-up ecosystems in the world, with emphasis on expanding the knowledge base, encouraging collaboration and outlining the best policies.
- As per Union Budget 2022-23, the Ministry of Electronics and Information Technology (MeitY) has been allocated Rs. 14,300 crore

(US\$ 1.85 billion). In the allocated budget, revenue expenditure allocation is Rs. 13,911.99 crore (US\$ 1.8 billion) and capital expenditure allocation is Rs. 388.01 crore (US\$ 50.4 million).

- Ministry of Electronics & Information Technology (MeitY) has announced “Scheme for Promotion of Semiconductor Eco-System” in India with a massive outlay of Rs. 76,000 crore (US\$ 9.48 billion) in 2022.
- Under the production-linked incentive (PLI) scheme for IT Hardware Products, the Ministry of Electronics and Information Technology has approved 14 qualified applicants. To manufacture these products in India, the government will offer incentives of US\$ 983.76 million over the next four years. In this duration, production worth US\$ 21.62 billion and exports of US\$ 8.06 billion are expected.
- In September 2022, MeitY Startup Hub (MSH), an initiative of the Ministry of Electronics & Information Technology (MeitY), and Meta announced the launch of an accelerator programme to support and accelerate XR technology startups across India.
- Ministry of Electronics & Information Technology (MeitY) has announced “Scheme for Promotion of Semiconductor Eco-System” in India with a massive outlay of Rs. 76,000 crore (US\$ 9.48 billion) in 2022.
- As per Union Budget 2022-23, the Ministry of Electronics and Information Technology (MeitY) has been allocated Rs. 14,300 crore (US\$ 1.85 billion).
- In the allocated budget, revenue expenditure allocation is Rs. 13,911.99 crore (US\$ 1.8 billion) and capital expenditure allocation is Rs. 388.01 crore (US\$ 50.4 million).
- About 80% of the Production-Linked Incentive scheme (PLI) to encourage manufacturing in the country, which covers 14 industries and has a total investment of Rs 3 lakh crore (US\$ 38.99 billion), is concentrated in only three sectors: electronics, automobiles, and solar panel production.
- PLI scheme for large scale electronics manufacturing launched by Ministry of Electronics and Information Technology (MeitY) in April 2020 has been extended from existing five years band (FY21 - FY25) to six years (FY21-FY26).

- Officials from New Delhi and Taipei recently negotiated a proposal to set up a semiconductor facility worth US\$ 7.5 billion in India; the facility will supply everything from 5G devices to electric cars.
- To accelerate quantum computing-led research & development and enable new scientific discoveries, the Ministry of Electronics and Information Technology (MeitY), in collaboration with Amazon Web Services (AWS), will establish a quantum computing applications lab in the country.
- A fund of Rs. 3.2 crore (US\$ 433.46 thousand) for three years has been approved by the Department of Electronics, IT, BT, Science & Technology.
- Under the PLI scheme for IT Hardware, the approved enterprises are estimated to manufacture equipment worth >US\$ 21.62 billion over the next four years. Of the total production, foreign companies have suggested production worth US\$ 11.38 billion, whereas domestic enterprises have planned a production of US\$ 10.20 billion.

ROAD AHEAD

Local electronics design and production are being positively influenced by ongoing domestic consumption, changing dynamics in the global supply chain, and a plethora of policy initiatives to assist indigenous manufacturing in the current period is most advantageous. The smooth implementation of new initiatives and the reversal of restrictive laws will go a long way toward boosting international business confidence in India's business environment and attracting manufacturing investments.

Fueled by strong policy support, huge investments by public and private stakeholders and a spike in demand for electronic products, the ESDM sector in India has bright prospects ahead of it and is predicted to reach US\$ 220 billion by 2025, expanding at 16.1% CAGR between 2019-2025.

References: Media reports, Ministry of Electronics and Information Technology (MeitY), Make in India, Invest India, Union Budget 2022-23, Union Budget 2023-24, Press Information Bureau, News Articles

(Source: <https://www.ibef.org/industry/electronics-system-design-manufacturing-esdm>)

Production Linked Incentive Scheme 2.0 for IT Hardware

On May 17, 2023, the Union Cabinet, which was chaired by the Prime Minister, Mr. Narendra Modi, approved the Production Linked Incentive Scheme 2.0 for IT Hardware. The budgetary outlay of the scheme is US\$ 2.06 billion (Rs. 17,000 crore).

For many major international companies, India is quickly becoming a reliable supply chain partner. Large companies of IT hardware have expressed a strong interest in setting up manufacturing facilities in India. This is further supported by the nation's strong IT services sector's high demand.

India has become the world's second-largest manufacturer of mobile phones and the exports of mobile phones crossed a major milestone of US\$ 11 billion. Furthermore, due to the great success of the Production Linked Incentive Scheme (PLI) for mobile phones, PLI Scheme 2.0 was approved.

Electronic devices like laptops, tablets, all-in-one PCs, servers, and ultra-small form factor devices are covered under the PLI Scheme 2.0. The tenure of the scheme is six years.

(Source: <https://www.ibef.org/news/cabinet-has-approved-production-linked-incentive-scheme-2-0-for-it-hardware>)

STANDALONE & CONSOLIDATED FINANCIAL OVERVIEW

The Standalone performance of the Company for the financial year ended March 31, 2023 is as follows:

- Total revenue from operations at Rs. 111.80 crore for the year ended March 31, 2023, as against Rs. 85.91 crore for the corresponding previous period, an increase by 30.13%.
- The Cost of Raw Materials for the financial year ended March 31, 2023 were Rs 98.89 crore as against Rs 74.43 crore for the corresponding previous period, an increase by 32.86%.
- The Employee expenses for the financial year ended March 31, 2023 were Rs 3.61 crore as against Rs 3.68 crore for the corresponding previous period, decreasing by 2.10%.

- The other expenses for the financial year ended March 31, 2023 were Rs 3.70 crore as against Rs 3.34 crore for the corresponding previous period, increasing by 10.64%.
- The EBIDTA (earnings before interest, depreciation and tax) was Rs 5.60 crore for the year ended March 31, 2023 as against Rs 4.45 crore for the corresponding previous period, an increase by 25.79%.
- The depreciation for the financial year ended March 31, 2023 was Rs 0.79 crore, as against Rs 0.70 crore for the corresponding previous period, an increase by 13.29%.
- The EBIT (earnings before interest and tax) were Rs 6.24 crore for the year ended March 31, 2023 as against Rs 6.40 crore for the corresponding previous period, decreasing by 2.46%.
- The PAT (profit after tax) were Rs 1.85 crore for the year ended March 31, 2023 as against Rs 2.10 crore for the corresponding previous period, decreasing by 11.66%.
- The interest for the financial year ended March 31, 2023 was Rs 3.93 crore as against Rs 3.27 crore for the corresponding previous period, increase of 20.01%.
- The EPS (Earning Per Share) for the financial year ended March 31, 2023 stood at Rs 1.54 for a face value of Rs 10 per share, as against Rs 1.75 for the corresponding previous period.

The Consolidated Figures for the Company include financials of its Subsidiary Technofy Digital Private Limited and an Associate company ICT Infratech Private Limited.

Technofy Digital Private Limited – As decided during the F.Y.2020-21 the underlying Land Assets are being monetized for which the Subsidiary had to get various legal and compliance clearances from the authorities. The Land Asset had to be subdivided into 50 smaller plots so that those could be sold to prospective buyers. During FY 2022-23, a total of 15 plots were sold and the funds received from such sales were used to repay the debts of financial creditors. The process of selling the remaining plots is underway and the management expects to sell the remaining plots in FY 2023-24 and to repay all the Loans taken by the Subsidiary.

Technofy Digital Private Limited is still categorized as not a going concern.

ICT Infratech Private Limited - The operations in FY 2022-23 were nominal resulting in a contribution of a nominal loss of Rs 0.0052 Crore for FY 2022-23.

The Consolidated performance of the Company for the financial year ended March 31, 2023 is as follows:

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- The Cost of Raw Materials for the financial year ended March 31, 2023 were Rs 98.89 crore as against Rs 74.43 crore for the corresponding previous period, an increase by 32.86%.
- The Employee expenses for the financial year ended March 31, 2023 were Rs 3.61 crore as against Rs 3.68 crore for the corresponding previous period, decreasing by 2.10%.
- The other expenses for the financial year ended March 31, 2023 were Rs 3.70 crore as against Rs 3.34 crore for the corresponding previous period, increasing by 10.64%.
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- The depreciation for the financial year ended March 31, 2023 was Rs 0.79 crore, as against Rs 0.70 crore for the corresponding previous period, an increase by 13.29%.
- The EBIT (earnings before interest and tax) were Rs 5.70 crore for the year ended March 31, 2023 as against Rs 5.78 crore for the corresponding previous period, decreasing by 0.88%.
- The interest for the financial year ended March 31, 2023 was Rs 3.93 crore as against Rs 3.27 crore for the corresponding previous period, an increase of 20.02%.
- The PAT (profit after tax) from continuing operations were Rs. 1.32 crore for the year ended March 31, 2023 as against Rs 1.46 crore for the corresponding previous period, decreasing by 9.59%.
- The PAT (profit after tax) from discontinuing operations were Rs. (0.49) crore for the year ended March 31, 2023 as against Rs (0.66) crore for the corresponding previous period, a decrease in loss by 26.07%.
- The Total PAT for the Company stood at Rs 0.82 crore for the year ended March 31, 2023 as against Rs 0.80 crore for the corresponding previous period.

- The EPS (Earning Per Share) (from continuing operations) for the financial year ended March 31, 2023 was Rs 1.09 for a face value of Rs 10 per share, as against Rs 1.22 for the corresponding previous period.

RESOURCES AND LIQUIDITY

- As on March 31, 2023 the standalone net worth stood at Rs 36.35 crore and the standalone debt was at Rs 34.19 crore.
- The cash and cash equivalents at the end of March 31, 2023 were Rs. 0.23 crore.
- The total debt to equity ratio of the Company stood at 0.96 as on March 31, 2023.

BUSINESS PERFORMANCE

Key Developments during the year

Focusing your company's operations on the manufacturing of IT hardware and electronic devices can be a strategic move with various potential benefits. There is a substantial and growing market demand for IT hardware and electronic devices in India or your target markets. To cater to the Target Markets, we have developed a product portfolio within the IT hardware and electronic devices segments which includes laptops, desktops, mobile devices, peripherals, consumer electronics, and more.

Considering the focus on manufacturing IT hardware and electronic devices, your Company had signed a letter of intent ("the LOI") for manufacture and supply of Laptop Devices to Nexstgo Technologies India Pvt. Ltd under its Brand name AVITA. We had delivered some Made in India Laptop devices under the above arrangement during FY 2022-23. This order provided an impetus for Panache's plans in complying and implementing its commitment to the Make in India initiatives promoted by the Government of India and incentivized under the Production Linked Incentive Scheme for IT Hardware.

In October 2022, Panache Digilife Limited had signed an agreement with Revamp Moto Private Limited for

the Integration of their Modular Electric Vehicles (EV) at our Bhiwandi Facility. Panache had to focus on quality product assembly, process optimisation, and indigenisation of components while Revamp Moto was to work on new product development (NPD), Research and Development (R&D), new technologies, and generating IPs.

Your Company is the Approved Party under the PLI Scheme for Telecom and Networking Products and in November 2022, we had received the approval for addition of New Telecom Products under the Scheme. Your Company has plans to venture in the Telecom Products and suitable disclosures would be made in the future about the Manufacturing Plans in the Telecom Products space.

Panache Digilife Limited has collaborated with V.E.S Institute of Technology under the esteemed Chips to Startup Programme ("C2S") of Ministry of Electronics and Information Technology ("MeitY") to promote Make in India initiative.

The primary focus of this C2S programme is the development of ASICs (Application-Specific Integrated Circuits) and SoCs (System-on-Chips) specifically designed for programmable gain amplifiers and reconfigurable ADCs (Analog-to-Digital Converters) which will cater to a wide range of applications, offer enhanced performance and flexibility in various industries. Under the C2S Programme, MeitY will grant an aid of Rs. 74.32 lakhs along with contribution of Rs. 8.27 lakhs from Panache Digilife Limited to V.E.S. Institute of Technology which will be disbursed over a period of 3 years.

Panache Digilife Limited is proud to support and be a part of VESIT's innovative research in this field. By fostering collaboration between academia and industry, this collaboration aims to accelerate technological advancements and bring forth solutions that can address the evolving needs of the market.

The success of your company in these sectors will depend on factors like product quality, innovation, market positioning, and effective marketing strategies. Continuously adapt to changing market conditions and consumer preferences to remain competitive and achieve long-term growth in the IT hardware and electronic devices manufacturing industry.

RISKS AND CONCERNS

The irony of managing risks in the computer hardware industry is that risk exposures come from everywhere except the hardware: third-party outsourcing, currency fluctuations, unstable political and economic systems in countries hosting factories, and intellectual-property risks related to patents. The days when risk exposures were limited to the electric shocks of soldering circuit boards into black boxes have gone the way of the floppy disk and 16-megabyte memory chips.

The Company faces the following risks and concerns:

Economic Risk

India's economy will grow about 6% this fiscal year with a small increase in private investment, according to a Reuters poll of economists who said lower growth and high inflation were the biggest risks to the outlook. While that was expected to be faster than other major economies, India needs higher growth and investment to create enough jobs for the millions of people joining the workforce every year.

A moderate global economic outlook and the high risk of below-average rainfall in India this year, which threatens agricultural production and food supplies, suggest Asia's third-largest economy may grow by less than expected but still generate high inflation.

Competition Risk

In terms of demand, Indians have an insatiable appetite for two things: gold and electronics — and particularly in electronics, they want the latest and greatest. India aims to become a hub for manufacturing and exporting electronics globally. To promote this the Government has initiatives like the Production Linked Incentive (PLI) Scheme which is gaining traction as more and more Companies are applying for it. After the tepid response to the PLI 1.0 the government has promoted a new PLI 2.0 Scheme which aims to increase the participation of more companies.

This creates stiff competition from established players as well as new entrants in the PLI Scheme to cater the same set of Brand oriented Customers.

Supply Chain Disruption Risk

Supply chain risk continues to be the primary cause of concern for enterprises globally. As enterprises continue to expand their supply chains, the expansion also brings in a fair amount of risk due to supply chain disruptions led a multitude of factors — such as natural disasters, pandemics, geopolitical instability, as well as cyber threats. Mitigating these supply chain risks requires enterprises to stay prepared at all times with a comprehensive risk management plan, so that they can stay ahead of the competition even during disruptions.

The hardware industry supply chain involves a high degree of specialization and interdependence among suppliers, manufacturers and distributors. What this means is that any disruption or delay at any point in the supply chain could have a serious impact on a manufacturer's ability to deliver products to its customers on time. The unavailability of raw materials could affect almost all other industries, with many being automatically forced to cut down on their ambitious plans to make their products tech-laden and feature rich.

Credit Risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. We periodically assess the financial reliability of customers, considering the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly

Technology Related Risk

Any organization including your company faces various Technology related Risks such as

- Technical obsolescence.
- Functional obsolescence.
- Architectural obsolescence.
- Inventory obsolescence.
- Style obsolescence.

Technological obsolescence is very intricate to our industry as it is ever evolving. Given the dynamic technology environment, it is critical for the Company's survival and growth, to be in tune with changing technology paradigms; and keep upgrading resources and processes at all times.

The Company has diversified this risk well and thus is not dependent on any single technology or platform. At the same time, the Company has a range of technologies and has developed competencies on various platforms and operating environments. It thus offers a wide range of technology options to clients to choose from, for their business needs.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Panache Digilife has robust internal control systems and further these are evaluated from time to time in order to take additional measures if necessary, in consonance with the changes in the Companies Act, 2013. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including safeguarding of its assets, prevention and detection of fraud, error reporting mechanism and ensuring accuracy and completeness of financial statements. Based on the results of assessments carried out by Management, no reportable material weaknesses or significant deficiencies in the design or operation of internal financial controls were observed. The Board opines that the internal controls adopted and implemented by the Company for preparation of financial statements are adequate and sufficient.

For the year 2022-23, M/s. SSPK & Associates, Chartered Accountants were appointed as the Internal Auditors by the Board of Directors. The Board of Directors at its meeting held on May 24, 2023, upon recommendation of Audit Committee has approved the appointment of M/s. Sanket Sangoi & Associates, Chartered Accountants, (FRN: 137348W), as the Internal Auditor of the Company for the FY 2023-24. The Audit Committee reviews reports submitted by Internal Auditor. Suggestions for improvement are considered and the Audit Committee reviews on the corrective actions taken by the Management. The Internal Auditor report directly reports to Audit Committee.

HUMAN RESOURCES

Our people strategies are geared towards creating an unparalleled employee experience through diverse learning opportunities, great careers, and a strong brand. We believe in creating an inclusive environment that welcomes everyone and nurtures an overall sense of belonging.

The Company has necessary policies / Code of Conduct Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The Company continually conducts training programs for the development of employees. The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

Your Company has maintained its manpower strength which stands at 39 employees in FY'2023 from 43 in FY'2022. Consequently, the Employee benefit expenses were in line with those of the previous year's figures.

OUTLOOK

On the backdrop of your company being selected under the Production Linked Incentive Schemes under IT Hardware and Telecom & Networking Products, we are now focusing on the development of products and introduction of new devices in categories covered under the respective PLI schemes. These schemes entail significant

investment in Production Capacities over the next few years which will enable us to increase the localization content and ensure Import substitution for those products.

We are now focusing on catering to end consumer IT products segment like the laptops and All in One Pc's which is a fast-moving category with significantly higher volumes. Our focus in the next few years is to consolidate our manufacturing experience and concentrate on the Consumer oriented products while still catering to our B2B customer segments. Further, in line with the Telecom PLI Products your company has plans to introduce Telecom products like Routers, PoE Switches to start off with.

We will be applying for the proposed Production Linked Incentive Scheme for IT Hardware 2.0 which is repurposed with better incentive structure and for a longer period.

We are vying to tie-up with further parties to enlarge our customer base and to gradually increase the capacity utilization of our manufacturing facility.

The Company is also evaluating the option of setting up of manufacturing facility for further vertical integration in the production of components at a completely new setup or at the current manufacturing facility at Bhiwandi.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, on a standalone basis, the significant change in the financial ratios compared to the previous year, which are more than 25% as compared to the previous year are summarized below;

| Financial Ratio | 2022-23 | 2021-22 | Change (%) | Reason for change |
|----------------------------|---------|------------|------------|---|
| Debt Equity Ratio | 0.96 % | 0.70 % | 38.51 % | It has shown significant variation due to enhancement & utilisation of fund-based bank overdraft limits. |
| Net Capital Turnover Ratio | 4 times | 3.04 Times | 31.63 % | The revenue has been increased compared to previous year, hence there is a positive variance in Net capital Turnover Ratio. |
| Net Profit Ratio | 1.66 % | 2.44 % | (32.12) % | Due to decrease in operating margins majorly due to supply chain constraints in the global markets. |

BOARD'S REPORT

Dear Members,

The Directors of your Company have the pleasure in presenting the Sixteenth Annual Report together with the audited financial statements for the financial year ("FY") ended March 31, 2023.

FINANCIAL RESULTS

The summary of the Company's financial performance, both on a standalone and consolidated basis, for FY 23 as compared to the previous FY i.e., FY 22 is given below:

(₹in lakhs)

| Particulars | Standalone | | Consolidated | |
|---|------------|---------|--------------|---------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Revenue from operations | 11179.60 | 8590.94 | 11179.60 | 8590.94 |
| Other income | 143.26 | 264.53 | 89.91 | 200.51 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments (excluding other income) | 560.08 | 445.27 | 560.08 | 445.27 |
| Depreciation and amortization expenses | 79.09 | 69.82 | 79.09 | 69.82 |
| Finance Cost | 393.04 | 327.49 | 393.04 | 327.49 |
| Profit before tax (PBT) from continuing operations | 231.21 | 297.52 | 177.86 | 233.50 |
| Tax expense | 46.02 | 87.89 | 46.02 | 87.89 |
| Profit after tax (PAT) from continuing operations | 185.18 | 209.63 | 131.83 | 145.60 |
| Share of Profit / (loss) from associate company | - | - | (0.52) | 0.43 |
| Profit/(Loss) from discontinuing operations | - | - | (48.90) | (66.13) |
| Profit after tax (PAT) | 185.18 | 209.63 | 82.41 | 79.90 |

*Previous year figures have been regrouped / rearranged wherever necessary.

Standalone Performance

During the year, your Company achieved total revenue of ₹11179.60 Lakhs as compared to ₹8590.94 Lakhs in the previous year.

The Earnings before Interest, Tax, Depreciation and Appropriations (EBITDA) stood at ₹ 560.08 Lakhs in the current year as compared to ₹ 445.27 Lakhs during the previous year.

During the year, the Net Profit after Tax stood at ₹185.18 Lakhs as compared to ₹ 209.63 Lakhs in the previous year.

Consolidated Performance

Your Company achieved total revenue of ₹11179.60 Lakhs as compared to ₹8590.94 Lakhs in the previous year.

The Earnings before Interest, Tax, Depreciation and Appropriations (EBITDA) stood at ₹ 560.08 Lakhs in the current year as compared to ₹ 445.27 Lakhs during the previous year.

The Net Profit after Tax stood at ₹ 82.41 Lakhs as compared to ₹ 79.90 Lakhs in the previous year.

STATE OF THE COMPANY'S AFFAIRS

The information on the affairs of the Company has been given as part of the Management Discussion & Analysis Report forming part of this Report.

MATERIAL CHANGES AND COMMITMENT

There were no other material changes and commitment affecting financial position which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Report.

DIVIDEND

The Board of Directors of the Company thought it would be prudent to conserve capital and has not recommended dividend for the FY 2022-23.

TRANSFER TO RESERVE

Your Company does not propose to transfer any amount from the current year's profits to the General Reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds or shares which are required to be transferred to Investor Education and Protection Fund (IEPF).

CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the period.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹12 Crores. There was no change in the share capital during the period.

DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Further, in compliance with 1st proviso of Rule (2)(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 read with amendment rules thereto, during the year the Company has accepted loans from directors for business purpose along with a declaration in writing from them to the effect that the said loan amount is not being given out of funds acquired by borrowing or accepting loans or deposits from others;

(Amount in ₹)

| Sr. No. | Name of the person | Relation with the Company | Amount received during the year | Amount Outstanding as on March 31, 2023 |
|---------|--------------------|---------------------------|---------------------------------|---|
| 1 | Amit Rambhia | Managing Director | 13,00,000 | Nil |
| 2 | Devchand Rambhia | Whole-Time Director | 8,70,000 | 20,70,000 |
| 3 | Nikit Rambhia | Joint Managing Director | 6,50,000 | 5,59,416 |

SUBSIDIARY & ASSOCIATE COMPANY AND CONSOLIDATION OF FINANCIAL STATEMENT

A list of bodies corporate which are subsidiaries / associates of your Company as on March 31, 2023 is as follows;

| | |
|--|-------------------------|
| Technofy Digital Private Limited | Wholly Owned Subsidiary |
| ICT Infratech Services Private Limited | Associate Company |

The Board of Directors reviewed the affairs of the Subsidiaries and Associate Company. In accordance with Section 129(3) of the Act, we have prepared consolidated financial statements of the Company, its Subsidiary and Associate Company in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), which forms part of this Annual Report. A statement containing the salient features of the financial position of the Subsidiary Companies and Associate Company in Form AOC-1 is annexed as Annexure A. In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and financials of subsidiary Companies are also available on our website at <https://www.panachedigilife.com/financials>.

The Policy for determining material subsidiaries, pursuant to the provisions of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('the SEBI Listing Regulations'), may be accessed on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

BOARD OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Directors

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

During the year under review;

- Mr. Devchand Rambhia (DIN: 00165851) was liable to retire by rotation and being eligible was re-appointed at the 15th Annual General Meeting held on September 29, 2022.
- Mr. Amit Rambhia (DIN: 00165919) was reappointed as Managing Director for a period of 3 years effective from February 17, 2023 to February 16, 2026 in the Board meeting held on August 10, 2022 and his appointment was approved by member in 15th Annual General Meeting held on September 29, 2022.
- Mr. Nikit Rambhia (DIN: 00165678) was reappointed as Joint Managing Director for a period of 3 years effective from February 17, 2023 to February 16, 2026 in the Board meeting held on August 10, 2022 and his appointment was approved by member in 15th Annual General Meeting held on September 29, 2022.
- Mr. Bhavin Adani (DIN: 02919483), who was appointed as an Independent Director of the Company for a second term of 5 (Five) years w.e.f. February 17, 2018 to February 16, 2023 has ceased to be an Independent Director of the Company with effect from close of business hours of February 16, 2023 pursuant to completion of aforesaid term.
- Mr. Devchand Rambhia (DIN: 00165851) who was reappointed as Whole Time Director of the Company for a period of 3 (Three) years w.e.f. February 17, 2020 to February 16, 2023 had expressed his unwillingness to further continue as a Whole Time Director of the Company and stepped down with effect from close of business hours of February 16, 2023.

The Board records its deep appreciation for valuable contribution and support by Mr. Bhavin Adani and Mr. Devchand Rambhia during their term as the Director of the Company.

- Mr. Nitesh Savla (DIN: 05155342), Chief Financial Officer of the Company was appointed as the Whole Time Director for a period of 3 years effective from February 14, 2023 to February 13, 2026 in the Board meeting held on February 14, 2023 and his appointment was approved by the members by way of Postal Ballot on May 4, 2023.

- Mr. Jayesh Rambhia (DIN: 02049473) was appointed as an Additional Independent Director for a period of 5 years effective from February 14, 2023 to February 13, 2028 in the Board meeting held on February 14, 2023, and his appointment as an Independent Director was approved by the members by way of Postal Ballot on May 4, 2023.

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mr. Amit Rambhia (DIN: 00165919), will retire by rotation at ensuing AGM and being eligible, has offered himself for reappointment.

The terms and conditions of appointment of Independent Director are available on the website of the Company at <https://www.panachedigilife.com/corporate-governance#board>. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

Key Managerial Personnel

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2023.

1. Mr. Amit Rambhia - Managing Director
2. Mr. Nikit Rambhia - Joint Managing Director
3. Mr. Nitesh Savla* - CFO & Whole Time Director
4. Mr. Harshil Chheda - Company Secretary & Compliance Officer

*Mr. Devchand Rambhia ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023 and Mr. Nitesh Savla, Chief Financial Officer of the Company was appointed as the Whole- time Director of the Company with effect from February 14, 2023.

Declaration by Independent Directors

All the Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

All Independent Directors of the company have confirmed that they have registered themselves with Independent Directors Database of the Indian Institute of Corporate Affairs (IICA) and have cleared online proficiency test of IICA, as applicable.

Annual Evaluation of Directors, Committees and Board

Pursuant to the Act and the SEBI Listing Regulations, the Company has "Directors Performance Evaluation Policy" in place. In accordance with the said Policy, all the Directors had filled up Questionnaire and feedback form for evaluation of individual Directors, Board as a whole, Chairman, committees, and Independent Directors, whose format forms part of the policy. Thereafter Board evaluated every Director including Independent Director at its meeting held on February 14, 2023.

The Board has also evaluated its own performance, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Chairman and all Directors individually. The Board concluded that the overall performance of all the Directors was very good.

Independent Director's Separate Meeting

A separate meeting of Independent Directors of the Company, was held on February 14, 2023 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations.

At the meeting following matters were taken up;

- reviewed the performance of Non-Independent Directors and the Board as a whole.
- reviewed the performance of the Chairperson of the Company.
- assess the quality, quantity and timeliness of flow of information.

All Independent Directors of the Company attended the Meeting of Independent Directors.

Familiarization Programme

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the company at <https://www.panachedigilife.com/corporate-governance#board>.

Policy on Directors' Appointment and Remuneration

The Nomination and Remuneration Policy of the Company has been formulated in terms of Section 178 of the Act. This Policy governs policy relating to Director's, Key Managerial Personnel's and Senior Management's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. The complete disclosure of the said policy is available on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company Securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the Company's website <https://www.panachedigilife.com/corporate-governance>.

MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE GOVERNANCE REPORT

In terms of Regulation 34 of the Listing Regulations, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from a Practicing Company Secretary confirming compliance with the SEBI Listing Regulations relating to Corporate Governance of the Listing Regulations are set out and form part of this Annual Report.

AUDITORS

Statutory Auditor

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at their 15th AGM held on September 29, 2022 has appointed M/s. Jain Salia & Associates, Chartered Accountants

(Firm Registration Number 116291W) as the Statutory Auditors of the Company for a term of five years, i.e., from the conclusion of the 15th AGM till the conclusion of 20th AGM.

There is no qualifications, reservations or adverse remarks made by Statutory Auditors, in their report on Financial Statements of the Company and hence do not call for any further explanation or comments from the Board under Section 134(3)(f) of the Act. Further, there were no frauds reported by the Statutory Auditors as specified under Section 143(12) of the Act.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. D. M. Zaveri & Co., Company Secretaries as Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2022-23.

Further, in terms of the regulatory requirements; M/s D. M. Zaveri & Co. has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report is appended as **Annexure B** to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report. Further, there were no frauds reported by the Secretarial Auditors as specified under Section 143(12) of the Act.

Cost Records and Cost Audit

Pursuant to Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is applicable to the Company and accordingly, such accounts and records are being maintained by the Company.

During the year, Company was not required to carry out Cost Audit pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. However, pursuant to the said provision, the Cost audit became applicable to the company for the FY 2023-24 and accordingly the Board of Directors, based on the recommendation of the Audit Committee, appointed M/s Kishore Bhatia & Associates (Firm Registration No. 00294), Cost Accountants, as Cost Auditors to audit the cost records of the Company for the FY 2023-24 on agreed remuneration of Rs. 1,10,000/- plus applicable taxes and reimbursement of out-of-pocket expenses at actual.

M/s Kishore Bhatia & Associates, Cost Accountants being eligible, have consented to act as a Cost Auditor for conducting the cost audit of the Company for the FY 2023-24. As required under the Act, necessary resolution seeking Members' ratification for the remuneration payable to Kishore Bhatia & Associates for the FY 2023-24 will be placed at the forthcoming Annual General Meeting.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has strong commitment towards conservation of energy, natural resources and adoption of latest technology in its areas of operation.

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is provided as **Annexure C** of Director's Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure D** of Director's Report.

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the Members excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the members.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors confirm that, to the best of their knowledge and belief:

- A. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- B. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- C. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- D. the directors have prepared the annual accounts on a going concern basis;
- E. the directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
- F. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate system of internal controls commensurate with the size of its operation and business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all the business transactions are authorized, recorded and reported correctly and adequately.

During the year, M/s. SSPK & Associates, Chartered Accountants were appointed as the Internal Auditors by the Board of Directors for the FY 2022-23. The Board of Directors at its meeting held on May 24, 2023, upon recommendation of Audit Committee has approved the appointment of M/s. Sanket Sangoi & Associates, Chartered Accountants, (FRN: 137348W), as the Internal Auditor of the Company for the FY 2023-24. The Audit Committee reviews reports submitted by Internal Auditor. Suggestions for improvement are considered and the Audit Committee reviews on the corrective actions taken by the Management. The Internal Auditor report directly reports to Audit Committee.

For more details on the topic, please refer to the Management Discussion and Analysis report which form part of the Annual Report.

BOARD MEETINGS

During the year, the Board met 4 (Four) times. The details of the Board meetings held during FY 2022-23 are disclosed in the Corporate Governance Report appended to this Report.

COMMITTEES OF THE BOARD:

The Board of Directors has constituted various statutory committees comprising of Executive, Non-Executive and Independent Directors to discharge various functions, duties and responsibilities cast under the Act, the SEBI Listing Regulations and other applicable statutes, rules and regulations applicable to the Company from time to time.

Currently, the Board of Directors has formulated following committees, viz.

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholder's Relationship Committee

The details of the meetings, composition and terms of reference of the Committees are disclosed in Corporate Governance Report appended to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

For the FY 2022-23, the provisions of Section 135 of the Companies Act, 2013 w.r.t. Corporate Social Responsibility are not applicable to the Company.

VIGIL MECHANISM

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, your Company has adopted Whistle Blower Policy for Directors and employees to report genuine concerns to the management of the Company. The whistle blower policy of the Company is posted on the website of the Company and may be accessed at <https://www.panachedigilife.com/corporate-governance#policies>.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED BY THE COMPANY

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company have been disclosed in the Financial Statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

All Related Party Transactions that were entered during the financial year were in the ordinary course of business and at arm's length basis. The Audit Committee grants an omnibus approval for the transactions that are in the ordinary course of the business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis for its review. Disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

There were no materially significant RPTs made by the Company with Promoters, Directors, KMPs or Body Corporate(s), which had a potential conflict with the interest of the Company at large. Accordingly, the disclosure of RPTs as required under the provisions of Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

The Policy on related party transactions, as formulated by the Board is available on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

RISK MANAGEMENT

The Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day-to-day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time-to-time basis.

For more details on the topic, please refer to the Management Discussion and Analysis report which forms part of the Annual Report. Policy on Risk Management is available on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

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

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. During the year under review, the Company has not received any complaints in this regard.

The Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace is available on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

ANNUAL RETURN

The Annual Return in Form MGT 7 as required under Section 92(3) of the Companies Act, 2013 is available on the website of the Company at <https://www.panachedigilife.com/shareholder-information#agm>.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year, no significant and material orders have been passed against the Company by any Regulators or Courts or Tribunals impacting the Company's going concern status and operations in future.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

The engagement with workmen and staff remained cordial and harmonious during the year and the management received full co-operation from employees.

The Company (excluding subsidiaries) had 39 employees on its rolls as on March 31, 2023. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

OTHER INFORMATION / DISCLOSURES

No application has been made by the Company and there are no proceedings pending against the Company, under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the Financial Year 2022-23.

There were no transactions requiring disclosure or reporting in respect of matters relating to one-time settlement with any bank or financial institution.

Wherever applicable, refer the Company's website www.panachedigilife.com or relevant details will be provided to the members on written request to the Company Secretary.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the devoted services of the employees, who have largely contributed to the efficient management of your Company. The Directors also place on record their appreciation for the continued support from the shareholders, customers, suppliers, Governments, bankers, lenders and other stakeholders.

**For and on behalf of the Board of Directors of
Panache Digilife Limited**

**Date: August 10, 2023
Place: Mumbai**

Amit Devchand Rambhia
Chairman & Managing Director
DIN: 00165919

FORM AOC-1

(Pursuant to first proviso to section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/ joint ventures

Part A - Subsidiary

INR in lakhs

| Sr. No. | Particulars | Details |
|---|---|----------------------------------|
| 1 | Name of the subsidiary | Technofy Digital Private Limited |
| 2 | The date since when subsidiary was acquired | June 4, 2019 |
| 3 | Reporting period for subsidiary concerned, if different from holding company's reporting period | N.A. |
| 4 | Reporting currency & Exchange rate as on last date of the relevant FY in case of foreign subsidiaries | INR |
| 5 | Share capital | INR 1.00 |
| 6 | Reserves & surplus | INR (368.81) |
| 7 | Total assets | INR 1188.35 |
| 8 | Total Liabilities | INR 1556.16 |
| 9 | Investments | NIL |
| 10 | Turnover | NIL |
| 11 | Profit before taxation | INR (102.25) |
| 12 | Provision for taxation | NIL |
| 13 | Profit after taxation | INR (102.25) |
| 14 | Proposed Dividend | NIL |
| 15 | % of shareholding | 100% |
| <ul style="list-style-type: none"> Name of the subsidiaries which are yet to commence business operations: Nil. Name of the subsidiaries which have been liquidated or sold during the year: Nil. | | |

Part B - Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company and Joint Venture

INR in lakhs except face value

| Sr. No. | Particulars | Details |
|---|---|--|
| 1 | Name | ICT Infratech Services Private Limited |
| 2 | Latest audited Balance Sheet | March 31, 2023 |
| 3 | Date on which the Associate or Joint Venture was associated or acquired | January 7, 2019 |
| 4 | Shares of Joint Venture held by the Company on the year end | |
| A | -Number | 15,000 Equity Shares of Face Value ₹10/- |
| B | -Amount of Investment in Associates/Joint Venture | INR 1.50 |
| C | - Extend of Holding % | 50% |
| 5 | Description of how there is significant influence | Extent of equity holding in the associate company exceeds 20% along with Joint Venture Agreement |
| 6 | Reason why the joint venture is not consolidated | Not Applicable |
| 7 | Networth attributable to shareholding as per latest audited Balance Sheet | |
| 7 | Profit/Loss for the year | INR (1.04) |
| A | -Considered in consolidation | INR (0.52) |
| B | -Not Considered in consolidation | INR (0.52) |
| <ul style="list-style-type: none"> Name of the associates or joint ventures which are yet to commence business operations: Nil. Name of the associates or joint ventures which have been liquidated or sold during the year: Nil. | | |

For and on behalf of the Board of Directors of
Panache Digilife Limited

Amit Devchand Rambhia
Chairman & Managing Director
DIN: 00165919

Date: August 10, 2023
Place: Mumbai

Secretarial Audit Report

Form No. MR-3
For the Financial year ended 31 March 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Panache Digilife Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Panache Digilife Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Panache Digilife Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31 March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder (**Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not relevant / applicable to the Company during the year under review**)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not relevant / applicable to the Company during the year under review**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not relevant / applicable to the Company during the year under review**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (**Not relevant / applicable to the Company during the year under review**)
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (**Not relevant / applicable to the Company during the year under review**)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the Company.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For D. M. Zaveri & Co
Company Secretaries**

**Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363**

**Place: Mumbai
Date: 10 August 2023
ICSI UDIN: F005418E000738326
Peer Review Certificate No.: 1187/2021**

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Panache Digilife Limited

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 10 August 2023

INFORMATION UNDER SECTION 134(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2023

A. Conservation of Energy

| | | |
|-------|--|--|
| (i) | the steps taken or impact on conservation of energy | The Company's operations involve low energy consumption to run its office & factory and therefore the scope of energy conservation is limited. Nevertheless, in its Manufacturing Facility at Bhiwandi, the Company has installed low energy consumption Electric installations like LED Tube light etc. to reduce electricity consumption. The Company is taking all necessary measures for conservation of energy and creating awareness amongst the employees on the necessity of conservation of energy and the same is practiced regularly. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy | NIL |
| (iii) | the capital investment on energy conservation equipment's | NIL |

B. Technology absorption

| | | |
|-------|---|-----|
| (i) | the efforts made towards technology absorption | NIL |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | NA |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | NIL |
| | (a) the details of technology imported | |
| | (b) the year of import; | |
| | (c) whether the technology been fully absorbed | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | |
| (iv) | the expenditure incurred on Research and Development | NIL |

C. Foreign exchange earnings and Outgo

INR in lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------|----------------|----------------|
| Foreign Exchange earnings | Nil | Nil |
| Foreign Exchange expenditure | 2169.35 | 2152.99 |

**For and on behalf of the Board of Directors of
Panache Digilife Limited**

**Amit Devchand Rambhia
Chairman & Managing Director
DIN: 00165919**

**Date: August 10, 2023
Place: Mumbai**

Annexure D to Directors Report

DETAILS OF DIRECTORS AND EMPLOYEE REMUNERATION

Information as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sr. No. | Particulars | Details |
|---------|---|---|
| 1 | The ratio of the remuneration of each director to the median employees of the Company for the financial year | <ul style="list-style-type: none"> ➤ Amit Rambhia, Managing Director – 6.48x ➤ Nikit Rambhia, Joint Managing Director – 6.48x ➤ Devchand Rambhia*, Whole-Time Director – 2.31x ➤ Nitesh Savla**, CFO & Whole- Time Director – 2.28x |
| 2 | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year | <ul style="list-style-type: none"> ➤ Amit Rambhia, Managing Director – Not increased ➤ Nikit Rambhia, Joint Managing Director – Not increased ➤ Devchand Rambhia*, Whole-Time Director – Not increased ➤ Nitesh Savla**, CFO & Whole- Time Director – Not increased ➤ Harshil Chheda, Company Secretary – 46.67% |
| 3 | The percentage increase in the median remuneration of employees in the financial year | There has been an increase in the median remuneration of the employee in this year by 38.32% as compared to the previous year. |
| 4 | The number of permanent employees on the rolls of company | 39 employees |
| 5 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration | <ul style="list-style-type: none"> ➤ Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 1% ➤ Average percentile decrease already made in the salaries of the managerial personnel in the last financial year – 3% ➤ There is no material increase in the managerial remuneration |
| 6 | Remuneration is as per the remuneration policy of the company. | ➤ It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company. |

(*) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

(**) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023.

**For and on behalf of the Board of Directors of
Panache Digilife Limited**

**Date: August 10, 2023
Place: Mumbai**

**Amit Devchand Rambhia
Chairman & Managing Director
DIN: 00165919**

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") as amended, but also several inherent core values at a superior level of business ethics, transparency, effective supervision and enhancement of shareholders' value. The Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best Corporate Governance practices.

The Board considers itself as a trustee of Member and acknowledges its responsibilities towards them for creation and safeguarding their wealth. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoid conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations and has established procedures and systems to remain compliant with it. This report provides the Company's compliance with these provisions as on March 31, 2023.

II. BOARD OF DIRECTORS

1. Composition and category of Directors

The Company is managed by the Board of Directors. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors & Whole-Time Director are responsible for day-to-day operations of the Company.

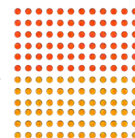
The Board of Directors of the Company comprises of a fair combination of Executive, Non-executive and Independent Directors with diverse professional background complying with the provisions of the Act and the SEBI Listing Regulations.

The details of composition of Board and category of directors for the financial year ending March 31, 2023 are given below:

| Sr. No | Name | Designation | Promoter / Non-Promoter | Executive / Non-Executive | Independent / Non-Independent |
|--------|---------------------------------|------------------------------|-------------------------|---------------------------|-------------------------------|
| 1 | Amit Rambhia | Chairman & Managing Director | Promoter | Executive | Non-Independent |
| 2 | Nikit Rambhia | Joint Managing Director | Promoter | Executive | Non-Independent |
| 3 | Devchand Rambhia ⁽¹⁾ | Whole Time Director | Promoter Group | Executive | Non-Independent |
| 4 | Nitesh Savla ⁽²⁾ | CFO & Whole Time Director | Non-Promoter | Executive | Non-Independent |
| 5 | Bhavin Adani ⁽³⁾ | Independent Director | Non-Promoter | Non-Executive | Independent |
| 6 | Shailesh Gala | Independent Director | Non-Promoter | Non-Executive | Independent |
| 7 | Tejaswini More | Independent Director | Non-Promoter | Non-Executive | Independent |
| 8 | Jayesh Rambhia ⁽⁴⁾ | Independent Director | Non-Promoter | Non-Executive | Independent |

Note(s):

- (1) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023
 (2) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023
 (3) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023
 (4) Appointed as an Independent Director of the Company with effect from February 14, 2023



2. Board Meetings, Procedure and Attendance of Directors

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Corporate Office in Mumbai and all the necessary information and documents as required under requisite Regulation of the SEBI Listing Regulations pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company are invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the financial results.

During the year 2022-23, four (4) Board Meetings were held on May 23, 2022, August 10, 2022, November 14, 2022, and February 14, 2023.

The details of attendance of each Director at the Board Meetings & 15th AGM are given below;

| Sr. No. | Name of the Director | No. of Board Meetings eligible | No. of Board Meetings attended | Attendance at 15 th AGM (September 29, 2022) |
|---------|---------------------------------|--------------------------------|--------------------------------|---|
| 1 | Amit Rambhia | 4 | 3 | Present |
| 2 | Nikit Rambhia | 4 | 4 | Present |
| 3 | Devchand Rambhia ⁽¹⁾ | 4 | 2 | Present |
| 4 | Nitesh Savla ⁽²⁾ | - | - | Not Applicable |
| 5 | Bhavin Adani ⁽³⁾ | 4 | 4 | Present |
| 6 | Shailesh Gala | 4 | 4 | Present |
| 7 | Tejaswini More | 4 | 4 | Present |
| 8 | Jayesh Rambhia ⁽⁴⁾ | - | - | Not Applicable |

Note(s):

(1) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

(2) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023

(3) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023

(4) Appointed as an Independent Director of the Company with effect from February 14, 2023

3. Number of other Board of Directors or Committees in which a Director is a member or Chairperson

| Sr. No | Name of the Director | Other Companies as on March 31, 2023 ⁽¹⁾ | | | | Directorship in other listed entities ⁽¹⁾ | |
|--------|---------------------------------|---|---------------------|---|---|--|------------------|
| | | Board Director ship ⁽²⁾ | Board Chairman ship | Committee Member ships ^{(2) (3)} | Committee Chairman ships ^{(2) (3)} | Name | Category |
| 1 | Amit Rambhia | 1 | 1 | 2 | - | Panabyte Technologies Limited (formerly known as Panache Innovations Limited) ⁽⁴⁾ | NED [#] |
| 2 | Nikit Rambhia | - | - | - | - | - | - |
| 3 | Devchand Rambhia ⁽⁵⁾ | - | - | - | - | - | - |
| 4 | Nitesh Savla ⁽⁶⁾ | - | - | - | - | - | - |
| 5 | Bhavin Adani ⁽⁷⁾ | - | - | - | - | - | - |
| 6 | Shailesh Gala | 1 | - | 2 | 2 | Panabyte Technologies Limited (formerly known as Panache Innovations Limited) | ID [#] |
| 7 | Tejaswini More | 1 | - | 2 | - | Panabyte Technologies Limited (formerly known as Panache Innovations Limited) | ID [#] |
| 8 | Jayesh Rambhia ⁽⁸⁾ | 2 | - | 1 | - | - | - |

Note(s):

(1) Details are excluding Panache Digilife Limited

(2) Excluding Directorships in Private Companies, Foreign Companies and Companies under Section 8.

(3) Memberships include Chairmanships. Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee only has been considered.

(4) Resigned as a Chairman and Non-Executive Director with effect from May 30, 2023

(5) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

(6) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023

(7) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023

(8) Appointed as an Independent Director of the Company with effect from February 14, 2023

#NED – Non-Executive Director; ID – Independent Director.

4. Number of meetings of the Board of Directors held and dates on which held during financial year ending on March 31, 2023

| Dates of Board meeting | Board Strength | No. of Directors Present |
|------------------------|----------------|--------------------------|
| May 23, 2022 | 6 | 6 |
| August 10, 2022 | 6 | 6 |
| November 14, 2022 | 6 | 5 |
| February 14, 2023 | 6 | 4 |

5. Disclosure of relationships between Directors inter-se

| Director | Other Directors | Relation |
|---------------|-------------------|------------|
| Amit Rambhia | Devchand Rambhia* | Son-Father |
| Nikit Rambhia | | |
| Nikit Rambhia | Amit Rambhia | Siblings |

*Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

6. Number of shares and convertible instruments held by non-executive directors

| Non-executive director | No. of Shares / convertible instruments |
|-------------------------------|---|
| Tejaswini More | - |
| Shailesh Gala | - |
| Bhavin Adani ⁽¹⁾ | - |
| Jayesh Rambhia ⁽²⁾ | - |

Note(s):

- (1) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023
 (2) Appointed as an Independent Director of the Company with effect from February 14, 2023

7. Web link where details of familiarization programmes imparted to independent directors is disclosed at <https://www.panachedigilife.com/corporate-governance#policies>.

8. Independent Director's separate Meeting

A separate meeting of Independent Directors of the Company, was held on February 14, 2023 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations.

At the meeting following matters were taken up;

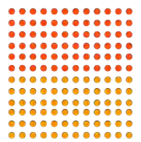
- reviewed the performance of Non-Independent Directors and the Board of Directors as a whole.
- reviewed the performance of the Chairperson of the Company; taking into account the views of Executive Directors and Non-Executive Directors.
- assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties

All Independent Directors of the Company attended the Meeting of Independent Directors.

9. The Company has a mechanism in place for ensuring orderly succession for appointments to the Board and Senior Management.

10. Skills, Expertise and Competencies of the Board

The Board of Directors has, identified the following core skills/ expertise/competencies of Directors as required in the context of business of the Company for its effective functioning.



| | |
|---|--|
| Skills, expertise and competencies | Industry Experience & Knowledge |
| | Leadership experience and general management |
| | Technical skills/experience; |
| | <ul style="list-style-type: none"> - Accounting & Auditing - Corporate Finance - Legal, Secretarial and Compliance - Risk Management and corporate governance - Business Strategy |
| | Human Resource Management & communication |
| | Information Technology |
| | Marketing |
| | Behavioural Competencies |
| | <ul style="list-style-type: none"> - Integrity and ethical Standards - Mentoring abilities - Interpersonal relations |

Given below is a list of core skills, expertise and competencies of the individual Directors:

| Sr. No. | skills / expertise / competencies ⁽¹⁾ | Amit Rambhia | Nikit Rambhia | Devchand Rambhia ⁽²⁾ | Nitesh Savla ⁽³⁾ | Shailesh Gala | Tejaswini More | Bhavin Adani ⁽⁴⁾ | Jayesh Rambhia ⁽⁵⁾ |
|---------|--|--------------|---------------|---------------------------------|-----------------------------|---------------|----------------|-----------------------------|-------------------------------|
| A | Industry Experience & Knowledge | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| B | Leadership experience and general management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| C | Technical skills / experience | | | | | | | | |
| - | Accounting & Auditing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Corporate Finance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Legal, Secretarial and Compliance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Risk Management and corporate governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Business Strategy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| D | Human Resource Management & communication | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| E | Information Technology | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| F | Marketing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| G | Behavioural Competencies | | | | | | | | |
| - | Integrity and ethical Standards | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Mentoring abilities | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| - | Interpersonal relations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Note(s):

- (1) The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company. However, these skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein at the same scale.
- (2) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023
- (3) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023
- (4) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023
- (5) Appointed as an Independent Director of the Company with effect from February 14, 2023



11. The Board is of the opinion that the independent directors fulfil the conditions required for independent directors as per the provisions of the Act and the SEBI Listing Regulations and all other applicable laws and are independent of the management.
12. Mr. Bhavin Adani was re-appointed as the Independent Director for a second term of 5 years effective from February 17, 2018 to February 16, 2023. Pursuant to the completion of his second term, he ceased to be an Independent Director of the Company from the close of business hours of February 16, 2023 and he has provided a confirmation to the company that there are no other material reasons other than those mentioned above.

COMMITTEES OF THE BOARD

The Board of Directors has constituted various statutory committees comprising of Executive, Non-Executive and Independent Directors to discharge various functions, duties and responsibilities cast under the Act, the SEBI Listing Regulations and other applicable statutes, rules and regulations applicable to the Company from time to time. The Committees also focus on critical functions of the Company in order to ensure smooth and efficient business operations. The Board of Directors is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the extant regulatory requirements. The Committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. Meetings of each of these Committees are headed by the respective Chairman, who also inform the Board about the summary of discussions held in those Meetings. The Board of Directors confirm that during the year, it had accepted all mandatory recommendations received from its committees.

Currently, the Board of Directors has formulated following committees, viz.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee

III. AUDIT COMMITTEE

1. Brief description of terms of reference

The Audit Committee acts as a link between the statutory / internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The scope and function of the Audit Committee are in accordance with the Act and Regulation 18 of the SEBI Listing Regulations.

2. The Audit Committee has the following powers:

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise if it considers necessary.

3. The Audit Committee mandatorily reviews the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. the appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

All the recommendations by the Audit Committee to the Board during the year have been accepted.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise. Mr. Harshil Chheda, Company Secretary is the Secretary to the Committee.

4. The role of the Audit Committee is not limited to but includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending for appointment, remuneration and terms of appointment of the auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134(3)(c) of the Act
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Mechanism / Vigil Mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate;

20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
21. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
22. Reviewing of information as prescribed under the SEBI Listing Regulations (as amended from time to time); and
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of Audit Committee and attendance of Members

During the year 2022-23, four (4) Audit Committee meetings were held on May 23, 2022, August 10, 2022, November 14, 2022, and February 14, 2023.

The Composition of the Audit Committee, meetings and attendance of the members thereat during the financial year ending as on March 31, 2023 is as follows:

| Sr. No. | Name of the Committee Member | Position in the Committee | No. of Committee Meetings eligible | No. of Committee Meetings attended |
|----------------|-------------------------------------|----------------------------------|---|---|
| 1 | Shailesh Premji Gala | Chairperson | 4 | 4 |
| 2 | Amit Rambhia | Member | 4 | 3 |
| 3 | Bhavin Adani ⁽¹⁾ | Member | 4 | 4 |
| 4 | Tejaswini More | Member | 4 | 4 |
| 5 | Jayesh Rambhia ⁽²⁾ | Member | - | - |

Note(s):

- (1) Ceased to be a member of the Committee post completion of tenure as an Independent Director with effect from February 16, 2023
- (2) Appointed as a member of the Committee with effect from February 14, 2023

During the year 2022-23, pursuant to Changes in the Directors, the Audit Committee was reconstituted on February 14, 2023 as follows;

| Sr. No. | Name of the Committee Member | Position in the Committee |
|----------------|-------------------------------------|----------------------------------|
| 1 | Shailesh Premji Gala | Chairperson |
| 2 | Amit Rambhia | Member |
| 3 | Tejaswini More | Member |
| 4 | Jayesh Rambhia | Member |

IV. NOMINATION AND REMUNERATION COMMITTEE

1. Brief description of terms of reference

The scope and terms of reference of the Nomination and Remuneration Committee includes recommending to the Board from time to time the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as more specifically detailed in Part D of Schedule II of the SEBI Listing Regulations in addition to the requirements of Section 178 of the Act.

2. Role of the Nomination and Remuneration Committee not limited to but includes:

1. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs, Senior Management and other employees;
2. Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
3. Formulation of criteria for evaluation of performance of independent directors and Board of Directors;

4. Devising a policy on diversity of board of directors;
5. Deciding on, whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
7. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
8. Decide the amount of Commission payable to the Whole time Director / Managing Directors;
9. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
10. To formulate and administer the Employee Stock Option Scheme;
11. Carrying out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Act, the SEBI Listing Regulations and any other applicable provision.

3. Composition of Nomination and Remuneration Committee and attendance of Members

During the year 2022-23, three (3) Nomination and Remuneration Committee meetings were held on May 23, 2022, August 10, 2022 and February 14, 2023.

The Composition of the Nomination and Remuneration Committee, meetings and attendance of the members thereat during the financial year ending as on March 31, 2023 is as follows:

| Sr. No. | Name of the Committee Member | Position in the Committee | No. of Committee Meetings eligible | No. of Committee Meetings attended |
|---------|-------------------------------|---------------------------|------------------------------------|------------------------------------|
| 1 | Tejaswini More ⁽¹⁾ | Chairperson | 3 | 3 |
| 2 | Bhavin Adani ⁽²⁾ | Member | 3 | 3 |
| 3 | Shailesh Gala | Member | 3 | 3 |
| 4 | Jayesh Rambhia ⁽³⁾ | Member | - | - |

Note(s):

(1) Appointed as a Chairperson of the Committee with effect from February 14, 2023

(2) Ceased to be a Chairperson of the Committee post completion of tenure as an Independent Director with effect from February 16, 2023

(3) Appointed as a member of the Committee with effect from February 14, 2023

During the year 2022-23, pursuant to Changes in the Directors, the Nomination and Remuneration Committee was reconstituted on February 14, 2023 as follows;

| Sr. No. | Name of the Committee Member | Position in the Committee |
|---------|------------------------------|---------------------------|
| 1 | Tejaswini More | Chairperson |
| 2 | Shailesh Gala | Member |
| 3 | Jayesh Rambhia | Member |

Mr. Harshil Chheda, the Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI Listing Regulations.

4. Performance evaluation for Board, Chairman, Committees and individual Directors including Independent Directors

Pursuant to the Act and SEBI Listing Regulations, the Company has "Directors Performance Evaluation Policy" in place. In accordance with the said Policy, all the Directors had filled Up Questionnaire and feedback form for evaluation of individual Directors, Board as a whole, Chairman, committees, and Independent Directors, whose format forms a part of the policy. Thereafter Board evaluated every Director

including Independent Director on February 14, 2023 except for the Directors who are subject to evaluation.

The Board has also evaluated its own performance, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Chairman and all Directors individually. The Board concluded that the overall performance of all the Directors was very good.

V. REMUNERATION OF DIRECTORS

1. Criteria of making payments to non-executive directors

Currently the Non-Executive Directors are paid remuneration by way of sitting fee for attending the meetings of the Board and Committees and in accordance with Nomination and Remuneration Policy which is available at the website of the Company at <https://www.panachedigilife.com/corporate-governance#policies>.

2. Remuneration to Directors

The Remuneration paid to Directors for the Financial Year 2022-23 is as follows;

| Sr. No. | Particulars of Remuneration | Amit Rambhia | Nikit Rambhia | Devchand Rambhia ⁽¹⁾ | Nitesh Savla ⁽²⁾ | Bhavin Adani ⁽³⁾ | Shailesh Gala | Tejaswini More | Jayesh Rambhia ⁽⁴⁾ |
|---------|---|------------------------------|---------------------------|---------------------------------|-----------------------------|-----------------------------|---------------------------|---------------------------|-------------------------------|
| | | Chairman & Managing Director | Joint Managing Director | Whole Time Director | CFO & Whole Time Director | Independent Director | Independent Director | Independent Director | Independent Director |
| 1 | Salary | 31,50,000 | 31,50,000 | 9,64,770 | 14,76,912 | - | - | - | - |
| 2 | Benefits | - | - | - | - | - | - | - | - |
| 3 | Bonus | - | - | - | - | - | - | - | - |
| 4 | Stock Option | - | - | - | - | - | - | - | - |
| 5 | Pension | - | - | - | - | - | - | - | - |
| 6 | Others, please specify | - | - | - | - | - | - | - | - |
| 7 | Performance linked incentives | - | - | - | - | - | - | - | - |
| 8 | Sitting fees for attending board / committee meetings | - | - | - | - | 20,000 | 20,000 | 20,000 | - |
| | Total | 31,50,000 | 31,50,000 | 9,64,770 | 14,76,912 | 20,000 | 20,000 | 20,000 | - |
| 9 | Service Contract | 3 years w.e.f. 17.02.2023 | 3 years w.e.f. 17.02.2023 | 3 years w.e.f. 17.02.2020 | 3 years w.e.f. 14.02.2023 | 5 years w.e.f. 17.02.2018 | 5 years w.e.f. 29.05.2020 | 5 years w.e.f. 18.01.2022 | 5 years w.e.f. 14.02.2023 |
| 10 | Notice Period | ⁽⁵⁾ | ⁽⁵⁾ | ⁽⁵⁾ | ⁽⁵⁾ | - | - | - | - |
| 11 | Severance Fees | - | - | - | - | - | - | - | - |

Note(s):

- (1) Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023
- (2) Appointed as a Whole-Time Director of the Company with effect from February 14, 2023
- (3) Ceased to be as an Independent Director of the Company post completion of tenure with effect from February 16, 2023
- (4) Appointed as an Independent Director of the Company with effect from February 14, 2023
- (5) Unless otherwise agreed for no notice period, by Company-1 month; by Director-3 months

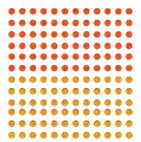
Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Non-Executive Directors.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE

1. Brief description of terms of reference

The terms of reference of the Stakeholders' Relationship Committee of the Company are in accordance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations which *inter alia* include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;



3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company;
5. Oversee compliances in respect of transfer of unclaimed amounts and shares to and from the Investor Education and Protection Fund;
6. Carrying out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Act, the SEBI Listing Regulations and any other applicable provision.

2. Composition of Stakeholders' Relationship Committee and attendance of Members

During the year 2022-23, one (1) Stakeholders' Relationship Committee meeting was held on February 14, 2023.

The Composition of the Stakeholders' Relationship Committee, meetings and attendance of the members thereat during the financial year ending as on March 31, 2023 is as follows:

| Sr. No. | Name of the Member | Position in the Committee | No. of Committee Meetings eligible | No. of Committee Meetings attended |
|---------|-------------------------------|---------------------------|------------------------------------|------------------------------------|
| 1 | Jayesh Rambhia ⁽¹⁾ | Chairperson | - | - |
| 2 | Shailesh Gala ⁽²⁾ | Member | 1 | 1 |
| 2 | Nikit Rambhia | Member | 1 | 1 |
| 3 | Bhavin Adani ⁽³⁾ | Member | 1 | 1 |

Note(s):

(1) Appointed as a Chairperson and member of the Committee with effect from February 14, 2023

(2) Ceased to be Chairperson of the Committee with effect from February 14, 2023

(3) Ceased to be a member of the Committee post completion of tenure as an Independent Director with effect from February 16, 2023

During the year 2022-23, pursuant to Changes in the Directors, the Stakeholders' Relationship Committee was reconstituted on February 14, 2023 as follows;

| Sr. No. | Name of the Committee Member | Position in the Committee |
|---------|------------------------------|---------------------------|
| 1 | Jayesh Rambhia | Chairperson |
| 2 | Nikit Rambhia | Member |
| 3 | Shailesh Gala | Member |

Mr. Harshil Chheda, the Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI Listing Regulations.

The details of complaints received and resolved during the Financial Year 2022-23 are given in the table below:

| Particulars | No. of Complaints |
|------------------------------|-------------------|
| Opening as on April 1, 2022 | NIL |
| Received till March 31, 2023 | NIL |
| Resolved till March 31, 2023 | NIL |
| Closing as on March 31, 2023 | NIL |

VII. RISK MANAGEMENT COMMITTEE

Regulation 21 of the SEBI Listing Regulations mandates top 1000 listed entities based on market capitalization as at the end of the immediate previous financial year to constitute the Risk Management Committee. Presently, the provisions of Regulation 21 of the SEBI Listing Regulations pertaining to 'Risk Management Committee' are not applicable to the Company.



VIII. SENIOR MANAGEMENT

Pursuant to the provisions of para (5B) part C of Schedule V of the SEBI Listing Regulations, the following persons are recognised as Senior management of the Company as on March 31, 2023.

1. Mr. Harshil Chheda- Company Secretary & Compliance Officer
2. Mr. Jitendra Deokar- GM- Factory & Operations
3. Mr. Vikesh Shah- National Sales Head
4. Mrs. Neha Madiar- Project Head
5. Mr. Jaydeep Jadav- President- Online Sales*
6. Mr. Ashutosh Chudiwale- President- Enterprise Business**

*Appointed as the President- Online Sales of the Company from February 14, 2023.

**Appointed as the President- Enterprise Business of the Company from February 14, 2023 and resigned with effect from May 12, 2023.

IX. GENERAL BODY MEETINGS

1. Details of last three AGM and the summary of Special Resolutions passed therein, if any, are as under

| AGM of the year | Date / Time | Special Resolutions Passed | Location(s) |
|-----------------|---------------------------------|---|---------------------------------|
| 2021-22 | September 29, 2022 3.00 p.m. | <ul style="list-style-type: none"> Re-appointment of Mr. Amit Rambhia as Managing Director Re-appointment of Mr. Nikit Rambhia as Joint Managing Director | Held through Video Conferencing |
| 2020-21 | September 28, 2021 3.00 p.m. | - | Held through Video Conferencing |
| 2019-20 | September 29, 2020 3.00 p.m. | Alteration of Object Clause of Memorandum of Association | Held through Video Conferencing |

2. Postal Ballot conducted during the year and procedure thereof

During the year under review, Postal Ballot exercise was undertaken in the month of May 2023 for Appointment of Mr. Jayesh Rambhia as an Independent Director of the Company and Appointment of Mr. Nitesh Savla as a Whole Time Director of the Company and result of the Postal Ballot was declared on May 5, 2023. The Results were made available on the website of the Company at www.panachedigilife.com and were also communicated to National Stock Exchange of India Limited and CDSL Limited.

The details and voting pattern of the Resolutions passed through the said Postal Ballot exercise are as under:

| Sr. No. | Resolution | Special / Ordinary | No. of Valid Votes received | No. and % of Votes Favour | No. and % of Votes Against |
|---------|---|--------------------|-----------------------------|---------------------------|----------------------------|
| 1. | Appointment of Mr. Jayesh Rambhia as an Independent Director of the Company | Special | 81,14,488 | 81,14,468 99.9998% | 20 0.0002% |
| 2. | Appointment of Mr. Nitesh Savla as a Whole Time Director of the Company | Special | 81,14,488 | 81,14,468 99.9998% | 20 0.0002% |

The Board of Directors appointed Mr. Dharmesh Zaveri, Practicing Company Secretary, of M/s. D. M. Zaveri & Co, Company Secretary, as the Scrutinizer to scrutinize the Postal Ballot process in a fair and transparent manner.

The voting period for remote e-voting commenced on Wednesday, April 5, 2023, at 9:00 a.m. and ended on Thursday, May 4, 2023 at 5:00 p.m. (IST). The consolidated report on the result of the Postal Ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutinizer on Thursday, May 5, 2023.

As on date of this report, there is no proposal envisaged to be passed through Postal Ballot. If a Resolution is passed by way of Postal Ballot, the Company will follow the process as per regulatory requirement.

Procedure for Postal Ballot

The Postal Ballot was carried out as per the provisions of Sections 110 read with Section 108 and other applicable provisions of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, ('Rules'), Regulation 44 of the SEBI Listing Regulations, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), each as amended, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings / conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and Circular No. 11/2022 dated December 28, 2022.

X. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.panachedigilife.com containing information about the Company viz., details of its business, financial information, shareholding pattern, details of the policies approved by the Company, contact information of the designated official of the Company, who is responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

1. Quarterly results

The quarterly, half-yearly and yearly financial results are submitted to NSE within 30 minutes after the conclusion of the Board meeting and are also displayed on the Company's website i.e. www.panachedigilife.com.

2. Newspapers wherein results normally published

The quarterly, half-yearly and yearly financial results are published in Financial Express & Mumbai Lakshadeep within the prescribed time limit.

3. Any website, where displayed

The financial results are also displayed on the website of the Company at www.panachedigilife.com and uploaded on the website of NSE at www.nseindia.com.

4. Whether it also displays official news releases

Press Release, if any, made by the Company from time to time are also displayed on the Company's website at www.panachedigilife.com and uploaded on the website of NSE at www.nseindia.com.

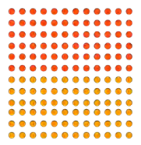
5. Presentations made to institutional investors or to the analysts

Presentations, if any, made by the Company for institutional investors or to the analysts from time to time are also displayed on the Company's website at www.panachedigilife.com and uploaded on the website of NSE at www.nseindia.com.

Further, the Company disseminates to NSE, wherein its equity shares are listed, all mandatory information and price sensitive / such other information, which in its opinion, are material and / or have a bearing on its performance / operations and issues press releases, wherever necessary, for the information of the public at large.

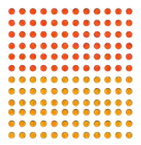
XI. GENERAL SHAREHOLDER INFORMATION

| Sr. No | Salient Items of Interest | Particulars |
|--------|--|--|
| 1 | AGM Date, time and venue | Friday, September 29, 2023 at 3.00 pm (IST). The Company is conducting AGM through VC / OAVM pursuant to the MCA / SEBI Circulars, hence there is no requirement to have a venue for the AGM. For details, please refer to the Notice of AGM separately provided in this Annual Report. |
| 2 | Financial year | April 1 – March 31 |
| 3 | Date of Book closure | September 23, 2023 to September 29, 2023 (both days inclusive) |
| 4 | Dividend Payment Date | The Board of Directors has not recommended any dividend on equity shares for the year ended March 31, 2023 |
| 5 | The name and address of the stock exchange at which the listed entity's share are listed and a confirmation about payment of annual listing fee to each of such stock exchange | National Stock Exchange of India Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 The Company has paid the listing fees to the Stock Exchange for the FY 2022-23 & 2023-24. |
| 6 | NSE SYMBOL | PANACHE |
| 7 | Registrar & Share Transfer Agent | Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, Maharashtra. Tel: 022-62638200, Email: investor@bigshareonline.com Website: www.bigshareonline.com |
| 8 | Share Transfer System | Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, transmission or transposition of securities held in physical form can be effected only in dematerialized form. As on the date of this report 100% of the total issued, subscribed and paid-up equity share capital of the Company is in dematerialized form. The Company ensures that the half yearly Compliance Certificate pursuant to Regulation 40(9) of the SEBI Listing Regulations are filed with Stock Exchange. |



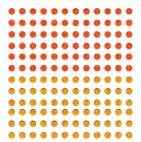
| 9 | Dematerialization of shares and liquidity | As on the date of this report 100% of the total issued, subscribed and paid-up equity share capital of the Company is in Dematerialized form. The equity shares of the Company are traded on the Main Board of NSE Limited. | | | | | | | | | | |
|--|--|---|-----------------|---------------|-----------------------------------|-------------------------|---------------------------------------|----------|--|-------------------------|------------|----------------|
| 10 | Outstanding GDRs / ADRs / warrants or any convertible instruments, conversion date and likely impact on equity | The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2023, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments. | | | | | | | | | | |
| 11 | Plant Location | Bhiwandi Bldg.A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3, Saravali Village, Bhiwandi, Thane – 421302, Maharashtra, India. | | | | | | | | | | |
| 12 | Address for correspondence | Registered Office Bldg.A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3, Saravali Village, Bhiwandi, Thane – 421302, Maharashtra, India Corporate Office* B-507, Raheja Plaza Premises CSL, LBS Marg, Ghatkopar West, Mumbai - 400 086, Maharashtra, India *The Corporate Office of the company was changed w.e.f July 15, 2022 from Unit No. 002, Raheja Plaza – 1, LBS Marg, Ghatkopar West, Mumbai – 400 086 Maharashtra, India. | | | | | | | | | | |
| 13 | In case securities are suspended from trading, the directors report shall explain the reason thereof | Not Applicable | | | | | | | | | | |
| 14 | Commodity Price Risk or foreign exchange risk and hedging activities | During the year ended March 31, 2023, the Company had managed the foreign exchange risk. The Company, whenever required, enters into forward contracts for hedging foreign exchange exposures against imports. The details of foreign currency exposure are disclosed in Notes to the Standalone and Consolidated financial statements. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not required to be given. | | | | | | | | | | |
| 15 | List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad | *Ratings During the financial year, the company has been assigned the below stated rating by India Ratings and Research Private Limited.* <table><tr><th>Instrument Type</th><th>Rating Action</th></tr><tr><td>Fund-based working capital limits</td><td>IND BB+/Stable/IND A4+;</td></tr><tr><td>Non-fund-based working capital limits</td><td>IND A4+;</td></tr><tr><td>Proposed fund-based working capital limits</td><td>IND BB+/Stable/IND A4+;</td></tr><tr><td>Term loans</td><td>IND BB+/Stable</td></tr></table> *For further details about the rating, it is available at the website of India Ratings and Research Private Limited | Instrument Type | Rating Action | Fund-based working capital limits | IND BB+/Stable/IND A4+; | Non-fund-based working capital limits | IND A4+; | Proposed fund-based working capital limits | IND BB+/Stable/IND A4+; | Term loans | IND BB+/Stable |
| Instrument Type | Rating Action | | | | | | | | | | | |
| Fund-based working capital limits | IND BB+/Stable/IND A4+; | | | | | | | | | | | |
| Non-fund-based working capital limits | IND A4+; | | | | | | | | | | | |
| Proposed fund-based working capital limits | IND BB+/Stable/IND A4+; | | | | | | | | | | | |
| Term loans | IND BB+/Stable | | | | | | | | | | | |





| 16 | Market price data- high, low during each month in last financial year in comparison of NSE Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------|--|-------------------|--|-------------------|-----------------|-----|--------------------|-------------------|--------------------|-------------------|-------|-------|-------|-----------|-----------|------|-------|-------|-----------|-----------|-------|-------|-------|-----------|-----------|------|-------|-------|-----------|-----------|--------|-------|-------|-----------|-----------|-----------|-------|-------|-----------|-----------|---------|-------|-------|-----------|-----------|----------|-------|-------|-----------|-----------|----------|-------|-------|-----------|-----------|---------|-------|-------|-----------|-----------|----------|--------|-------|-----------|-----------|-------|-------|-------|-----------|-----------|
| | <table><tr><th rowspan="2">Month</th><th colspan="2">National Stock Exchange of India Limited –Main Board</th><th colspan="2">NSE Nifty 50</th></tr><tr><th>Month’s High Price</th><th>Month’s Low Price</th><th>Month’s High Price</th><th>Month’s Low Price</th></tr><tr><td>April</td><td>95.00</td><td>50.35</td><td>18,114.65</td><td>16,824.70</td></tr><tr><td>May</td><td>89.40</td><td>63.60</td><td>17,132.85</td><td>15,735.75</td></tr><tr><td>June</td><td>75.50</td><td>58.00</td><td>16,793.85</td><td>15,183.40</td></tr><tr><td>July</td><td>68.35</td><td>60.00</td><td>17,172.80</td><td>15,511.05</td></tr><tr><td>August</td><td>85.55</td><td>59.55</td><td>17,992.20</td><td>17,154.80</td></tr><tr><td>September</td><td>75.90</td><td>59.90</td><td>18,096.15</td><td>16,747.70</td></tr><tr><td>October</td><td>81.25</td><td>61.00</td><td>18,022.80</td><td>16,855.55</td></tr><tr><td>November</td><td>83.45</td><td>62.25</td><td>18,816.05</td><td>17,959.20</td></tr><tr><td>December</td><td>70.80</td><td>55.50</td><td>18,887.60</td><td>17,774.25</td></tr><tr><td>January</td><td>70.85</td><td>56.75</td><td>18,251.95</td><td>17,405.55</td></tr><tr><td>February</td><td>103.05</td><td>63.55</td><td>18,134.75</td><td>17,255.20</td></tr><tr><td>March</td><td>73.50</td><td>57.45</td><td>17,799.95</td><td>16,828.35</td></tr></table> | Month | National Stock Exchange of India Limited –Main Board | | NSE Nifty 50 | | Month’s High Price | Month’s Low Price | Month’s High Price | Month’s Low Price | April | 95.00 | 50.35 | 18,114.65 | 16,824.70 | May | 89.40 | 63.60 | 17,132.85 | 15,735.75 | June | 75.50 | 58.00 | 16,793.85 | 15,183.40 | July | 68.35 | 60.00 | 17,172.80 | 15,511.05 | August | 85.55 | 59.55 | 17,992.20 | 17,154.80 | September | 75.90 | 59.90 | 18,096.15 | 16,747.70 | October | 81.25 | 61.00 | 18,022.80 | 16,855.55 | November | 83.45 | 62.25 | 18,816.05 | 17,959.20 | December | 70.80 | 55.50 | 18,887.60 | 17,774.25 | January | 70.85 | 56.75 | 18,251.95 | 17,405.55 | February | 103.05 | 63.55 | 18,134.75 | 17,255.20 | March | 73.50 | 57.45 | 17,799.95 | 16,828.35 |
| Month | National Stock Exchange of India Limited –Main Board | | NSE Nifty 50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Month’s High Price | Month’s Low Price | Month’s High Price | Month’s Low Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 95.00 | 50.35 | 18,114.65 | 16,824.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 89.40 | 63.60 | 17,132.85 | 15,735.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | 75.50 | 58.00 | 16,793.85 | 15,183.40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 68.35 | 60.00 | 17,172.80 | 15,511.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 85.55 | 59.55 | 17,992.20 | 17,154.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 75.90 | 59.90 | 18,096.15 | 16,747.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 81.25 | 61.00 | 18,022.80 | 16,855.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 83.45 | 62.25 | 18,816.05 | 17,959.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| December | 70.80 | 55.50 | 18,887.60 | 17,774.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January | 70.85 | 56.75 | 18,251.95 | 17,405.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| February | 103.05 | 63.55 | 18,134.75 | 17,255.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March | 73.50 | 57.45 | 17,799.95 | 16,828.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | Performance in comparison to broad-based indices- Nifty Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <div><div>Chart Title</div><table><thead><tr><th>Month</th><th>PDL on NSE</th><th>Nifty Index</th><th>Unlabeled Index</th></tr></thead><tbody><tr><td>Apr</td><td>95</td><td>9000</td><td>18000</td></tr><tr><td>May</td><td>90</td><td>10000</td><td>17500</td></tr><tr><td>Jun</td><td>75</td><td>9000</td><td>17000</td></tr><tr><td>Jul</td><td>68</td><td>9500</td><td>17500</td></tr><tr><td>Aug</td><td>85</td><td>9000</td><td>18000</td></tr><tr><td>Sep</td><td>75</td><td>9000</td><td>18000</td></tr><tr><td>Oct</td><td>80</td><td>9500</td><td>18000</td></tr><tr><td>Nov</td><td>82</td><td>10000</td><td>18500</td></tr><tr><td>Dec</td><td>70</td><td>9000</td><td>18500</td></tr><tr><td>Jan</td><td>70</td><td>9000</td><td>18000</td></tr><tr><td>Feb</td><td>100</td><td>10500</td><td>18000</td></tr><tr><td>Mar</td><td>72</td><td>9000</td><td>17500</td></tr></tbody></table></div> | Month | PDL on NSE | Nifty Index | Unlabeled Index | Apr | 95 | 9000 | 18000 | May | 90 | 10000 | 17500 | Jun | 75 | 9000 | 17000 | Jul | 68 | 9500 | 17500 | Aug | 85 | 9000 | 18000 | Sep | 75 | 9000 | 18000 | Oct | 80 | 9500 | 18000 | Nov | 82 | 10000 | 18500 | Dec | 70 | 9000 | 18500 | Jan | 70 | 9000 | 18000 | Feb | 100 | 10500 | 18000 | Mar | 72 | 9000 | 17500 | | | | | | | | | | | | | | | | | |
| Month | PDL on NSE | Nifty Index | Unlabeled Index | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr | 95 | 9000 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 90 | 10000 | 17500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun | 75 | 9000 | 17000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul | 68 | 9500 | 17500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug | 85 | 9000 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep | 75 | 9000 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct | 80 | 9500 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov | 82 | 10000 | 18500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec | 70 | 9000 | 18500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan | 70 | 9000 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb | 100 | 10500 | 18000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar | 72 | 9000 | 17500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |





18. Distribution of shareholding as on March 31, 2023

| Category (Shares) | Shareholders | | Shareholding | |
|-------------------|--------------|---------------|--------------------|---------------|
| | Number | % | Number | % |
| 1-500 | 2253 | 83.0140 | 186101 | 1.5508 |
| 501-1000 | 161 | 5.9322 | 132704 | 1.1059 |
| 1001-2000 | 110 | 4.0531 | 169954 | 1.4163 |
| 2001-3000 | 41 | 1.5107 | 105280 | 0.8773 |
| 3001-4000 | 41 | 1.5107 | 137654 | 1.1471 |
| 4001-5000 | 17 | 0.6264 | 81040 | 0.6753 |
| 5001-10000 | 35 | 1.2896 | 252833 | 2.1069 |
| 10001 & Above | 56 | 2.0634 | 10934434 | 91.1203 |
| Total | 2714 | 100.00 | 1,20,00,000 | 100.00 |

19. Categories of Shareholders as on March 31, 2023

| Category | | | | No. of Shares | % | |
|-----------------------|---|--------------------|--|---|-----------|-------|
| A. | Shareholding of Promoter & Promoter Group | | | | | |
| | 1. | Indian | | | | |
| | | a. | Individuals/ Hindu Undivided Family | 56,00,000 | 46.66 | |
| | | b. | Others Director's Relatives | 22,59,200 | 18.83 | |
| | | Sub Total (A) [1] | | 78,59,200 | 65.49 | |
| | 2. | Foreign | | 0 | 0 | |
| | | Sub Total (A) [2] | | 0 | 0 | |
| A. | Total Shareholding of Promoter & Promoter Group (A) = (A) (1) + (A) (2) | | | 78,59,200 | 65.49 | |
| B. | Public Shareholding | | | | | |
| | 1. | Institutions | | 0 | 0 | |
| | | a. | Mutual Funds | 0 | 0 | |
| | | b. | Foreign Institutions / Banks | 0 | 0 | |
| | | c. | Venture Capital Fund /Alternate Investment Funds | 0 | 0 | |
| | | d. | Insurance Companies | 0 | 0 | |
| | | e. | Foreign Institutional Investors | 0 | 0 | |
| | | f. | Provident Funds/ Pension Funds | 0 | 0 | |
| | | g. | Central / State Government | 0 | 0 | |
| | | Sub Total (B) [1] | | 0 | 0 | |
| | 2. | Non – Institutions | | | | |
| | | a. | Resident Individuals | | | |
| | | | i. | Individual shareholders holding nominal share capital upto Rs. 2 lakhs. | 11,19,943 | 9.33 |
| | | | ii. | Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 23,94,086 | 19.95 |
| | | b. | NBFC registered with RBI | | 0 | 0 |
| | | c. | Any Others (Specify) | | | |
| | | | i. | Trusts | 0 | 0 |
| | | | ii. | Overseas Depositories | 0 | 0 |
| | | | iii. | Clearing Members | 1,099 | 0.01 |
| | | | iv. | Hindu Undivided Family | 3,77,769 | 3.15 |
| | | | v. | Other Body Corporate | 2,13,284 | 1.78 |
| | | | vi. | Non-Resident Indian | 34,619 | 0.29 |
| | | | Sub Total (B) [2] | | 41,40,800 | 34.51 |
| | Total Public Shareholding (B) = (B) (1) + (B) (2) | | | 41,40,800 | 34.51 | |
| Grand Total (A) + (B) | | | | 12000000 | 100 | |

XII. OTHER DISCLOSURES

1. Materially significant related party transactions

All transactions entered into with the related parties as defined under the Act during the year under review were in the ordinary course of business and on arm's length basis. There were no transactions of material nature with the Directors, management, their relatives or the subsidiaries, which had potential conflict with the interests of the Company.

Related party transactions have been disclosed in the notes to the financial statements in accordance with Ind AS 24. As required under Regulation 23 of the SEBI Listing Regulations the Company has formulated a policy on related party transactions. The Policy is available on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

2. Details of non-compliance related to capital markets

There were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by NSE, SEBI or other statutory authority on any matter relating to the capital markets, during the last three years.

3. Whistle blower policy- Vigil Mechanism

Pursuant to Section 177 (9) and (10) of the Act and Regulation 22 of the SEBI Listing Regulations, the Company, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without fear of reprisal.

The Company has put in place a process by which employees and business associates have direct access to the Vigilance Officer and Chairman of the Audit Committee and it is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

4. Compliance with mandatory requirements

For report on compliance with mandatory requirements, kindly refer point no. XIII below. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within the prescribed time limit.

5. Compliance with non-mandatory requirements:

The following non-mandatory requirements as specified in Part 'E' of Schedule II to the SEBI Listing Regulations have been adopted by the Company:

- a. The Internal Auditors report directly to the Audit Committee
- b. The Auditor's Report does not contain any qualification.

6. Policy for determining 'Material' Subsidiaries

The policy for determining 'material' subsidiaries can be accessed from the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

7. Policy on Related Party Transactions

The policy on dealing with related party transactions can be accessed from the Company's website at <https://www.panachedigilife.com/corporate-governance#policies>.

8. Details of utilization of funds

During the year under review, the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulation.

9. Certificate with respect to disqualification or otherwise of directors

The company has obtained a certificate from Mr. Dharmesh Zaveri of M/s. D.M. Zaveri & Co., Practicing Company Secretary, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended as Annexure I to Corporate Governance Report.

10. Non-acceptance of any recommendation of any Committee of the Board which was mandatorily required:

During the year under review, the Board has accepted the recommendations made by various Committees of the Board of Directors of the Company.

11. Consolidated fees to the Statutory Auditor

Details relating to fees paid to the Statutory Auditors are given in Note (36.1) to the Standalone Financial Statements and Note (35.1) to the Consolidated Financial Statements.

12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to constitution of Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and disclosure under the said Act for the year ended March 31, 2023 is given in the table hereinbelow:

| | | |
|----|--|-----|
| 1. | number of complaints filed during the financial year | NIL |
| 2. | number of complaints disposed of during the financial year | NIL |
| 3. | number of complaints pending as on end of the financial year | NIL |

13. Disclosure of loans and advances by listed entity & its subsidiaries

Details relating to 'loans and advances' by Company and its subsidiaries to firms/companies in which directors are interested are given in Note 47(b) to the Standalone Financial Statements and Note 47(b) to the Consolidated Financial Statements.

14. Details of material subsidiaries of the listed entity

The Company does not have a material subsidiary as on the date of this report.

XIII. DISCLOSURE ON COMPLIANCE WITH REQUIREMENT OF CORPORATE GOVERNANCE

There is no non-compliance with any requirement of Corporate Governance Report of sub-paras (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the SEBI Listing Regulation.

XIV. CODE OF CONDUCT

The Company has adopted a Code of Conduct for the members of Board, KMP and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders and to avoid practices like bribery, corruption and anti-competitive practices.

All members of the Board, KMP and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board, KMP and Senior Management for the financial year 2022-23. The declaration to this effect signed by Mr. Amit Rambhia, Managing Director of the Company is annexed to this report as Annexure II to Corporate Governance Report.

The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any.

XV. PREVENTION OF INSIDER TRADING

Your Company has adopted the “Code of Conduct on Prohibition of Insider Trading”, “Code of practices and procedures for fair disclosure of unpublished price sensitive Information” and “Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information” for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by Insiders.

The said codes & policies are also available on the website of the Company at <https://www.panachedigilife.com/corporate-governance#policies>.

XVI. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46

The disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the SEBI Listing Regulations, have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at www.panachedigilife.com.

XVII. CEO AND CFO CERTIFICATION

Pursuant to Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2023. A certificate to that effect signed by the Managing Director and the Chief Financial Officer is annexed as Annexure III to Corporate Governance Report.

XVIII. SECRETARIAL AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from the Secretarial Auditor of the Company regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the SEBI Listing Regulations is appended as Annexure IV to this Report.

XIX. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

There are no shares in the suspense account/ unclaimed suspense account.

XX. DISCLOSURES OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, whether or not the listed entity is a party to such agreements for the year ended March 31, 2023.

**For and on behalf of the Board of Directors of
Panache Digilife Limited**

Amit Devchand Rambhia
Chairman & Managing Director
DIN: 00165919

Date: August 10, 2023
Place: Mumbai

Annexure I to Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
Panache Digilife Limited
Bldg. A3, 102-108 & 201-208, Babosa Industrial
Park Mumbai-Nashik Highway NH3, Saravali
Village Bhiwandi Thane - 421302

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panache Digilife Limited having CIN L72200MH2007PLC169415 and having registered office at Bldg. A3, 102-108 & 201-208, Babosa Industrial Park Mumbai-Nashik Highway NH3, Saravali Village Bhiwandi Thane - 421302 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

| Sr. No. | Name of Directors | DIN | Date of appointment in the Company |
|---------|------------------------------------|----------|------------------------------------|
| 1. | Mr. Amit Devchand Rambhia | 00165919 | 30/03/2007 |
| 2. | Mr. Nikit Devchand Rambhia | 00165678 | 30/03/2007 |
| 3. | Mr. Nitesh Manilal Savla | 05155342 | 14/02/2023 |
| 4. | Mr. Shailesh Premji Gala | 01283286 | 29/05/2020 |
| 5. | Mrs. Tejaswini Chandrashekhar More | 00324922 | 18/01/2022 |
| 6. | Mr. Jayesh Khimji Rambhia | 02049473 | 14/02/2023 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: 10 August 2023

ICSI UDIN: F005418E000738361

Annexure II to Corporate Governance Report

DECLARATION UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE OF CODE OF CONDUCT

To,
The Board of Directors
Panache Digilife Limited
B-507, Raheja Plaza Premises CSL,
LBS Marg, Ghatkopar West,
Mumbai-400086

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2023.

**For and on behalf of the Board of Directors of
Panache Digilife Limited**

Amit Devchand Rambhia
Managing Director
DIN: 00165919

Place: Mumbai
Date: May 17, 2023

Annexure III to Corporate Governance Report

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Panache Digilife Limited
B-507, Raheja Plaza Premises CSL,
LBS Marg, Ghatkopar West,
Mumbai-400086

- A. We have reviewed financial statements and the cash flow statement of Panache Digilife Limited for the Financial year 2022 – 2023 and that to the best of their knowledge and belief, we state that:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the Financial Year 2022 - 2023 which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have not come across any reportable, deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee that:
- 1) there were no significant changes in internal control over financial reporting during the aforesaid period;
 - 2) there were no significant changes in accounting policies during the aforesaid period; and
 - 3) there were no instances of significant fraud of which they have become aware.

Amit Rambhia
Managing Director
DIN: 00165919

Nitesh Savla
CFO & Whole Time Director
DIN: 05155342

Place: Mumbai
Date: May 17, 2023

Annexure IV to Corporate Governance Report

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
PANACHE DIGILIFE LIMITED

I have examined the compliance of conditions of Corporate Governance by **Panache Digilife Limited** ('the Company'), for the Financial Year ended 31 March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the year ended 31 March 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

This certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. 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 certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS No. 5418
CP No. 4363

Place: Mumbai
Date: 10 August 2023

ICSI UDIN: F005418E000738361
Peer Review Certificate No.: 1187/2021

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

UDIN: 23044039BGWCDI4232

Report on the Audit of Standalone Ind AS Financial Statements

To the Shareholders of
M/s. Panache Digilife Limited

We have audited the accompanying Ind AS financial statements of Panache Digilife Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

Opinion

In our opinion and to the best of our information and according to the explanations given to us by the management of the Company, 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 Indian Accounting Standards under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis of Our Opinion

We conducted our audit of the Ind AS financial statements 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") 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 ICAI's 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.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the Key audit Matter |
|---|--|
| 1. Wholly owned Subsidiary – Technofy Digital Private Limited being a non-going concern | |
| In respect of Technofy Digital Private Limited (Subsidiary of Panache Digilife Limited), the accounts of the company has been prepared based on the assumption that the company is not going concern for the year ended 31st March 2023, due to reason: The subsidiary company has a single and significantly important asset i.e Leasehold Land situated in Bilimora Industrial Area, GIDC, Gujarat upon which it had planned to operate its business, by way of either leasing Part of the area to other entities and/or setting | We have carried out the following audit procedures to address our Key audit considerations with respect to the said matter: - <ul style="list-style-type: none"> • Understood the objective of management behind the considering the subsidiary as not going concern. • Evaluated the financials of the wholly owned subsidiary and assessed the ability of the subsidiary to repay the loan provided by the company, thereby determining whether any provision for credit losses were required on such loan provided. • Considered the liquidity of existing assets on the balance sheet of wholly owned subsidiary |



| | |
|--|---|
| <p>up an IT Industry leading to expansion of its Parent's business.</p> <p>However, due to lockdown - alike situations across the country due to the Covid-19 pandemic, these operations were not considered feasible by the Company due to low demand and simultaneous high costs for setting up of business.</p> <p>The Management is of the view that the company may establish / carry out / change / plan its business activity in future, which will be time tested. But as far as current year's Financial Statements are concerned, the fundamental accounting assumption of Going Concern seems inappropriate.</p> <p>However, The Management has determined that although the Subsidiary's Going concern assumption is inappropriate, there is high probability of these amount getting recovered in future. Thus, no Provision for Impairment has been created since its estimated recoverable amount has not diminished to the extent lower than its Carrying value.</p> <p>Refer Note-1(8) to the Standalone financial statements</p> | <ul style="list-style-type: none"> • Considered the terms of the bank loan and trade finance facilities and the amount available for drawdown of wholly owned subsidiary • Considered potential downside scenarios and the resultant impact on available funds of wholly owned subsidiary. • Tested whether the company has complied with the provisions of the companies act while providing such financial assistance to the subsidiary. • Made enquiries to administrators to understand the factual content of subsidiary been non-going concern. We went through analyses prepared by management and verified the facts in these analyses and evaluated the conclusions made. • We read relevant contracts and documents to verify facts and circumstances stated in management's analysis. |
| <p>2. Import Purchases</p> | |
| <p>As per Ind AS 2 "Inventories", all direct costs such as transportation cost to bring the inventory to the factory and non refundable taxes and duties is to be added to the cost of inventory itself.</p> <p>Also, As per Ind AS 21 "The effect of Changes in Foreign Exchange Rate", the foreign currency transactions such as Import Purchases or Payment to such suppliers have to be recorded at spot rate and their outstanding balances (which is a monetary item) is also to be valued at rate as on reporting date.</p> | <p>Our audit procedures include :</p> <p>Assessed and tested the method of adding the freight charges including air, sea and other clearing charges as well as custom duty paid to the authorities to the cost of inventory.</p> <p>Assessed and tested company's application of Ind AS 21 with respect to recording of such purchases and their settlement either in advance or at a later date. We have also tested its application with respect to measurement of Import creditors as on reporting date.</p> |

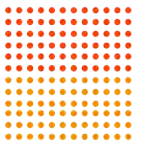
Other Matters

The comparative information in the financial statements pertaining to previous year were not audited by us. They were audited by M/s KPB & Associates and they have issued an unmodified opinion in their report on audit of financial statements pertaining to FY 2021-22. We have audited the opening balances for the current year and the books are in agreement with the comparative information pertaining to previous year. The previous year's figures were regrouped/reclassified wherever necessary. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters 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), statement of changes in equity and statement of Cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

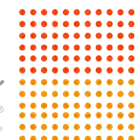
Auditor's Responsibility for the Audit of Ind AS Financial Statements

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 skepticism 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 in place and the operating effectiveness of such controls and 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.

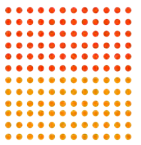
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by 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 purpose 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 Statement of Cash flow 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 specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31st March 2023 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long term contracts for which there were any material foreseeable losses.
 - (iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
 - (iv)
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources





or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

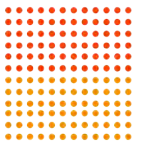
- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v)
- a. No dividend had been proposed in the previous year which were required to be paid by the Company during the year in accordance with section 123 of Act.
 - b. The Board of directors of the company does not intend to propose any final dividend for the year.
- (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 Jain Salia & Associates
Chartered Accountants
[FRNo: 116291W]

Place : Mumbai
Date : 24.05.2023
UDIN:23044039BGWCDI4232

Partner
(CA Jayesh K. Salia)
(Membership No. 044039)





ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

We report that :

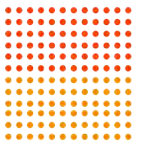
- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment & Intangible Assets and relevant details of Right of Use Assets.
 - b) The Property, Plant and Equipment are physically verified by the management in a phased manner; which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, all the Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) has been disclosed in the financial statements are held in the name of the company.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible assets during the year.
 - e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
 - a) Based on the information & explanation given to us and the records examined by us, the physical verification of inventory & spares has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification between physical stock and book records.
 - b) The Company has been availing Overdraft facility and Guaranteed Emergency credit Line from Canara Bank on the basis of hypothecation of Stock and Book debts of Rs. 54.09 crores.
 - c) The Company files quarterly statements with Canara Bank and they are not in agreement with the books of accounts of the Company with regards to valuation of Stock and Book debts of the company in respect of Cash credit availed.

• Trade Receivables

Reason for Discrepancy: Discrepancy is on account of non-inclusion of receivables from group companies, customers with discounting facility etc.

(Rs. in Lakhs)

| Qtr ended | As per quarterly statement filed with Bank | As per Books of Accounts | Amount of Difference |
|------------|--|--------------------------|----------------------|
| 30.06.2022 | 2,621.32 | 3,949.91 | (1,328.60) |
| 30.09.2022 | 3,086.21 | 4,253.26 | (1,167.04) |
| 31.12.2022 | 2,358.00 | 3,460.92 | (1,102.92) |
| 31.03.2023 | 4,120.10 | 4,794.35 | (674.25) |



- **Stock**

Reason for Discrepancy: Discrepancy is primarily on account of details being submitted on the basis of provisional books.

However, Discrepancy for quarter ended 31.03.2023 is also due to difference in estimation of overheads.

(Rs. in Lakhs)

| Qtr ended | As per quarterly statement filed with Bank | As per Books of Accounts | Amount of Difference |
|------------|--|--------------------------|----------------------|
| 30.06.2022 | 2,427.61 | 2,317.12 | 110.49 |
| 30.09.2022 | 2,680.64 | 2,614.82 | 65.83 |
| 31.12.2022 | 2,123.21 | 2,670.23 | (547.01) |
| 31.03.2023 | 2,789.91 | 2,555.73 | 234.18 |

(iii)

- In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to its wholly owned subsidiary during the year. The details of such loans given are as follows:

| Name of the Entity | Aggregate amount of loans given during the year |
|----------------------------------|---|
| Technofy Digital Private Limited | Rs. 3.12 crore. |

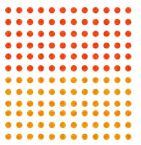
- In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the terms and conditions of the grant of all loans and advances are not prejudicial to the company's interest.
- In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest is not stipulated and repayments are not regular.
- In our opinion and according to the information and explanations given to us, there are no amounts overdue for more than ninety days.
- During the year, no loan or advance has fallen due during the year, or has been renewed, extended, fresh loan granted to settle the overdue of existing loans given to the same parties.
- The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the financial year.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for

- Guarantee given to Aditya Birla Financial Institution (NBFC) for loan of Rs 6 Crore granted to Technofy Digital Private Limited in previous financial year.
- Advances to its employees in respect of which the outstanding amount casts to Rs. 10.52 Lakhs as on reporting date.

- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and Section 186 of the Act.



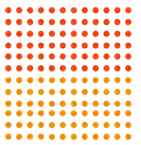


- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have; however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)
- According to the information and explanations given to us, there were no disputed statutory dues including provident fund, Income tax, GST, custom duty, cess and any other statutory dues with any authority during the year.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, as on 31st March, 2023 for a period of more than six months from the date they became payable except for following:

| NAME OF DUES | AMOUNT (Rs.) |
|---|--------------|
| Employee's Contribution to ESIC | 20,550/- |
| Employer's Contribution to ESIC | 28,815/- |
| Employee's Contribution to PF | 15,266/- |
| TDS on Commission | 13,403/- |
| TDS on Contract | 4,43,399/- |
| TDS on Interest | 3,25,707/- |
| TDS on Professional Fees | 4,45,553/- |
| TDS on Rent | 2,23,126/- |
| TDS on Royalty (including Non Resident deductees) | 17,23,393/- |
| TDS on Salary | 16,03,200/- |
| TDS on Technical Services | 5,671/- |
| Interest on Income Tax Payable | 14,24,140/- |

- (viii) On the basis of our examination and according to the information and explanations given to us, there were no such transactions which are unrecorded in the accounts by the Company which have been disclosed or surrendered before the tax authorities as income during the year.
- (ix) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in re-payment of its dues to the Banks and no amounts were borrowed by the Company through Debentures from any financial institution.





- (x)
 - A. On the basis of our examination and according to the information and explanations given to us, the Company has not raised any money through Initial Public Offer (IPO) or Further Public Offer (FPO) during the year.
 - B. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to our company.
- (xiii) In our opinion and according to the information and explanation given to us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv)
 - A. The Company has an internal audit system commensurate with the size and nature of its business;
 - B. The reports of the Internal Auditor for the period under audit were considered by us.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi)
 - A. In our opinion and according to the information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - B. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanation given to us, the Company has not incurred any cash losses in the current year and previous year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year and hence this clause is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) In our opinion and according to the information and explanation given to us, the provisions of Corporate Social Responsibility are not applicable to the Company.

For Jain Salia & Associates
Chartered Accountants
[FRNo: 116291W]

Place : Mumbai
Dated : 24.05.2023
UDIN : 23044039BGWCDI4232

Partner
(CA Jayesh K. Salia)
(Membership No. 044039)

ANNEXURE -B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Panache Digilife Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone 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 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

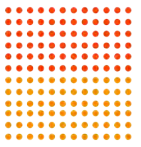
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

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

Meaning of Internal Financial Controls over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and



3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

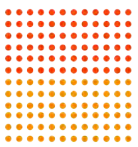
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria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

For Jain Salia & Associates
Chartered Accountants
[FRNo: 116291W]

Place : Mumbai
Dated : 24.05.2023
UDIN : 23044039BGWCDI4232

Partner
(CA Jayesh K. Salia)
(Membership No. 044039)

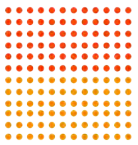




Standalone Balance Sheet

as at 31st March, 2023

| (Rs. in Lakhs) | | | | |
|-----------------------------------|--|----------|-----------------------|-----------------------|
| Sl. No. | PARTICULARS | NOTE NO. | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
| I. ASSETS | | | | |
| 1 NON-CURRENT ASSETS | | | | |
| (a) | Property, Plant & Equipments ... | 2 | 826.29 | 363.46 |
| (b) | Right of Use Assets ... | 2 | 113.49 | 25.30 |
| (c) | Capital Work-In-Progress ... | 2 | 0.00 | 629.82 |
| (d) | Investment Properties ... | 2 | 234.90 | 0.00 |
| (e) | Goodwill ... | | 0.00 | 0.00 |
| (f) | Other Intangible Assets ... | 2 | 0.00 | 0.00 |
| (g) | Intangible Assets Under Development ... | | 0.00 | 0.00 |
| (h) | Biological Assets Other than Bearer Plants ... | | 0.00 | 0.00 |
| (i) | <u>Financial Assets</u> | | | |
| (i) | Investments ... | 3 | 157.17 | 157.17 |
| (ii) | Loans & Deposits ... | 4 | 18.79 | 17.43 |
| (iii) | Other Financial Assets ... | 5 | 0.25 | 0.50 |
| (j) | Deferred Tax Assets ... | | 0.00 | 0.00 |
| (k) | Other Non-Current Assets ... | 6 | 0.64 | 2.30 |
| 2 CURRENT ASSETS | | | | |
| (a) | Inventories ... | 7 | 2,555.73 | 2,634.93 |
| (b) | <u>Financial Assets</u> | | | |
| (i) | Investments ... | | 0.00 | 0.00 |
| (ii) | Trade Receivables ... | 8 | 4,794.35 | 3,151.79 |
| (iii) | Cash and Cash Equivalents ... | 9 | 23.27 | 90.60 |
| (iv) | Bank Balances other than Cash & Cash Equivalents ... | 10 | 0.08 | 0.08 |
| (v) | Loans & Deposits ... | 11 | 323.55 | 11.51 |
| (vi) | Other Financial Assets ... | 12 | 8.65 | 0.00 |
| (c) | Other Current Assets ... | 13 | 503.69 | 944.15 |
| TOTAL ASSETS | | | 9,560.84 | 8,029.04 |
| II. EQUITY AND LIABILITIES | | | | |
| 1 EQUITY | | | | |
| (a) | Equity Share Capital ... | 14 | 1,200.00 | 1,200.00 |
| (b) | Other Equity ... | 15 | 2,469.13 | 2,265.59 |
| 2 LIABILITIES | | | | |
| A Non-Current Liabilities | | | | |
| (a) | <u>Financial Liabilities</u> | | | |
| (i) | Borrowings ... | 16 | 312.35 | 485.23 |
| (ia) | Lease Liabilities ... | 17 | 77.62 | 0.00 |
| (ii) | <u>Trade Payables</u> | | | |
| (a) | total outstanding dues of micro enterprises and small enterprises | | 0.00 | 0.00 |
| (b) | total outstanding dues of creditors other than micro & small enterprises | | 0.00 | 0.00 |
| (iii) | Other Financial Liabilities ... | 18 | 8.80 | 0.60 |
| (b) | Provisions ... | 19 | 63.80 | 66.89 |
| (c) | Deferred Tax Liabilities(Net) ... | 20 | 10.93 | 3.34 |
| (d) | Other Non-Current Liabilities ... | 21 | 2.35 | 0.00 |



| (Rs. in Lakhs) | | | | |
|--|--|----------|-----------------------|-----------------------|
| Sl. No. | PARTICULARS | NOTE NO. | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
| B | Current Liabilities | | | |
| (a) | <u>Financial Liabilities</u> | | | |
| (i) | Borrowings ... | 22 | 3,107.24 | 1,894.24 |
| (ia) | Lease Liabilities ... | 23 | 37.03 | 30.58 |
| (ii) | <u>Trade Payables</u> ... | 24 | | |
| | (a) total outstanding dues of micro enterprises and small enterprises | | 223.42 | 185.35 |
| | (b) total outstanding dues of creditors other than micro & small enterprises | | 1,717.61 | 1,276.62 |
| (iii) | Other Financial Liabilities ... | 25 | 52.83 | 33.99 |
| (b) | Other Current Liabilities ... | 26 | 211.71 | 461.04 |
| (c) | Provisions ... | 27 | 40.75 | 54.19 |
| (d) | Current Tax Liabilities(Net) ... | 28 | 25.27 | 71.36 |
| TOTAL EQUITY AND LIABILITIES | | | 9,560.84 | 8,029.04 |
| | | | | |
| CONTINGENT LIABILITIES ... | | | | |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS ... | | | | |
| | | | | |

AS PER OUR REPORT OF EVEN DATE

FOR JAIN SALIA & ASSOCIATES

CHARTERED ACCOUNTANTS

[ICAI FRNo. 116291W]

CA JAYESH K. SALIA

PARTNER

(MEM NO. 044039)

UDIN : 23044039BGWCDI4232

MR. AMIT D. RAMBHIA

MANAGING DIRECTOR

DIN:- 00165919

MR. HARSHIL CHHEDA
COMPANY SECRETARY

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PANACHE DIGILIFE LIMITED

MR. NIKIT D. RAMBHIA

JOINT MANAGING DIRECTOR

DIN:- 00165678

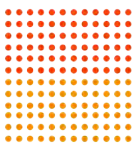
MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI

DATED: 24th May, 2023

PLACE: MUMBAI

DATED: 24th May, 2023



Standalone Statement of Profit & Loss

For the year ended 31st March 2023

(Rs. in Lakhs)

| Sr. No. | PARTICULARS | NOTE NO. | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|--|----------|------------------------------------|------------------------------------|
| I. REVENUE | | | | |
| | Revenue From Operations ... | 29 | 11,179.60 | 8,590.94 |
| | Other Income ... | 30 | 143.26 | 264.53 |
| TOTAL INCOME | | | 11,322.86 | 8,855.47 |
| II. EXPENSES | | | | |
| | Cost of Materials Consumed ... | 31 | 9,809.90 | 8,322.70 |
| | Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods ... | 32 | 79.20 | (879.63) |
| | Employee Benefit Expenses ... | 33 | 360.67 | 368.41 |
| | Finance Costs ... | 34 | 393.04 | 327.49 |
| | Depreciation and Amortisation Expenses ... | 35 | 79.09 | 69.82 |
| | Impairment Expenses / Losses ... | ... | 0.00 | 0.00 |
| | Other Expenses ... | 36 | 369.75 | 334.19 |
| TOTAL EXPENSES | | | 11,091.65 | 8,542.99 |
| III. Profit Before Exceptional items & Tax ... | | | 231.21 | 312.48 |
| | Exceptional Items ... | 37 | 0.00 | (14.96) |
| IV. Profit Before Tax ... | | | 231.21 | 297.52 |
| | <u>Income Tax Expense</u> ... | 38 | | |
| | -Current Tax ... | | 33.60 | 79.63 |
| | -Deferred Tax ... | | 12.42 | 8.26 |
| A. PROFIT AFTER TAX | | | 185.18 | 209.63 |
| OTHER COMPREHENSIVE INCOME | | | | |
| I. Items that will not be reclassified to Profit or Loss A/c ... | | 39 | 13.52 | 11.51 |
| | Income Tax Relating to items that will not be reclassified to Profit or Loss A/c ... | 38 | 4.83 | 2.60 |
| II. Items that will be reclassified to Profit or Loss A/c ... | | | 0.00 | 0.00 |
| | Income Tax Relating to items that will be reclassified to Profit or Loss A/c ... | | 0.00 | 0.00 |
| B. OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | 18.36 | 14.11 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(A)+(B)] | | | 203.54 | 223.73 |
| EARNINGS PER SHARE | | 40 | | |
| | Basic EPS ... | | 1.54 | 1.75 |
| | Diluted EPS ... | | 1.54 | 1.75 |

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN : 23044039BGWCDI4232

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

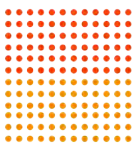
MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

PLACE: MUMBAI
DATED: 24th May, 2023



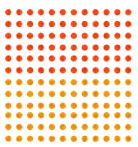
Standalone Statement of Cash Flows

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | | |
| Net Profit Before Tax as per Profit & Loss A/c | 231.21 | 297.52 |
| <u>Adjustments for Non-cash Items</u> | | |
| Depreciation on Property, Plant & Equipment, Investment Property & Intangible Assets | 43.63 | 36.08 |
| Depreciation of Right of Use Assets | 35.47 | 33.74 |
| Finance Charges on Financial Instruments | (0.91) | (1.22) |
| Amortisation of Fair Value Changes of Asset | (0.35) | 0.12 |
| Provision for Gratuity | 6.60 | 12.42 |
| Impairment Loss recognised/(reversed) under Expected Credit Loss Model | 13.68 | 19.48 |
| Guarantee Premium | (43.74) | (34.12) |
| Provision for Interest on Income Tax | 0.00 | 1.30 |
| Miscellaneous Expenses Written Off | 1.55 | 12.66 |
| | 55.92 | 80.46 |
| | 287.13 | 377.98 |
| <u>Adjustments for Non-Operating Items</u> | | |
| Loss on Sale of Fixed Asset | 0.00 | 14.96 |
| Interest Income | (45.78) | (29.91) |
| Interest on Income Tax payment | 10.95 | 24.79 |
| Interest Paid | 364.84 | 279.52 |
| Rent Income | (15.11) | 0.00 |
| Finance charges on Lease Liabilities | 4.14 | 5.18 |
| Bank Charges on Finance | 0.56 | 1.91 |
| Processing charges | 12.55 | 14.79 |
| | 332.15 | 311.25 |
| Operating Profit before Working Capital Changes | 619.29 | 689.23 |
| <u>Adjusted for Change in Working Capital:</u> | | |
| Inventories | 79.20 | (879.63) |
| Trade Receivable | (1,656.23) | 676.35 |
| Other Current Assets | 440.47 | (545.43) |
| Other Financial Assets | (8.40) | 49.75 |
| Trade Payable | 479.05 | 175.21 |
| Other Non current Liabilities | 2.82 | 0.00 |
| Other Financial Liabilities | 26.64 | (15.17) |
| Provisions (Short Term) | (9.62) | 7.02 |
| Other Current Liability | (205.59) | 217.21 |
| | (851.65) | (314.68) |
| Cash Generated from Operations | (232.37) | 374.54 |
| Taxed Paid | (90.65) | (147.51) |
| Net Cash Flow from Operations (A) | (323.02) | 227.04 |
| <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | | |
| <u>Cash Inflow</u> | | |
| Sale of Fixed Asset | 0.00 | 27.50 |
| Interest Income | 45.78 | 29.91 |
| Rent Income from Investment Property | 15.11 | 0.00 |
| Loans Repaid by Parties | 0.00 | 484.20 |
| | 60.89 | 541.60 |
| <u>Cash Outflow</u> | | |
| Purchase of Fixed Assets | (111.54) | (9.76) |
| Loans & Deposits Given | (312.09) | (0.01) |
| | (423.63) | (9.77) |
| Net Cash Flow from Investing Activities (B) | (362.74) | 531.84 |

Continued



Standalone Statement of Cash Flows (Continued)

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Cash Inflow | | |
| Long Term Borrowing | 0.00 | 250.00 |
| Short Term Borrowing | 0.00 | 267.15 |
| | | 517.15 |
| Cash Outflow | | |
| Long Term Borrowing Settled | (172.89) | 0.00 |
| Short Term Borrowing Settled | (305.76) | (272.40) |
| Repayment of Lease Liabilities | (43.73) | (41.64) |
| Interest Paid | (364.84) | (279.52) |
| Bank Charges | (0.56) | (1.91) |
| Processing charges | (12.55) | (14.79) |
| | (900.32) | (610.26) |
| Net Cash Flow from Financing Activities (C) | (900.32) | (93.11) |
| CASH FLOW FROM ALL ACTIVITIES (A+B+C) | (1,586.08) | 665.76 |
| Cash and Cash Equivalents at the Beginning | | |
| Cash in Hand | 6.56 | 6.42 |
| Balance in Bank | (1,256.35) | (1,921.97) |
| | (1,249.79) | (1,915.55) |
| Cash and Cash Equivalents at the End | (2,835.87) | (1,249.79) |
| Closing Balance as per accounts | | |
| Cash in Hand | 4.42 | 6.56 |
| Balance in Bank | (2,840.29) | (1,256.35) |
| | (2,835.87) | (1,249.79) |

Notes :

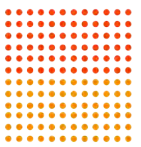
- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard Rules), 2015.
- Purchase of Fixed Assets represents additions to Property, Plant and Equipments.
- Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Cash balance Disclosed under Cash & Cash Equivalents- Note No.9 | 4.42 | 6.56 |
| Balances With Bank | | |
| Fixed Deposits With Bank Disclosed under Cash & Cash Equivalents - Note No.9 | 16.63 | 81.40 |
| Current Deposits with Bank Disclosed under Cash & Cash Equivalents - Note No.9 | 2.22 | 2.64 |
| Unclaimed Dividends Disclosed in Bank Balances Other than Cash & Cash Equivalents - Note No. 10 | 0.08 | 0.08 |
| Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No.22 | (2,859.23) | (1,340.47) |
| Cash & Cash Equivalents as per Balance Sheet | (2,835.87) | (1,249.79) |

4 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------------------|--------------------------|--------------------------|
| Cash and Cash Equivalents | 23.27 | 90.60 |
| Borrowings (including overdraft) | (3,419.59) | (2,379.47) |
| Lease liabilities | (114.65) | (30.58) |
| Net Debt | (3,510.97) | (2,319.46) |
| Cash and liquid investments | 23.27 | 90.60 |
| Gross debts- fixed interest rates | (187.45) | (409.98) |
| Gross debts- variable interest rates | (3,346.79) | (2,000.08) |
| Net Debt | (3,510.97) | (2,319.46) |



Standalone Statement of Cash Flows (Continued)

For the year ended 31st March, 2023

5 Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2022

| PARTICULARS | NON CURRENT BORROWINGS | CURRENT BORROWINGS | CURRENT MATURITIES OF NON CURRENT BORROWINGS | LEASE LIABILITIES |
|--|------------------------|--------------------|--|-------------------|
| Opening Balance as on 31st March 2021 | 431.07 | 203.89 | 160.99 | 67.04 |
| Changes from Financing Cash Flows | 177.11 | 158.16 | (160.99) | (41.64) |
| Interest Accrued | 51.42 | 19.04 | 0.00 | 5.18 |
| Transfer within categories | (172.67) | 0.00 | 172.67 | 0.00 |
| Other Changes | (1.71) | 0.00 | 0.00 | 0.00 |
| Closing Balance as on 31st March 2022 | 485.23 | 381.10 | 172.67 | 30.58 |

For the Year Ended 31st March 2023

| PARTICULARS | NON CURRENT BORROWINGS | CURRENT BORROWINGS | CURRENT MATURITIES OF NON CURRENT BORROWINGS | LEASE LIABILITIES |
|--|------------------------|--------------------|--|-------------------|
| Opening Balance as on 31st March 2022 | 485.23 | 381.10 | 172.67 | 30.58 |
| Changes from Financing Cash Flows | (49.47) | (348.61) | (172.67) | (43.73) |
| Interest Accrued | 51.80 | 40.31 | 0.00 | 4.14 |
| Transfer within categories | (175.22) | 0.00 | 175.22 | 0.00 |
| Other Changes | 0.00 | 0.00 | 0.00 | 123.65 |
| Closing Balance as on 31st March 2023 | 312.35 | 72.79 | 175.22 | 114.65 |

Amounts reported in the statement of cash flow under financing activities

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|-----------------------|-----------------------|
| Proceeds from Non-current Borrowings | 0.00 | 250.00 |
| (Repayment) of Non-current Borrowings | (172.89) | (51.71) |
| (Repayment) / Proceeds from current Borrowings | (683.71) | (249.77) |
| Repayment of Lease Liabilities | (43.73) | (41.64) |
| Net Movement in Financing Activities | (900.32) | (93.11) |

AS PER OUR REPORT OF EVEN DATE

FOR JAIN SALIA & ASSOCIATES

CHARTERED ACCOUNTANTS

[ICAI FRNo. 116291W]

CA JAYESH K. SALIA

PARTNER

(MEM NO. 044039)

UDIN : 23044039BGWCDI4232

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PANACHE DIGILIFE LIMITED

MR. AMIT D. RAMBHIA

MANAGING DIRECTOR

DIN:- 00165919

MR. NIKIT D. RAMBHIA

JOINT MANAGING DIRECTOR

DIN:- 00165678

MR. HARSHIL CHHEDA

COMPANY SECRETARY

MR. NITESH M. SAVLA

CFO & WHOLE TIME DIRECTOR

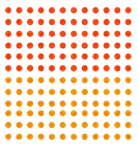
DIN:- 05155342

PLACE: MUMBAI

DATED: 24th May, 2023

PLACE: MUMBAI

DATED: 24th May, 2023



Standalone Statement of Changes in Equity

For the year ended 31st March, 2023

a EQUITY SHARE CAPITAL

(Rs. in Lakhs)

| Balance as at 01st April 2021 | Changes in Equity Share capital due to prior period errors | Restated balance at the beginning of current reporting period | Changes in Equity Share Capital During FY 2021-22 | Balance as at 31st March 2022 |
|-------------------------------|--|---|---|-------------------------------|
| 1,200.00 | 0.00 | 1,200.00 | 0.00 | 1,200.00 |

| Balance as at 31st March 2022 | Changes in Equity Share capital due to prior period errors | Restated balance at the beginning of current reporting period | Changes in Equity Share Capital During FY 2022-23 | Balance as at 31st March 2023 |
|-------------------------------|--|---|---|-------------------------------|
| 1,200.00 | 0.00 | 1,200.00 | 0.00 | 1,200.00 |

b OTHER EQUITY

| PARTICULARS | SHARE APPLICATION MONEY PENINDG FOR ALLOTMENT | RESERVES & SURPLUS | | | | EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME | ACTUARIAL GAINS/(LOSSES) ON DERIVED BENEFIT OBLIGATIONS | TOTAL |
|--|---|--------------------|----------------------------|--------------------------------|-------------------|---|---|-----------------|
| | | CAPITAL RESERVE | SECURITIES PREMIUM RESERVE | OTHER RESERVE (SPECIFY NATURE) | RETAINED EARNINGS | | | |
| Balance at the beginning of the reporting Period as at 01st April 2021 | 0.00 | 0.00 | 678.00 | 0.00 | 1,364.74 | 0.00 | (0.88) | 2,041.86 |
| Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 0.00 | 209.63 | 0.00 | 0.00 | 209.63 |
| Comprehensive Income for the Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 14.11 | 14.11 |
| Dividends | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend Distribution Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfer to Reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium on Issue of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance as at 31st March 2022 | 0.00 | 0.00 | 678.00 | 0.00 | 1,574.36 | 0.00 | 13.23 | 2,265.59 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 0.00 | 185.18 | 0.00 | 0.00 | 185.18 |
| Total Comprehensive Income for the Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 18.36 | 18.36 |
| Dividends | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TDS on Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfer to Reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium on Issue of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Utilised | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance as at 31st March 2023 | 0.00 | 0.00 | 678.00 | 0.00 | 1,759.54 | 0.00 | 31.59 | 2,469.13 |

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN : 23044039BGWCDI4232

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

PLACE: MUMBAI
DATED: 24th May, 2023



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

A. Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2023

1 Basis of Preparation

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 24th May, 2023.

2 Compliance with Ind AS

The Standalone financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for financial instruments - measured at fair value or amortised cost.

3 System of Accounting :

3.1 The Company follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

3.2 Accounts of the Company are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

3.3 Fair Value measurements under Ind As are categorized as below, based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to their fair value measurement in its entirety.

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date.
- b) Level 2 inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

4 Going Concern

Fundamental Accounting assumption of going concern is followed in preparation of the financial statement.

5 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All amounts in the Financial Statements are presented in Indian Rupees (INR).

6 Use of Estimates

The preparation of Financial Statements in conformity with Indian Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. As such estimates are based on the management's best knowledge of the current events and actions; there are possibilities of such estimates resulting in outcome's requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

7 Prior Period Errors

Prior Period Errors, if identified are corrected retrospectively in the first set of financial statements approved for issue after the discovery of error by :-

- a) Restating the comparative amounts of the prior period presented, in which the error occurred;
- b) If the error occurred before the earliest prior period presented, the opening balance of assets, liability and equity is restated for the earliest prior period presented.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

8 Valuation of Property, Plant & Equipments & Intangible Assets & Depreciation/Amortisation policy

8.1 Method Of Valuation Of Property, Plant & Equipments.

Property, Plant & Equipments (hereinafter referred to as PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of such PPE can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated depreciation and cumulative impairment.

Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance & repairs are charged to the profit & loss account.

Depreciation

Depreciation on PPE is recognised using Straight Line Method so as to write off the cost of PPE less the residual value over its useful lives specified in Schedule- II of the Companies Act, 2013. In case of PPE purchased/sold during the year, Depreciation has been provided on pro-rata basis.

8.2 Method of Valuation of Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated amortisation and cumulative impairment.

Amortisation

Amortisation charge on Intangible asset has been allocated on a systematic basis over the best estimate of useful life.

8.3 Method of Valuation of Investment Property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

Depreciation

Depreciation on Investment Property is recognised using straight line method so as to write off the cost of asset less the residual value over its useful life specified in Schedule- II of the Companies Act, 2013.

9 Investment in Subsidiaries, Associates and Joint Ventures

The investments in subsidiaries, associates and joint ventures are carried in this financial statements at historical 'cost', as per Ind AS 27 "Separate Financial Statements" except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss (except for foreign subsidiaries, in whose case a provision is made for such impairment). On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

In respect of Technofy Digital Private Limited (Subsidiary of Panache Digilife Limited), the accounts of the company has been prepared based on the assumption that the company is not going concern for the year ended 31st March 2023.

However, The Management has determined that although the Subsidiary's Going concern assumption is inappropriate, there is high probability of these amount getting recovered in future. Thus, no Provision for Impairment has been created since its estimated recoverable amount has not diminished to the extent lower than its Carrying value.

10 Employee Benefits

10.1 Short Term Employee Benefits

Employee Benefits such as Salaries, Wages, short term compensated absences, and expected cost of bonus, ex-gratia, and performance linked rewards falling due, wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

10.2 Post-Employment Benefits

a) Defined Contribution Plans

The company's contributions to state governed provident fund scheme and employee state insurance scheme are the defined contribution plans maintained by the company. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

b) Defined Benefit Plans

The company has an obligation towards gratuity, a defined retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The present value of obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government bonds, with a maturity period, equivalent to the weighted average maturity profile of the defined benefit obligations at the Reporting date.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Excess gains or losses on settlement of any claims are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

11 Financial Instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legal enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

11.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

a) Recognition

Investments in debt instruments – at amortised cost, subject to following conditions:

- i. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) De-recognition

A Financial Asset is primarily De-recognized when:-

- i. The right to receive cash flows from the asset has expired, or
- ii. 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 (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- iii. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

c) Impairment of Financial Assets

The Company recognises impairment loss on trade receivables using expected credit loss model, where the provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivable. These provisions represent the difference between the trade receivable's carrying amount in the Standalone Balance Sheet and the estimated collectible amount.

11.2 Financial Liabilities

a) Initial Recognition

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

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

b) Subsequent Measurement

Financial Liabilities are carried at amortized cost using the Effective Interest Rate (EIR) Method. For trade and other payables maturing within one year from the reporting date, the carrying amounts, approximate fair value due to the short maturity of these instruments.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

12 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and in the subsequent years, at the higher of:

- the amount determined in accordance with the expected credit loss model under Ind AS 109 "Financial Instruments" and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from Contracts with Customers".

The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

13 Foreign Currencies

- The functional currency and presentation currency of the company is Indian Rupee (INR).
- Transactions in currencies other than the company's functional currency occurred during the year are translated into Rupees at the exchange rate prevailing on the date of respective payments or receipts. Such Practice is not consistent with the provisions of Ind AS 21, "The Effects of Changes in Foreign Exchange Rates". However for costing purposes, such practice is consistently followed over the years.
- At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise

14 Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

15 Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax.

Interest income is recognised using the effective interest method.

16 Leases

As per Ind AS 116, the standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

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 thereby 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 any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

17 Taxes On Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

17.1 Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961.

17.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that, taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

18 Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation.

Considering the nature and scope of business of the Company, the Chief Operating Decision Maker could not identify any operating Segment.

However, a report on company's reliance on major customers is as follows:-

| SALES MADE TO MAJOR CUSTOMER | TOTAL SALES MADE DURING THE YEAR | % OF SALES MADE TO MAJOR CUSTOMERS |
|------------------------------|----------------------------------|------------------------------------|
| Rs. 8,562.99 | Rs. 11,179.60 | 76.59% |

19 Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The capitalisation of borrowing costs will be suspended if the Activities in the Qualifying Asset remain discontinued (for reasons other than those that are temporary in nature), and Accordingly, Borrowing costs that the company has incurred during such suspension period has been charged to Statement of Profit/Loss.

Other borrowing costs are expensed in the period in which they are incurred.

20 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised only when:

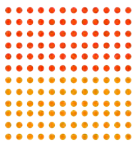
- The Company has a present obligation (legal or Constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is discounted to the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- A present obligation arising from past events, when no reliable estimate is possible.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

Accordingly, Contingent liability related to the Corporate Guarantee given to one of its subsidiary (Technofy Digital Private Limited) has been disclosed in Note No.41.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- a) Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- b) Non-cash items such as depreciation, provisions, and deferred taxes, and;
- c) All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

22 Earnings Per Share

Basic and Diluted earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period.

There are no potential equity shares in the books, and therefore diluted earnings per share are same as basic earnings per share.

B. Accounting Transactions

- 1 None of the employees were in receipt of or are entitled to receive remuneration aggregating to more than Rs.102.00 Lakhs/- for the year or more than Rs.8.50 Lakhs/- per month, if employed for part of the year.
- 2 Outstanding balances as at 31st March, 2023 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- 3 In the opinion of the Board of Directors, the Company is dealing in different varieties of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Consumer Electronic Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2022-23 aggregating to Rs. 73.88 Lakhs/-.

C. Recent Accounting & Reporting Framework Pronouncements

a) Amendments to Existing Standards

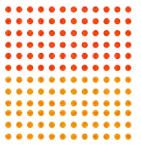
Ministry of Corporate Affairs has carried out amendments of the following accounting standards via a notification dated 23rd March, 2022 effective from 1st April, 2022.

- 1) Ind AS 103 - Business Combination
- 2) Ind AS 16 - Property, Plant & Equipment
- 3) Ind AS 37 – Provisions, Contingent Liabilities & Contingent Assets
- 4) Ind AS 107 & Ind AS 109 - Financial Instruments

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

D Previous Year's Figures have been regrouped / reclassified wherever necessary





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

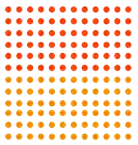
(Rs. in Lakhs)

NOTE NO. 2
PROPERTY, PLANT & EQUIPMENTS, RIGHT OF USE ASSETS, CAPITAL WORK-IN-PROGRESS, INVESTMENT PROPERTY & INTANGIBLE ASSETS

| Particulars | Tangible Assets (Owned) | | | | | | | | | | | | | Investment Property | Intangible Assets | Grand Total | | |
|-----------------------------------|-------------------------|--------------------------------|---------------------------------|-----------------|-------------------|------------------------|-------|------------------|----------------|------|--------------------|-----------|---------------------|---------------------|-------------------|-------------|------|----------|
| | Office Premises | Furniture & Fixtures - Class I | Furniture & Fixtures - Class II | Air Conditioner | Plant & Machinery | Leasehold Improvements | Mould | Office Equipment | Mobile Handset | Lift | Networking Devices | Motor Car | Computers & Laptops | | | | | |
| Gross Block | | | | | | | | | | | | | | | | | | |
| As at 1st April 2021 | 278.03 | 14.38 | 42.06 | 29.23 | 45.64 | 30.94 | 7.00 | 11.45 | 4.31 | 5.93 | 1.02 | 90.77 | 22.14 | 209.06 | 629.82 | 0.00 | 4.64 | 1,426.42 |
| Additions | 0.00 | 4.58 | 0.00 | 0.16 | 7.27 | 0.00 | 0.00 | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12.26 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.50 | 0.00 | 48.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 51.07 |
| Impairment of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 31st March 2022 | 278.03 | 18.96 | 42.06 | 29.39 | 52.91 | 30.94 | 7.00 | 11.70 | 4.31 | 3.43 | 1.02 | 42.20 | 22.14 | 209.06 | 629.82 | 0.00 | 4.64 | 1,387.60 |
| Additions | 661.32 | 59.67 | 0.00 | 13.08 | 10.59 | 0.00 | 0.00 | 0.14 | 0.00 | 0.00 | 0.20 | 0.00 | 0.33 | 123.65 | 0.00 | 278.03 | 0.00 | 1,147.02 |
| Disposals/Reclassification | 278.03 | 3.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 209.06 | 629.82 | 0.00 | 0.00 | 1,120.89 |
| Impairment of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 31st March 2023 | 661.32 | 74.65 | 42.06 | 42.47 | 63.50 | 30.94 | 7.00 | 11.84 | 4.31 | 3.43 | 1.22 | 42.20 | 22.47 | 123.65 | 0.00 | 278.03 | 4.64 | 1,413.73 |
| Depreciation/Amortisation | | | | | | | | | | | | | | | | | | |
| As at 1st April 2021 | 34.33 | 6.56 | 10.39 | 15.48 | 15.86 | 7.81 | 2.98 | 5.68 | 3.90 | 0.09 | 0.98 | 30.41 | 16.28 | 150.02 | 0.00 | 0.00 | 4.54 | 305.32 |
| Charge for the year | 4.40 | 1.21 | 4.99 | 4.29 | 3.09 | 3.67 | 0.92 | 1.31 | 0.19 | 1.10 | 0.00 | 8.43 | 2.35 | 33.74 | 0.00 | 0.00 | 0.11 | 69.82 |
| Depreciation on disposal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.12 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.12 |
| As at 31st March 2022 | 38.73 | 7.78 | 15.39 | 19.78 | 18.95 | 11.48 | 3.90 | 7.00 | 4.09 | 1.20 | 0.98 | 32.73 | 18.63 | 183.76 | 0.00 | 0.00 | 4.64 | 369.02 |
| Additions due to reclassification | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 39.98 | 0.00 | 39.98 |
| Charge for the year | 8.66 | 4.52 | 4.99 | 5.89 | 3.96 | 3.67 | 0.92 | 1.20 | 0.00 | 0.65 | 0.02 | 4.56 | 1.43 | 35.47 | 0.00 | 3.15 | 0.00 | 79.09 |
| Depreciation on disposal | 39.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 209.06 | 0.00 | 0.00 | 0.00 | 249.05 |
| As at 31st March 2023 | 7.41 | 12.29 | 20.38 | 25.67 | 22.91 | 15.16 | 4.82 | 8.20 | 4.09 | 1.85 | 1.00 | 37.29 | 20.06 | 10.16 | 0.00 | 43.13 | 4.64 | 239.05 |
| Net Block | | | | | | | | | | | | | | | | | | |
| As at 31st March 2022 | 239.30 | 11.18 | 26.67 | 9.62 | 33.97 | 19.45 | 3.10 | 4.70 | 0.22 | 2.23 | 0.04 | 9.47 | 3.52 | 25.30 | 629.82 | 0.00 | 0.00 | 1,018.58 |
| As at 31st March 2023 | 653.92 | 62.35 | 21.68 | 16.81 | 40.59 | 15.78 | 2.18 | 3.64 | 0.22 | 1.58 | 0.22 | 4.91 | 2.42 | 113.49 | 0.00 | 234.90 | 0.00 | 1,174.68 |

Notes:

1. Impairment Loss : No Provision for Impairment loss is made during the year.
 2. For Method of Valuation of Assets and Depreciation/Amortisation refer Clause 8 & 16 of Note No.1 of General Notes to Financial Statements.
 3. In July 2022, the company had shifted its office premises to newly furnished premise in the same building acquired in FY 2019-20. This asset has now been reclassified accordingly and depreciation & other measurement principles have been applied to it as per Ind AS 16 "Property, Plant & Equipment". The Old Office premise (at Ground Floor of the building) has been let out to other entity since August 2022 and accordingly, it has been reclassified as "Investment Property" as per Ind AS 40.
 4. The Right of Use Asset has been created and measured as per Ind AS 116 "Leases" to identify Finance lease. The contract for the same has been extended for 3 more years for factory unit at Babosa Industrial Park at Bhiwandi.
 5. The title deeds, comprising of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the company. In respect of assets given as collateral for loans from banks, the title deeds are in the custody of the banks.
- The Useful Life of Assets adopted by the management from Schedule II of Companies Act, 2013, for calculating Depreciation to be charged on different classes of Assets for the current year are as follows:-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| CLASS OF ASSET | USEFUL LIFE ADOPTED (IN YEARS) |
|---------------------------------|--------------------------------|
| Office Premises | 60 |
| Furniture & Fixtures - Class I | 5 - 10 |
| Furniture & Fixtures - Class II | 8 |
| Leasehold Improvements & Mould | 8 |
| Air Conditioner | 5 |
| Plant & Machinery | 15 |
| Office Equipments | 5 - 15 |
| Mobile Handset | 3 |
| Lift | 4 - 5 |
| Networking Devices | 6 |
| Motor Car | 8 |
| Computers & Laptop | 3 - 6 |
| Right of Use Asset (Building) | 5 |
| Investment Property | 60 |
| Software | 3 |

Disclosure requirements for Capital WIP

As at 31st March 2023

| Particulars | Amount in CWIP for period | | | | |
|---|---------------------------|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | | | | | |
| Additional Office Premise at Raheja Plaza | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |

As at 31st March 2022

| Particulars | Amount in CWIP for period | | | | |
|---|---------------------------|------------|------------|-------------------|--------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | | | | | |
| Additional Office Premise at Raheja Plaza | 0.00 | 0.00 | 629.82 | 0.00 | 629.82 |
| Total | | | | | 629.82 |

Note:

1. The office premise which had been acquired in FY 2019-20 was presented as Capital Work-in-progress as the Interior and furnishing work were temporarily suspended due to Covid-19 pandemic and other working capital crunches. The same has now been disclosed under Property, Plant and Equipment as the company has now shifted its office premise to this furnished premise in FY 2022-23.

Disclosure requirements for Intangible Assets

As at 31st March 2023

| Particulars | Intangible assets under development for a period of | | | | |
|--------------------------------|---|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |

As at 31st March 2022

| Particulars | Intangible assets under development for a period of | | | | |
|--------------------------------|---|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 3 INVESTMENTS (NON CURRENT)

(a) List of Subsidiaries/Associates/Joint Ventures

| NAME | RELATION WITH THE COMPANY | COUNTRY | INCORPORATION DATE | METHOD OF VALUATION | %HOLDING |
|--|---------------------------|---------|-----------------------------|---------------------|----------|
| Technofy Digital Private Limited | Subsidiary | India | 04 th June 2019 | Cost | 100% |
| ICT Infratech Services Private Limited | Joint Venture | India | 08 th March 2007 | Cost | 50% |

(b) Value of Investments

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|-----------------------|-----------------------|
| Technofy Digital Private Limited | 1.00 | 1.00 |
| ICT Infratech Services Private Limited | 1.50 | 1.50 |
| Notional Value of Guarantee Provided to Subsidiary | 154.67 | 154.67 |
| | 157.17 | 157.17 |
| <u>Less:</u> Provision for Impairment of Investments | 0.00 | 0.00 |
| | 157.17 | 157.17 |

NOTE NO. 4 LOANS & DEPOSITS (NON CURRENT)

(a) Measurement

Financial Assets in the nature of deposits have been measured at fair value by discounting the deposits over the tenure of lease.

The Discount rates used to different deposits are as follows:-

| DEPOSIT | PERIOD | SOURCE | RATE |
|---------------------|--------|------------------|-------|
| Factory Deposit | 8 | Government Bonds | 7.75% |
| Electricity Deposit | 8 | Government Bonds | 7.75% |

(b) Value of Loans & Deposits

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---------------------|-----------------------|-----------------------|
| Rent Deposits | 16.56 | 15.36 |
| Electricity Deposit | 2.23 | 2.06 |
| | 18.79 | 17.43 |

NOTE NO. 5 OTHER FINANCIAL ASSETS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|----------------|-----------------------|-----------------------|
| Other Deposits | 0.25 | 0.50 |
| | 0.25 | 0.50 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 6 OTHER NON-CURRENT ASSETS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| Advances Recoverable other than in Cash | 0.25 | 0.36 |
| Miscellaneous Expenditure | 0.39 | 1.94 |
| | 0.64 | 2.30 |

NOTE NO. 7 INVENTORIES

(a) Valuation Method

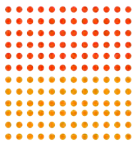
Inventories comprise of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Other Consumer Electronic Goods which have been measured at weighted average cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price, cost of conversion and other costs including any duties or taxes (to the extent not recoverable) incurred in bringing them to their present location and condition.

(b) Based on the above Valuation Method, the value of Inventories for different reporting periods are as follows:-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------------|--------------------------|--------------------------|
| Closing Stock of Inventories | 2,555.73 | 2,634.93 |
| | 2,555.73 | 2,634.93 |

NOTE NO. 8 TRADE RECEIVABLES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| Secured, Considered good | 0.00 | 0.00 |
| Unsecured, Considered good | 4,457.29 | 2,835.59 |
| Significant Increase in Credit Risk | 10.91 | 13.43 |
| Credit Impaired | 0.00 | 0.00 |
| | 4,468.20 | 2,849.02 |
| Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses) | 10.91 | 13.43 |
| | 4,457.29 | 2,835.59 |
| Receivable from related Parties (Refer Note No.47) | 337.06 | 316.20 |
| | 4,794.35 | 3,151.79 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Trade Receivables - Ageing Schedule 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 | 1,835.54 | 938.36 | 785.75 | 98.60 | 1,136.09 | 4,794.35 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | 9.70 | 0.00 | 0.44 | 0.76 | 0.01 | 10.91 |
| (iii) Undisputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed Trade Receivables - considered good | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Trade Receivables - Ageing Schedule as on 31st March, 2022

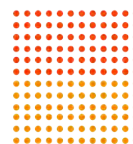
| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-------------|-------------|-------------------|----------|
| | Less than 6 months | 6 months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| (i) Undisputed Trade Receivables - considered good | 957.90 | 578.50 | 487.02 | 665.74 | 462.63 | 3,151.79 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | 0.41 | 0.03 | 0.76 | 9.66 | 2.58 | 13.43 |
| (iii) Undisputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed Trade Receivables - considered good | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

NOTE NO. 9

CASH AND CASH EQUIVALENTS

Investments in Fixed Deposits have been considered by the management to be short term in nature, made against letter of credit facility from the Bank and hence they are valued at cost plus accrued interest on it.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------|--------------------------|--------------------------|
| Balance with Banks | 2.22 | 2.64 |
| Cash on Hand | 4.42 | 6.56 |
| Fixed Deposits with Bank | 16.63 | 81.40 |
| | 23.27 | 90.60 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 10

BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---------------------|--------------------------|--------------------------|
| Unclaimed Dividends | 0.08 | 0.08 |
| | 0.08 | 0.08 |

NOTE NO. 11

LOANS & DEPOSITS (CURRENT)

(a) Measurement

Financial Assets represented by Loans & advances given to parties under the terms, wherein such Loans & advances are repayable on demand to the company have been measured at their respective carrying Values as the management considers that the carrying value of such loans & advances to be the best estimate of its Fair Value.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Secured, Considered good | 0.00 | 0.00 |
| Unsecured, Considered good | 323.55 | 11.51 |
| Significant Increase in Credit Risk | 10.00 | 10.00 |
| Credit impaired | 0.00 | 0.00 |
| | 333.55 | 21.51 |
| <u>Less:</u> Provision for Expected Credit Losses on Loans | 10.00 | 10.00 |
| | 323.55 | 11.51 |

Note :

- Advance given to Shri Rajlaxmi Textiles amounting Rs. 10.00 Lakhs/- has been provided for Expected credit loss due to its low recoverability in previous financial year and depicts fair value as on reporting date.
- The Outstanding amounts of unsecured loans given include balance of loans given to wholly owned subsidiary - Technofy Digital Private Limited during the year amounting to Rs. 312.47 Lakhs/- at interest rate of 9%. The financial statements of Technofy Digital Private Limited are prepared on 'non-going concern' basis. However, the management is of the opinion that the loans given to the subsidiary would be recovered and accordingly, no provision for expected credit loss has been provided for this loan.

NOTE NO. 12

OTHER FINANCIAL ASSETS (CURRENT)

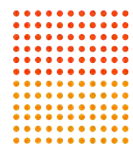
| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---------------------|--------------------------|--------------------------|
| Interest Receivable | 8.65 | 0.00 |
| | 8.65 | 0.00 |

NOTE NO. 13

OTHER CURRENT ASSETS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Prepaid Expenses & Others | 86.00 | 74.39 |
| Advances To Creditors | 206.01 | 528.88 |
| Advances for Capital Assets | 0.00 | 127.50 |
| Input Credit of GST | 209.60 | 211.10 |
| Miscellaneous Expenses | 1.55 | 1.55 |
| Advance Recoverable Other than in Cash | 0.12 | 0.12 |
| MEIS Duty Scrips | 0.01 | 0.21 |
| Unrealised DD | 0.41 | 0.41 |
| | 503.69 | 944.15 |





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 14 EQUITY SHARE CAPITAL

a. Capital Structure of the Company

| PARTICULARS OF CAPITAL | AS AT 31ST MARCH 2023 | | AS AT 31ST MARCH 2022 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | NO.OF SHARES | TOTAL VALUE | NO.OF SHARES | TOTAL VALUE |
| AUTHORISED | | | | |
| Equity Shares of Rs.10/- each | 1,30,00,000 | 1,300 | 1,30,00,000 | 1,300 |
| | 1,30,00,000 | 1,300 | 1,30,00,000 | 1,300 |
| ISSUED, SUBSCRIBED & FULLY PAID-UP : | | | | |
| Equity Shares of Rs.10/- each | 1,20,00,000 | 1,200 | 1,20,00,000 | 1,200 |
| | 1,20,00,000 | 1,200 | 1,20,00,000 | 1,200 |
| ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP : | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |

b. Details of Shareholding

Shareholders holding more than 5% of Equity Shares :

| SR. NO | NAME OF SHAREHOLDER | NO.OF SHARES AS ON 31.03.23 | PERCENTAGE HOLDING | NO.OF SHARES AS ON 31.03.22 | PERCENTAGE HOLDING |
|--------|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | EQUITY SHARES | | | | |
| 1. | Amit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 2. | Nikit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 3. | Devchand Rambhia ... | 22,58,360 | 18.82% | 22,58,360 | 18.82% |

c. Reconciliation of the number of Equity Shares outstanding

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|-----------------------|-----------------------|
| Number of Shares at the beginning of the year : | 1,20,00,000 | 1,20,00,000 |
| (+) Bonus shares issued ... | 0 | 0 |
| (+) Fresh issue made ... | 0 | 0 |
| (-) Shares forfeited ... | 0 | 0 |
| Number of Shares at the end of the year | 1,20,00,000 | 1,20,00,000 |

d. Voting Rights

The company has one class of equity shares having face value of Rs.10 per share. Each shareholder is eligible for one voting right per share.

e. Promoter Share Holding

Shares held by promoters at the end of the year :

| SR. NO | NAME OF PROMOTER | NO.OF SHARES AS ON 31.03.23 | PERCENTAGE HOLDING | NO.OF SHARES AS ON 31.03.22 | PERCENTAGE HOLDING |
|--------|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| 1 | Amit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 2 | Nikit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 3 | Devchand Rambhia ... | 22,58,360 | 18.82% | 22,58,360 | 18.82% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

f. Capital Management

The company adheres to a disciplined Capital Management Framework in order to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The company strategically manages its funds by :-

- Maintaining Diversity of Sources of Financing and spreading the maturity across periods in order to minimise liquidity risk.
- Analysing and managing its financial market risks like foreign exchange, interest rates and commodity prices, and minimise the impact or market volatility on earnings.
- Analysing the changes in macro economic factors affecting business environment and re-organising its capital structure accordingly to adapt to the ever changing dynamics of business environment.
- Leveraging Optimally in order to maximise shareholder returns.

The Net Gearing Ratio at the end of the Reporting period was as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------------|-----------------------|-----------------------|
| Gross Debt | 3,534 | 2,410 |
| <u>Less:</u> Liquid Assets | 23 | 91 |
| Net Debt | 3,511 | 2,319 |
| Total Equity (As Per Balance Sheet) | 3,669 | 3,466 |
| Net Gearing Ratio | 0.96 | 0.67 |

* Liquid Assets Comprises of Cash & Cash Equivalents only.

NOTE NO. 15 OTHER EQUITY

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Securities Premium</u> | | |
| Opening Balance | 678.00 | 678.00 |
| <u>Add:</u> Premium Collected on Issue of Shares | 0.00 | 0.00 |
| <u>Less:</u> Utilised | 0.00 | 0.00 |
| Closing Balance | 678.00 | 678.00 |
| <u>Retained Earnings</u> | | |
| Opening Balance | 1,574.36 | 1,364.74 |
| <u>Add:</u> Surplus As per Profit & Loss Account | 185.18 | 209.63 |
| <u>Less:</u> Appropriations | | |
| Dividends Paid | 0.00 | 0.00 |
| TDS on Dividend | 0.00 | 0.00 |
| Closing Balance | 1,759.54 | 1,574.36 |
| <u>Other Comprehensive Income</u> | | |
| a) Actuarial Gains or Losses on Defined Benefit Plans | | |
| Opening Balance | 13.23 | (0.88) |
| <u>Add/(Less):</u> Changes for the Year | 18.36 | 14.11 |
| Closing Balance | 31.59 | 13.23 |
| | | |
| | 2,469.13 | 2,265.59 |





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 16

BORROWINGS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------|--------------------------|--------------------------|
| Secured Borrowings | 312.35 | 485.23 |
| | 312.35 | 485.23 |

Terms of Repayment of Secured Borrowings

Property Loan of Rs. 400 Lakhs/- (Sanction Amount) is secured by way of exclusive first charge created on the concerned Property. The Balance loan as on March 31, 2023 is repayable in 17 monthly repayment of Rs.7.41 Lakhs/-. Interest to be serviced as and when debited. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan.

Term Loan (Guaranteed Emergency Credit Line) of Rs 250 Lakhs/- (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2023 is repayable in 15 monthly installments of Rs 7.92 Lakhs/- each. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan.

Term Loan (Guaranteed Emergency Credit Line) of Rs 250 Lakhs/- (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2023 is repayable in 36 monthly installments of Rs 7.78 Lakhs/- each with moratorium of 8 months for next financial year. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan

NOTE NO. 17

LEASE LIABILITIES (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|----------------------------------|--------------------------|--------------------------|
| Payables towards Lease Liability | 77.62 | 0.00 |
| | 77.62 | 0.00 |

NOTE NO. 18

OTHER FINANCIAL LIABILITIES (NON CURRENT)

(a) Measurement

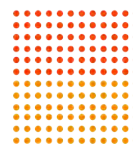
Financial Liabilities in the nature of deposits have been measured at fair value by discounting the deposits over the tenure of lease.

The Discount rate used to different deposits is as follows:-

| DEPOSIT | PERIOD | SOURCE | RATE |
|------------------|--------|--|-------|
| Deposit for Rent | 5 | Company's assumed effective rate of interest | 7.75% |

(b) Value of Loans & Deposits

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Deposit against Goods on Rent | 0.60 | 0.60 |
| Deposit for Immovable Property on Rent | 8.20 | 0.00 |
| | 8.80 | 0.60 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 19

PROVISIONS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------|--------------------------|--------------------------|
| Provision for Gratuity | 63.80 | 66.89 |
| | 63.80 | 66.89 |

Disclosure

Provision for Gratuity has been made based on present value of obligation under defined benefit plan determined through actuarial valuation carried out by an Actuary using Projected Unit Credit Method. The Details of the same have been elaborated in Note No.46

NOTE NO. 20

DEFERRED TAX LIABILITIES(NET)

| PARTICULARS | TAXABLE/ (DEDUCTIBLE) TEMPORARY DIFFERENCES | DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF PROFIT/LOSS | DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF OCI | TOTAL DEFERRED TAX (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET |
|--|--|--|---|---|
| Balance as on 01.04.2021 | | (2.02) | (0.30) | (2.32) |
| <u>For the Year 2021-22</u> | | | | |
| Carrying Value of Property Plant & Equipment | 112.02 | 28.19 | 0.00 | |
| Provision for Gratuity | (63.80) | (16.06) | 0.00 | |
| Actuarial Gains on Employee Benefit Expenses | (11.51) | 0.00 | (2.90) | |
| Expected Credit Losses | (13.43) | (3.38) | 0.00 | |
| Expected Credit Losses on Loans | (10.00) | (2.52) | 0.00 | |
| Impairment of Investments | 0.00 | 0.00 | 0.00 | |
| (DTA)/DTL as on 31.03.2022 | | 6.24 | (2.90) | 3.34 |
| <u>For the Year 2022-23</u> | | | | |
| Carrying Value of Property Plant & Equipment | 164.61 | 41.43 | 0.00 | |
| Provision for Gratuity | (68.38) | (17.21) | 0.00 | |
| Actuarial Gains on Employee Benefit Expenses | (30.72) | 0.00 | (7.73) | |
| Expected Credit Losses | (10.91) | (2.75) | 0.00 | |
| Expected Credit Losses on loan | (10.00) | (2.52) | 0.00 | |
| Measurement of Lease Liability & Asset | (1.16) | (0.29) | | |
| (DTA)/DTL as on 31.03.2023 | | 18.66 | (7.73) | 10.93 |

NOTE NO. 21

OTHER NON-CURRENT LIABILITIES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------------|--------------------------|--------------------------|
| Advances payable other than in Cash | 2.35 | 0.00 |
| | 2.35 | 0.00 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 22

BORROWINGS (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| <u>Secured Borrowings</u> | | |
| Cash Credit | 2,859.23 | 1,340.47 |
| Current Maturities of Long Term Borrowings | 175.22 | 172.67 |
| Other borrowings | 0.00 | 0.00 |
| <u>Unsecured Borrowings</u> | | |
| Short Term loans & advances from Related Parties | 26.29 | 359.60 |
| Short Term loans & advances from Others | 46.50 | 21.50 |
| | 3,107.24 | 1,894.24 |

Note :

- The Cash Credit is secured by first charge by way of hypothecation of Stock and Book debts. Further, it is secured by way personal guarantee provided by Mr. Amit Rambhia - Managing Director, Mr. Nikit Rambhia - Joint Managing Director, Mr. Devchand Rambhia - Whole Time Director.
- Quarterly returns or Statements of Current assets filed with bank are not in agreement with the books of accounts. Disclosed below are the details provided by the company to the Lender Bank - Canara Bank and Valuation of Book debts & Stock as per books of accounts and reasons of their discrepancies.
- The Company has registered all details of Registration or satisfaction of charge with ROC within the prescribed time limit from the execution of document.
- The company has not been declared wilful defaulter by any Banks / Financial Institutions.

| Name of bank | Qtr ended | Particulars | As per Quarterly statement filed with Bank | As per Books of accounts | Amount of Difference |
|--------------|----------------------|------------------|--|-----------------------------|----------------------|
| Canara Bank | 30th June, 2022 | Trade Receivable | 2,621.32 | 3,949.91 | (1,328.60) |
| | | Stock | 2,427.61 | 2,317.12 | 110.49 |
| Canara Bank | 30th September, 2022 | Trade Receivable | 3,086.21 | 4,253.26 | (1,167.04) |
| | | Stock | 2,680.64 | 2,614.82 | 65.83 |
| Canara Bank | 31st December, 2022 | Trade Receivable | 2,358.00 | 3,460.92 | (1,102.92) |
| | | Stock | 2,123.21 | 2,670.23 | (547.01) |
| Canara Bank | 31st March, 2023 | Trade Receivable | 4,120.10 | 4,794.35 | (674.25) |
| | | Stock | 2,789.91 | 2,555.73 | 234.18 |

Note for discrepancies :

- Discrepancy in Inventory is primarily on account of the details being submitted on the basis of provisional books of accounts & due to estimated over head rate considered while valuing FG given to the bank and the actual over head rate.
- Discrepancy in trade receivable is on account of non inclusion of receivables from group companies, customers with discounting facility etc.

NOTE NO. 23

LEASE LIABILITIES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------------------|--------------------------|--------------------------|
| Payables towards Lease Liabilities | 37.03 | 30.58 |
| | 37.03 | 30.58 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 24

TRADE PAYABLES (CURRENT)

| PARICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Trade payables to Other than Related Parties</u> | | |
| Due to Micro, and Small Enterprises (On the basis of Information available with management) | 223.42 | 178.20 |
| Other Trade Payables | 1,717.61 | 1,276.62 |
| <u>Trade Payables to Related Parties (Refer Note No 47)</u> | | |
| Due to Micro, and Small Enterprises (On the basis of Information available with management) | 0.00 | 7.15 |
| Other Trade Payables | 0.00 | 0.00 |
| | 1,941.02 | 1,461.97 |

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs. 106.52 Lakhs/- stands overdue as on 31st March 2023. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

Trade Payables ageing schedule: As at 31st March,2023

| PARTICULARS | Outstanding for following periods from bill date | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 209.54 | 22.72 | 0.00 | 0.00 | 232.26 |
| (ii) Others | 1,685.37 | 1.35 | 8.42 | 13.63 | 1,708.77 |
| (iii) Disputed dues- MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Trade Payables ageing schedule: As at 31st March,2022

| PARTICULARS | Outstanding for following periods from bill date | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 185.35 | 0.00 | 0.00 | 0.00 | 185.35 |
| (ii) Others | 1,247.32 | 10.00 | 1.11 | 18.18 | 1,276.62 |
| (iii) Disputed dues- MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

NOTE NO. 25

OTHER FINANCIAL LIABILITIES (CURRENT)

| PARICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------------|--------------------------|--------------------------|
| Interest payable | 38.59 | 19.75 |
| Interest on Income Tax Payable | 14.24 | 14.24 |
| | 52.83 | 33.99 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 26

OTHER CURRENT LIABILITIES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------------|--------------------------|--------------------------|
| Statutory Liabilities | 80.26 | 30.17 |
| Advances From Debtors | 73.31 | 328.35 |
| Deferred Guarantee Premium | 57.43 | 101.17 |
| Advances payable other than in Cash | 0.71 | 0.00 |
| Others | 0.00 | 1.35 |
| | 211.71 | 461.04 |

NOTE NO. 27

PROVISIONS (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-----------------------------|--------------------------|--------------------------|
| Electricity Charges Payable | 0.97 | 1.01 |
| Professional Fees Payable | 5.01 | 3.96 |
| Audit Fees Payable | 3.15 | 1.88 |
| Clearing Charges Payable | 0.00 | 2.34 |
| Freight Charges Payable | 0.00 | 2.05 |
| Salary Payable | 26.96 | 34.46 |
| Dividend Payable | 0.08 | 0.08 |
| Provision for Gratuity | 4.58 | 8.41 |
| | 40.75 | 54.19 |

NOTE NO. 28

CURRENT TAX LIABILITIES(NET)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------|--------------------------|--------------------------|
| Direct Taxes | 25.27 | 71.36 |
| | 25.27 | 71.36 |

NOTE NO. 29

REVENUE FROM OPERATIONS

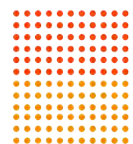
(a) Recognition of Revenue

The company derives revenue primarily from sale of IT Hardware & its peripherals, Alkaline Water Ionizers, Solar Power Supply System and other Consumer Electronic Goods. It also derives revenue from renting of Alkaline Water Ionizers.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration the company expects to be entitled to, in exchange for those products or services.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method. When there is uncertainty as to the measurement of ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized over the term of underlying maintenance agreement.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on allocation of discounts/ incentives to each of the underlying performance obligations that corresponds to the progress by the customer towards earning the discount/ incentive. The company presents revenue net of Indirect Taxes.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------|---------------------------------------|---------------------------------------|
| Net Sales | 11,062.85 | 8,498.54 |
| Service Charges | 46.15 | 29.05 |
| Marketing Fund | 70.61 | 63.34 |
| | 11,179.60 | 8,590.94 |

(b) Remaining Performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the company expects to recognize these amounts of revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance obligations completed till date.

(c) Movement in Contract Balances

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Contract Liability | | |
| Opening Balance | 328.35 | 24.56 |
| <u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period. | (307.83) | (4.44) |
| <u>Add:</u> Revenue not recognised in the reporting period that is to be included in the closing balance of contract liability balance at the end of the period. | 52.79 | 308.23 |
| Closing Balance | <u>73.31</u> | <u>328.35</u> |
| Contract Assets | | |
| Opening Balance | 528.88 | 174.48 |
| <u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period. | (349.95) | (21.63) |
| <u>Add:</u> Expense not recognised in the reporting period that is to be included in the closing balance of contract asset balance at the end of the period. | 27.08 | 376.02 |
| Closing Balance | <u>206.01</u> | <u>528.88</u> |

NOTE NO. 30 OTHER INCOME

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Additional/Differential CST Collected from Customers | 0.00 | 24.37 |
| Differential GST Collected from Customers | 0.00 | 0.02 |
| Rental Income | 15.11 | 1.75 |
| Support Service Charges | 18.40 | 1.52 |
| Finance Charges (Income) | 1.31 | 1.22 |
| Amortisation of Fair Value Changes of Liability | 0.47 | 0.00 |
| Marketing Incentives | 10.38 | 3.50 |
| Notional value of Guarantee Premium | 43.74 | 34.12 |
| Liabilities no Longer Payable | 3.10 | 8.09 |
| Discount Received | 0.00 | 2.12 |
| Interest Income | 45.78 | 187.41 |
| Other Income | 4.97 | 0.00 |
| Insurance Claim received | 0.00 | 0.43 |
| | 143.26 | 264.53 |

Measurement of Other Incomes

- Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.
- Rent income is recognized on a periodic basis as and when the company becomes entitled to receive the amount as per the agreement between the contracting parties.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 31

COST OF MATERIALS CONSUMED

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|----------------------|---------------------------------------|---------------------------------------|
| Net Purchase | 9,707.43 | 8,280.41 |
| Service Charges | 102.25 | 41.56 |
| Consumables & Others | 0.21 | 0.73 |
| | 9,809.90 | 8,322.70 |

NOTE NO. 32

CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Opening Stock / Inventories | 2,634.93 | 1,755.30 |
| Less: Closing Stock / Inventories | (2,555.73) | (2,634.93) |
| | 79.20 | (879.63) |

NOTE NO. 33

EMPLOYEE BENEFIT EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Director's Remuneration | 73.88 | 99.00 |
| Salary & Bonus to Employees | 265.72 | 249.02 |
| Employers Contribution to PF, ESIC & Other Funds | 3.19 | 3.87 |
| Staff Welfare Expenses | 5.61 | 4.10 |
| Contribution to and Provision for Gratuity | 12.28 | 12.42 |
| | 360.67 | 368.41 |

NOTE NO. 34

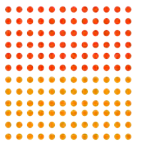
FINANCE COSTS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Bank Charges on Finance | 0.56 | 1.91 |
| Interest Expenses | 364.84 | 276.11 |
| Interest on Income Tax Payment | 10.95 | 26.09 |
| Finance Charges on Lease Liabilities | 4.14 | 5.18 |
| Processing & Other Charges | 12.55 | 18.20 |
| | 393.04 | 327.49 |

NOTE NO. 35

DEPRECIATION AND AMORTISATION EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Depreciation on Property, Plant & Equipment | 40.48 | 35.97 |
| Depreciation on Right to use Assets | 35.47 | 33.74 |
| Depreciation on Investment Property | 3.15 | 0.00 |
| Amortisation of Intangible Assets | 0.00 | 0.11 |
| | 79.09 | 69.82 |



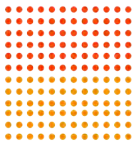
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 36
OTHER EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31 ST MARCH 2023 | FOR THE YEAR ENDED 31 ST MARCH 2022 |
|---|---|---|
| Administrative Expenses | 9.26 | 6.80 |
| Bad Debts Written off | 0.00 | 2.46 |
| Bank Charges | 7.66 | 6.93 |
| Certification Charges | 6.37 | 8.39 |
| Cloud Services | 1.51 | 2.30 |
| Commission Expenses | 11.61 | 20.64 |
| Conveyance | 3.11 | 2.34 |
| Custom Duty Paid | 0.00 | 0.86 |
| Donation | 0.05 | 0.00 |
| Electricity Charges | 10.30 | 8.85 |
| E waste Charges | 0.00 | 1.95 |
| Finance Charges (Expenses) | 0.40 | 0.00 |
| Goods Lost in Transit | 0.00 | 0.19 |
| Insurance Charges | 8.73 | 8.57 |
| Interest on Late Payment to Creditors | 4.70 | 0.66 |
| Interest on Late Payment of TDS/TCS | 0.69 | 2.49 |
| Interest on Late Payment of GST | 0.07 | 0.35 |
| Interest/Late fees on Other Statutory Matters | 0.21 | 0.00 |
| Income Tax Dues/Late Fees | 0.27 | 0.00 |
| GST Late Fees Paid | 0.05 | 0.05 |
| Reversal of GST Credit | 0.24 | 0.00 |
| (Profit) / Loss Due To Foreign Exchange Fluctuation | 33.96 | 4.59 |
| Manpower Services | 101.07 | 45.54 |
| Manufacturing Expenses | 2.83 | 2.18 |
| Preliminary Expenditure W/off | 1.55 | 12.66 |
| Office & Factory Maintenance Charges | 4.68 | 3.68 |
| Maintenance Charges on Office Premises | 2.37 | 4.30 |
| Office Maintenance Charges on Investment Property | 0.88 | 0.00 |
| Property Tax on Investment Property | 0.79 | 0.00 |
| Property Tax on Office Premises | 2.29 | 0.00 |
| Payment to Auditor's | 4.25 | 3.35 |
| PLI Application Fees | 0.00 | 2.00 |
| Printing & Stationery | 2.84 | 2.82 |
| Professional Fees | 61.52 | 64.90 |
| Profession Tax | 0.03 | 0.03 |
| Provision for Expected Credit Losses | 13.68 | 42.14 |
| Provision for Expected Credit Losses on Loans | 0.00 | 10.00 |
| Amortisation of Fair Value Changes of Asset | 0.12 | 0.12 |
| Rent, Rates & taxes | 3.42 | 2.57 |
| Repairs & Maintenance | 6.89 | 8.96 |
| Royalty Paid | 6.76 | 8.01 |
| Sales Promotion & Advt Expenses | 0.14 | 0.06 |
| Service Expenses | 10.38 | 13.50 |
| Software Expenses | 0.37 | 0.24 |
| Sundry Expenses | 3.67 | 1.84 |
| Telephone & Mobile Charges | 0.32 | 0.41 |
| Tender Registration Fees | 0.34 | 0.05 |
| Transportation Charges | 23.78 | 22.54 |
| Travelling Expenses | 15.58 | 3.81 |
| VTs Expenses | 0.00 | 0.08 |
| | 369.75 | 334.19 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 36.1

DETAILS OF PAYMENTS TO AUDITORS

Payment made to Auditors for Different kinds of Audits are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Payment to Auditors | | |
| Statutory Audit | 2.50 | 2.60 |
| Tax Audit | 0.75 | 0.75 |
| Internal Audit | 1.00 | 0.00 |
| Total Payments to Auditors | 4.25 | 3.35 |

NOTE NO. 37

EXCEPTIONAL ITEMS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Loss on Sale of Fixed Asset | 0.00 | (14.96) |
| | 0.00 | (14.96) |

NOTE NO. 38

INCOME TAX EXPENSE

A. Disclosure Pursuant to Ind AS 12

(a) Major Components of Income Tax

| Sr. No. | PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---------|--|---------------------------------------|---------------------------------------|
| (a) | <u>Tax on Items Routed Through Profit or Loss Section</u> | | |
| | (i) <u>Income Tax</u> | | |
| | Current Tax under Income Tax Act, 1961 | 36.59 | 81.64 |
| | Adjustments in respect of income tax of previous years. | (2.99) | (2.01) |
| | (ii) <u>Deferred Tax</u> | | |
| | Tax Expense on Origination & Reversal of Temporary Difference | 12.42 | 8.26 |
| | Tax Expense Reported in statement of Profit or Loss [(i) +(ii)] | 46.03 | 87.90 |
| (b) | <u>Tax on Items Routed Through Other Comprehensive Income</u> | | |
| | (i) Income Tax | 0.00 | 0.00 |
| | (ii) Deferred Tax | (4.83) | (2.60) |
| | Tax Expense Reported in Other Comprehensive Income [(i) +(ii)] | (4.83) | (2.60) |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

B. Reconciliation of tax expense and accounting profit multiplied by Domestic Tax Rate applicable in India:

| PARTICULARS | | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|------------------------|---------------------------------------|---------------------------------------|
| Profit Before Tax | (A) | 231.21 | 297.52 |
| Corporate Tax Rate as per Income Tax Act, 1961 | (B) | 0.25 | 0.25 |
| Tax on Accounting Profit | [(A)*(B)] | 58.19 | 74.88 |
| <u>Adjustments as per Income Tax</u> | | | |
| <u>Add:</u> Depreciation as per Companies Act | | 79.09 | 69.82 |
| <u>Add:</u> Disallowances U/s 37 | | 32.49 | 15.15 |
| <u>Add:</u> Disallowance of Gratuity Provision | | 12.28 | 12.42 |
| <u>Add:</u> Disallowance of Contributions to statutory Funds | | 0.87 | 2.08 |
| <u>Add/(Less):</u> Other Additions / (Deductions) | | (114.44) | (37.55) |
| <u>Less:</u> Depreciation as per Income Tax Act | | (96.12) | (35.07) |
| Tax payable on income after adjustments as per Income Tax Act, 1961 | | (85.82) | 26.85 |
| Corporate Tax rate as per Income Tax Act | | 25.17% | 25.17% |
| Tax on Gross Adjustments as per Income Tax | | (21.60) | 6.76 |
| Net Income Tax Payable by the company | (C) | 36.59 | 81.64 |
| Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits & Expected Credit Losses | | 12.42 | 8.26 |
| Incremental Deferred Tax Liability/(Asset) due to Defined Benefit Obligations | | (4.83) | (2.60) |
| Net Deferred Tax Expense/(Benefit) | (D) | 7.59 | 5.66 |
| Total Tax Expense Recognised for the Year | (E) = [(C)+(D)] | 44.18 | 87.30 |
| Effective Tax Rate | [(E)/(A)*100] | 19.11% | 29.34% |

C. Calculation of Corporate Tax Rate

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Basic Tax Rate Applicable to the Company as per Income Tax Act | 22% | 22% |
| Surcharge Applicable | 10% | 10% |
| Education Cess | 4% | 4% |
| Corporate Tax Rate as per Income Tax Act, 1961 | 25.17% | 25.17% |

NOTE NO. 39

OTHER COMPREHENSIVE INCOME

| PARTICULARS | | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|------|---------------------------------------|---------------------------------------|
| Remeasurement of Defined Benefit Obligations | | 13.52 | 11.51 |
| | | 13.52 | 11.51 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 40 EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share (EPS) computed as per the requirements under Ind AS 33 on 'Earnings Per Share' issued by Institute of Chartered Accountants of India are as under :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| <u>Calculation of Basic EPS</u> | | |
| A. Profit From Continuing Operations (Numerator) | 185.18 | 209.63 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Basic Earnings Per Share(EPS) [(A) / (B)] | 1.54 | 1.75 |
| <u>Calculation of Diluted EPS</u> | | |
| A. Profit From Continuing Operations (Numerator) | 185.18 | 209.63 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| b. Potential Equity shares | 0 | 0 |
| Total Equity Shares for Calculation of Diluted EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Diluted Earnings Per Share(EPS) [(A) / (B)] | 1.54 | 1.75 |

NOTE NO. 41 CONTINGENT LIABILITIES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Corporate guarantees for performance given on behalf of subsidiary companies to Financial Institution | 600.00 | 1,800.00 |
| | 600.00 | 1,800.00 |

Notes :

- The Company does not expect any reimbursements in respect of the above contingent liability.
- The cash outflows, if any, could generally occur up to seven years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur at any time during the subsistence of the borrowing to which the guarantees relate.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 42 DISCLOSURE OF CURRENT ASSETS & LIABILITIES

A. Basis of classification of Current Assets

The company classifies an asset as current asset when :-

- (i) it expects to realise the asset or intends to sell or consume it, in its normal operating cycle;
- (ii) it holds the asset primarily for the purpose of trading;
- (iii) it expects to realise the asset within twelve months after the reporting period; or
- (iv) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets have been classified as Non-Current

Recovery Period for Current Assets

Pursuant to requirements of Ind AS-1, disclosures regarding current assets which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

| PARTICULARS | AS AT 31 ST MARCH 2023 | | | AS AT 31 ST MARCH 2022 | | |
|------------------------|-----------------------------------|---------------------------|----------|-----------------------------------|---------------------------|----------|
| | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL |
| Loans | 323.55 | 0.00 | 323.55 | 11.51 | 0.00 | 11.51 |
| Inventories | 2,555.73 | 0.00 | 2,555.73 | 2,634.93 | 0.00 | 2,634.93 |
| Trade Receivables | 4,794.35 | 0.00 | 4,794.35 | 3,151.79 | 0.00 | 3,151.79 |
| Other Financial Assets | 8.65 | 0.00 | 8.65 | 0.00 | 0.00 | 0.00 |
| Other Current Assets | 503.69 | 0.00 | 503.69 | 944.15 | 0.00 | 944.15 |

B. Basis of classification of Current Liabilities

The company classifies a liability as current liability when :-

- (i) it expects to settle the liability in its normal operating cycle;
- (ii) it holds the liability primarily for the purpose of trading;
- (iii) the liability is due to be settled within twelve months after the reporting period; or
- (iv) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period .

All other Liabilities have been classified as Non-Current

Credit Period for Current Liabilities

Pursuant to requirements of Ind AS-1, disclosures regarding current Liabilities which are expected to be paid within twelve months and after twelve months from the reporting date are as follows:-

| PARTICULARS | AS AT 31 ST MARCH 2023 | | | AS AT 31 ST MARCH 2022 | | |
|-----------------------------|-----------------------------------|---------------------------|----------|-----------------------------------|---------------------------|----------|
| | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL |
| Borrowings (Current) | 3,107.24 | 0.00 | 3,107.24 | 1,894.24 | 0.00 | 1,894.24 |
| Trade Payables | 1,941.02 | 0.00 | 1,941.02 | 1,461.97 | 0.00 | 1,461.97 |
| Lease Liabilities | 37.03 | 0.00 | 37.03 | 30.58 | 0.00 | 30.58 |
| Other Financial Liabilities | 52.83 | 0.00 | 52.83 | 33.99 | 0.00 | 33.99 |
| Other Current Liabilities | 211.71 | 0.00 | 211.71 | 461.04 | 0.00 | 461.04 |
| Provisions | 40.75 | 0.00 | 40.75 | 54.19 | 0.00 | 54.19 |
| Current Tax Liabilities | 25.27 | 0.00 | 25.27 | 71.36 | 0.00 | 71.36 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 43 RISK MANAGEMENT

The company's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence viz: policies & procedures, review mechanism and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee oversees the formulation and implementation of Risk Management Policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate Forums.

A. Market Risk Management

Market Risk is the risk that changes in market prices-such as foreign exchange rates-will affect the company's income or the value of Financial Instruments. The objective of Market Risk Management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

i. Foreign Exchange Risk

In General, the company is a net payer of Foreign Currency. Accordingly, changes in exchange rates and in particular a strengthening of Indian rupee will positively affect the Company's net results as expressed in Indian Rupees. The currency towards which the company is exposed to risk is US Dollars.

The Quantitative Summary about the company's exposure to currency risk as on different reporting date are as follows:-

| PARTICULARS | AS AT 31ST MARCH 2023 | | | |
|-----------------|-----------------------|-------------------|------------------|-------------------|
| | USD | EQUIVALENT IN INR | OTHER CURRENCIES | EQUIVALENT IN INR |
| Dollars in Hand | 500.00 | 0.41 | 0.00 | 0.00 |
| Trade Payables | 12,92,990.60 | 1,063.06 | 0.00 | 0.00 |

| PARTICULARS | AS AT 31ST MARCH 2022 | | | |
|-----------------|-----------------------|-------------------|------------------|-------------------|
| | USD | EQUIVALENT IN INR | OTHER CURRENCIES | EQUIVALENT IN INR |
| Dollars in Hand | 3,633.00 | 2.75 | 0.00 | 0.00 |
| Trade Payables | 5,52,697.00 | 418.98 | 0.00 | 0.00 |

Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the company is exposed to, against all other currencies as at reporting date would have affected the measurement of financial exposure denominated in a foreign currency and would have affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

| SENSITIVITY TO MOVEMENT IN FOREIGN CURRENCY | % MOVEMENT IN RUPEE (ASSUMED) | PROFIT OR (LOSS) AFTER TAX | |
|---|-------------------------------|----------------------------|--------------------|
| | | STRENGTHENING OF RUPEE | WEAKENING OF RUPEE |
| As at 31st March 2023 | | | |
| US DOLLAR | 1% | 7.95 | (7.95) |
| As at 31st March 2022 | | | |
| US DOLLAR | 1% | 3.11 | (3.11) |

ii. 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 changes in interest rates relates primarily to the Company's Overdraft CC Account, Term loan and other working capital loans. The company's total outstanding debt in local currency presented in the Financial Statements is a combination of fixed rate and floating rate Debts. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. Floating Rate Debts are linked to domestic interest rate benchmarks issued by Reserve Bank of India like RLLR (Repo Linked Lending Rate).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

The Exposure of Company's Borrowings to interest rate changes at the end of reporting period are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-----------------------------|--------------------------|--------------------------|
| Cash Credit | 2,859.23 | 1,340.47 |
| Term Loan | 125.93 | 214.81 |
| Other Working Capital Loans | 361.64 | 444.80 |
| | 3,346.79 | 2,000.08 |

Sensitivity Analysis

A hypothetical 10 basis point shift in RLLR rates on the unhedged loans would result in corresponding increase/decrease in interest cost for the company on a yearly basis.

| SENSITIVITY TO MOVEMENT IN INTEREST RATES | FOR THE YEAR ENDED 31ST MARCH 2023 | | |
|---|---|--------------------------------------|----------|
| | ASSUMED INTEREST RATE MOVEMENT IN BPS | IMPACT ON PROFIT OR (LOSS) AFTER TAX | |
| | | INCREASE | DECREASE |
| <u>Change in Interest Cost</u> | | | |
| Cash Credit * | 10 bps | (2.86) | 2.86 |
| Term Loan * | 10 bps | (0.13) | 0.13 |
| Other Working Capital Loans * | 10 bps | (0.36) | 0.36 |
| | | (3.35) | 3.35 |
| <u>Less: Tax Effect on Interest Cost</u> | | 0.84 | (0.84) |
| Net Effect on Profit & Loss Account | | (2.50) | 2.50 |

* Holding all other variables constant

| SENSITIVITY TO MOVEMENT IN INTEREST RATES | FOR THE YEAR ENDED 31ST MARCH 2022 | | |
|---|---|--------------------------------------|----------|
| | ASSUMED INTEREST RATE MOVEMENT IN BPS | IMPACT ON PROFIT OR (LOSS) AFTER TAX | |
| | | INCREASE | DECREASE |
| <u>Effect on Change in Interest Cost</u> | | | |
| Cash Credit * | 10 bps | (1.34) | 1.34 |
| Term Loan * | 10 bps | (0.21) | 0.21 |
| Other Working Capital Loans * | 10 bps | (0.44) | 0.44 |
| | | (2.00) | 2.00 |
| <u>Less: Tax Effect on Interest Cost</u> | | 0.50 | (0.50) |
| Net Effect on Profit & Loss Account | | (1.50) | 1.50 |

* Holding all other variables constant

B. Financial Risk Management

i. Credit Risk

Credit Risk is the Risk of Financial Loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and other receivables.

Trade Receivable and other financial assets

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into the contract, delivery terms and conditions of payments. The company's review includes external ratings (if they are available), financial statements, industry information and business intelligence.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Company and existence of previous financial



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Expected Credit loss for trade receivable:

The Company, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the company is making provision on trade receivables based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Opening Balance | 13.43 | 22.91 |
| <u>Changes in Loss Allowance</u> | | |
| Loss Allowance for the year, based on ECL Model. | 13.68 | 42.14 |
| Write Off as Bad Debts | 16.20 | 51.62 |
| Closing Balance reported under Note No.8 | 10.91 | 13.43 |

Expected Credit loss for Loans & Advances Given:

The Company, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the company is making provision on Loans & advances based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Opening Balance | 10.00 | 10.84 |
| <u>Changes in Loss Allowance</u> | | |
| Loss Allowance for the year, based on ECL Model. | 0.00 | 10.00 |
| Write Off as Bad Debts | 0.00 | 10.84 |
| Changes in Foreign Exchange | 0.00 | 0.00 |
| Closing Balance reported under Note No.11 | 10.00 | 10.00 |

ii. Liquidity Risk

Liquidity Risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and bank balances and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's Finance Department is responsible for managing the short term and long term liquidity requirements. Short term liquidity finance is reviewed daily by finance department. Long Term Liquidity position is reviewed on a regular basis by the board of directors and appropriate decisions are taken according to the situation.

Maturity Analysis

The remaining contractual maturities on non-derivative Financial Liabilities are as follows:-

As at 31st March 2023

| NON-DERIVATIVE FINANCIAL LIABILITIES | CONTRACTUAL CASH FLOWS | | TOTAL |
|--------------------------------------|----------------------------|---------------------------|----------|
| | PAYABLE WITHIN ONE YEAR | PAYABLE AFTER ONE YEAR | |
| Borrowings | 3,107.24 | 312.35 | 3,419.59 |
| Trade Payables | 1,941.02 | 0.00 | 1,941.02 |
| Lease Liabilities | 37.03 | 77.62 | 114.65 |
| Other Financial Liabilities | 52.83 | 8.80 | 61.64 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

As at 31st March 2022

| NON-DERIVATIVE FINANCIAL LIABILITIES | CONTRACTUAL CASH FLOWS | | TOTAL |
|--------------------------------------|-------------------------|------------------------|----------|
| | PAYABLE WITHIN ONE YEAR | PAYABLE AFTER ONE YEAR | |
| Borrowings | 1,894.24 | 485.23 | 2,379.47 |
| Trade Payables | 1,461.97 | 0.00 | 1,461.97 |
| Lease Liabilities | 30.58 | 0.00 | 30.58 |
| Other Financial Liabilities | 33.99 | 0.60 | 34.59 |

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purpose and which are not usually closed out before contractual maturity.

NOTE NO. 44 **LEASES**

i) Where the Company is a Lessor :-

The lease rentals received during the year are as follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|------------------------|---------------------------------------|---------------------------------------|
| Lease Rentals Received | 15.11 | 1.75 |

The Company has given its office premise under non-cancellable operating lease, however the lock-in period of the agreement has ceased before the reporting date.

The operating lease agreements are renewable on a period basis and these lease agreements are also subjected to price escalation clauses.

ii) Where the Company is a Lessee :-

This note explains the impact of the application of Ind AS 116 Leases on the company's financial statements.

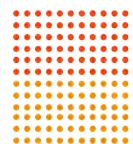
Practical Expedients Applied

As per Ind AS 116, the Company has used the following practical expedients permitted by the standard:

- 1) accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- 2) excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- 3) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- 4) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

The lease liabilities recognised in the balance sheet at the 01st April 2022 & balance of lease liability in Financial Statements as on 31st March 2023, is as follows:

| PARTICULARS | AMOUNT |
|--|---------|
| Opening balance of Lease Liability in the Financial Statements as on 1st April 2022 | 30.58 |
| <u>Add:</u> Recognition of Finance Lease liability in FY 2022-23 | 123.65 |
| <u>Add:</u> Interest Accrued for the FY 2022-23 | 4.14 |
| <u>Less:</u> Lease Payments Made | (43.73) |
| Closing balance of Lease Liability in the Financial Statements as on 31st March 2023 | 114.65 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Details with respect to Right-of-Use Assets :

| PARTICULARS | CARRYING AMOUNT OF ASSET AS AT 1ST APRIL 2022 | ADDITIONS DURING THE YEAR | DEPRECIATION | CARRYING AMOUNT OF ASSET AS AT 31ST MARCH 2023 |
|-------------|---|------------------------------|--------------|--|
| Buildings | 25.30 | 123.65 | 35.47 | 113.49 |

Other Transactions recorded in the Financial statements pertaining to Leases are as follows :-

- Interest Expense on Lease liabilities amounts to Rs 4,14,318/-
- Total cash outflow for leases amounts to Rs 43,72,845/- during the year including cash outflow of short-term and low value leases.

NOTE NO. 45

ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

| PARTICULARS | NOTES | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|-------------|--------------------------|--------------------------|
| CURRENT ASSETS | | | |
| <u>Fixed Charge Asset</u> | | | |
| Assets | | 0.00 | 0.00 |
| <u>Floating Charge</u> | | | |
| Trade Receivables | Note No . 8 | 4794.35 | 3151.79 |
| Inventory | Note No . 7 | 2555.73 | 2634.93 |
| Total current assets pledged as security | | 7350.08 | 5786.72 |
| NON-CURRENT ASSETS | | | |
| <u>Fixed Charge Asset</u> | | | |
| Motor Car | Note No . 2 | 0.00 | 4.10 |
| Office Premises (Property, Plant & Equipment) | Note No . 2 | 653.92 | 629.82 |
| <u>Floating Charge</u> | | | |
| Office Premises (Investment Property) | Note No . 2 | 234.90 | 239.30 |
| Total non-current assets pledged as security | | 888.82 | 873.22 |
| Total assets pledged as security | | 8238.90 | 6659.94 |

NOTE NO. 46

EMPLOYEE BENEFIT EXPENSES

(a) Disclosures pursuant to Ind AS-19

i. Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund (PF) and Employee State Insurance Corporation (ESIC), which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

The company has contributed the following amounts to the fund :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Employer's Contribution to Provident Fund & ESIC | 3.19 | 3.87 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

ii. Defined Benefit Plans.

The company's gratuity plan to provide post employment benefits to its employees is reported in accordance with Ind AS 19, "Employee Benefits" - based on an actuarial valuation carried out in respect of such gratuity plan.

(a) The amounts recognised in Balance sheet are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Present Value of Defined Benefit Obligation</u> | | |
| Wholly Funded | 0.00 | 0.00 |
| Wholly Unfunded | 68.38 | 75.30 |
| | 68.38 | 75.30 |
| <u>Less: Fair Value of Plan Assets</u> | 0.00 | 0.00 |
| Amounts recognised as Liability (See Note No.19 & Note No.27) | 68.38 | 75.30 |

(b) The amounts recognised in statement of Profit and Loss are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Current Service Cost | 6.64 | 7.36 |
| Interest Cost | 5.65 | 5.06 |
| Past Service Cost | 0.00 | 0.00 |
| Expenses included in Employee Benefits (See Note No.33) | 12.28 | 12.42 |

(c) The amounts recognised in Other Comprehensive Income are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Actuarial (Gains) / Losses | (13.52) | (11.51) |
| Expenses included in Other Comprehensive Income (See Note No.39) | (13.52) | (11.51) |

(d) The Reconciliation of Opening and Closing Balances of Defined Benefit Obligation is as Follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Opening Balance of present value of Defined Benefit Obligation | 75.30 | 74.39 |
| <u>Add: Current Service Cost</u> | 6.64 | 7.36 |
| <u>Add: Interest Cost</u> | 5.65 | 5.06 |
| <u>Add: Past Service Cost</u> | 0.00 | 0.00 |
| <u>Add/(less): Actuarial Losses/(gains)</u> | (13.52) | (11.51) |
| | 74.06 | 75.30 |
| <u>Less: Defined Benefit Claims Settled</u> | 5.68 | 0.00 |
| | 68.38 | 75.30 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

(e) Breakup of Other Comprehensive Income

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Actuarial losses / (gains) arising from change in financial assumptions | (5.36) | 0.00 |
| Actuarial losses / (gains) arising from change in Demographic assumptions | 0.00 | 0.00 |
| Actuarial losses / (gains) arising from change in experience adjustments | (8.15) | (11.51) |
| | (13.51) | (11.51) |

(f) Actuarial Assumptions

Principal actuarial assumptions at the Reporting date are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------|--------------------------|--------------------------|
| Discount Rate (per anum) | 7.50% | 6.80% |
| Salary Growth Rate (per anum) | 7.00% | 7.00% |
| Retirement Age | 58 Years | 60 Years |
| <u>Attrition Rate</u> | | |
| Younger Ages | 5% | 5% |
| Older Ages | 1% | 1% |

(g) Maturity profile of defined benefit obligation

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------|--------------------------|--------------------------|
| Within 1 Year | 4.58 | 8.41 |
| Year 1 to Year 2 | 2.33 | 2.25 |
| Year 2 to Year 3 | 2.25 | 2.17 |
| Year 4 to Year 5 | 2.17 | 2.09 |
| Year 5 to Year 6 | 5.02 | 2.02 |
| Year 6 to Year 10 | 26.19 | 22.39 |
| After 10 Years | 25.84 | 35.97 |

NOTE NO. 47

RELATED PARTY DISCLOSURES

a. Details of Related Parties

i) List of Related Parties on whom control is established by the Company

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE COMPANY |
|----------------------------------|-------------------------------|
| Technofy Digital Private Limited | Subsidiary |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

ii) Key Managerial Personnel

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE COMPANY |
|-----------------------|--|
| Amit D. Rambhia | Managing Director |
| Nikit D. Rambhia | Joint Managing Director |
| Devchand Rambhia * | Whole-Time Director |
| Nitesh M Savla** | CFO & Whole-Time Director |
| Harshil Chheda | CS & Compliance Officer |
| Jitendra Deokar | General Manager - Factory & Operations |
| Neha Madiar | Project Head |
| Vikesh Shah | Sales Head |

* Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

** Appointed as a Whole-Time Director of the Company with effect from February 14, 2023

iii) List of Related Parties with whom transactions has taken place during the Reporting Period

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE COMPANY |
|--|--|
| Technofy Digital Private Limited | Subsidiary |
| ICT Infratech Services Private Limited | Joint Venture |
| Amit D. Rambhia | Managing Director |
| Nikit D. Rambhia | Joint Managing Director |
| Devchand L. Rambhia | Whole-Time Director |
| Nitesh M. Savla | CFO & Whole-Time Director |
| Harshil Chheda | CS & Compliance Officer |
| Jitendra Deokar | General Manager - Factory & Operations |
| Neha Madiar | Project Head |
| Vikesh Shah | Sales Head |
| Panabyte Technologies Limited | Company having Common Director |
| Rambhia IPR Services LLP | Firm in which Director is a Partner |
| Deepa A. Rambhia | Relative of Director |
| Kavita N. Rambhia | Relative of Director |

b. List of Transactions with Related Parties

The Company has identified all the related parties having transactions during the year as per details given hereunder:-

| NAME OF THE PERSON / ENTITY | RELATION WITH THE COMPANY | NATURE OF TRANSACTION | VOLUME OF TRANSACTION IN FY 2022-23 (NET OF TAX) |
|-----------------------------|--|------------------------------|--|
| Amit D. Rambhia | Managing Director | Remuneration | 31.50 |
| Nikit D. Rambhia | Joint Managing Director | Remuneration | 31.50 |
| Devchand L. Rambhia | Whole-Time Director | Remuneration | 9.65 |
| Nitesh M. Savla | CFO & Whole-Time Director | Remuneration | 1.23 |
| Deepa A. Rambhia | Relative of Director | Short Term Employee Benefits | 18.00 |
| Kavita N. Rambhia | Relative of Director | Short Term Employee Benefits | 12.00 |
| Nitesh M. Savla | CFO & Whole-Time Director | Short Term Employee Benefits | 13.54 |
| Harshil Chheda | CS & Compliance Officer | Short Term Employee Benefits | 6.60 |
| Jitendra Deokar | General Manager - Factory & Operations | Short Term Employee Benefits | 14.63 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

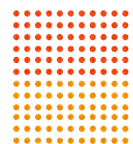
(Rs. in Lakhs)

| NAME OF THE PERSON / ENTITY | RELATION WITH THE COMPANY | NATURE OF TRANSACTION | VOLUME OF TRANSACTION IN FY 2022-23 (NET OF TAX) |
|----------------------------------|-------------------------------------|------------------------------|--|
| Neha Madiar | Project Head | Short Term Employee Benefits | 14.08 |
| Vikesh Shah | Sales Head | Short Term Employee Benefits | 30.00 |
| Vikesh Shah | Sales Head | Advances Given | 6.00 |
| Amit D. Rambhia | Managing Director | Loan Repaid | 91.87 |
| Amit D. Rambhia | Managing Director | Interest on Unsecured Loan | 0.22 |
| Nikit D. Rambhia | Joint Managing Director | Loan Repaid | 82.22 |
| Nikit D. Rambhia | Joint Managing Director | Interest on Unsecured Loan | 0.49 |
| Devchand L. Rambhia | Whole-Time Director | Loan Repaid | 173.33 |
| Devchand L. Rambhia | Whole-Time Director | Interest on Unsecured Loan | 8.63 |
| Technofy Digital Private Limited | Subsidiary | Loan Given | 312.47 |
| Technofy Digital Private Limited | Subsidiary | Interest on Loan Given | 9.61 |
| Panabyte Technologies Limited | Company having Common Director | Services Availed | 1.11 |
| Panabyte Technologies Limited | Company having Common Director | Sales | 95.87 |
| Panabyte Technologies Limited | Company having Common Director | Services Provided | 5.81 |
| Rambhia IPR Services LLP | Firm in which Director is a Partner | Royalty Paid | 6.76 |

The above mentioned transactions with related parties are stated after excluding tax and carried out at arms length prices.

c. Amount Receivable / Payable from / to related parties as on reporting dates are as Follows:-

| PARTICULARS | RELATION WITH THE COMPANY | AS AT 31 ST MARCH 2023 | AS AT 31 ST MARCH 2022 |
|---|--------------------------------|------------------------|------------------------|
| <u>Amounts Receivable from Related Parties</u> | | | |
| <u>Receivables for Sales & Services Provided</u> | | | |
| Panabyte Technologies Limited | Company having Common Director | 279.74 | 259.19 |
| ICT Infratech Services Private Limited | Joint Venture | 57.32 | 57.02 |
| | | 337.06 | 316.20 |
| <u>Loans & Advances Recoverable</u> | | | |
| Technofy Digital Private Limited | Subsidiary | 312.47 | 0.00 |
| Technofy Digital Private Limited (Interest Receivable) | Subsidiary | 8.65 | 0.00 |
| | | 321.12 | 0.00 |
| <u>Receivables from KMP's or their Relatives</u> | | | |
| Vikesh Shah | | 9.35 | 3.35 |
| | | 9.35 | 3.35 |
| Total Receivables from Related Parties | | 667.53 | 319.55 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | RELATION WITH THE COMPANY | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--|--------------------------|--------------------------|
| <u>Amounts Payable to Related Parties</u> | | | |
| <u>Payables for Purchases & Services Availed</u> | | | |
| Rambhia IPR Services LLP | Firm in which Director is a Partner | 8.84 | 7.15 |
| | | 8.84 | 7.15 |
| <u>Payable towards Borrowings Taken</u> | | | |
| Amit D. Rambhia | Managing Director | 0.00 | 84.70 |
| Amit D. Rambhia (Interest Payable) | Managing Director | 0.00 | 7.17 |
| Nikit D. Rambhia | Joint Managing Director | 5.55 | 81.90 |
| Nikit D. Rambhia (Interest Payable) | Joint Managing Director | 0.49 | 5.92 |
| Devchand L. Rambhia | Whole-Time Director | 19.84 | 193.00 |
| Devchand L. Rambhia (Interest Payable) | Non- Executive Director | 8.63 | 1.03 |
| | | 34.51 | 289.02 |
| <u>Payables to KMP and their Relatives as Remuneration/ Expenses</u> | | | |
| Amit D. Rambhia | Managing Director | 1.60 | 2.21 |
| Nikit D. Rambhia | Joint Managing Director | 2.13 | 2.37 |
| Devchand L. Rambhia | Whole-Time Director | 0.00 | 0.98 |
| Deepa A. Rambhia | Relative of Director | 1.27 | 1.09 |
| Kavita N. Rambhia | Relative of Director | 1.00 | 0.87 |
| Nitesh M. Savla | CFO & Whole-Time Director | 1.04 | 0.88 |
| Vikesh Shah | Sales Head | 1.99 | 2.16 |
| Jitendra Deokar | General Manager - Factory & Operations | 1.02 | 0.97 |
| Neha Madiar | Project Head | 1.05 | 0.75 |
| Harshil Chheda | CS & Compliance Officer | 0.41 | 0.37 |
| | | 11.51 | 12.65 |
| Total Payables to Related Parties | | 54.85 | 308.82 |
| <u>Other Contributions & Commitments</u> | | | |
| <u>Corporate Guarantee Given</u> | | | |
| Technofy Digital Private Limited | Subsidiary | 600.00 | 1,800.00 |

Compensation Paid to Key Managerial Personnel (KMP) :

The remuneration of Directors and other members of Key Managerial Personnel are as follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--------------------------|---------------------------------------|---------------------------------------|
| Short Term Benefits | 122.79 | 114.93 |
| Post Employment Benefits | 39.24 | 43.03 |
| Other Long-Term Benefits | - | - |
| Share Based Payments | - | - |
| Termination Benefits | - | - |
| Total | 162.03 | 157.96 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 48

FAIR VALUE MEASUREMENT HIERARCHY

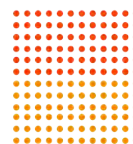
A. The Disclosure requirements pursuant to Ind AS 107 "Financial Instruments: Disclosures" are as Follows

(a) Category wise classification for applicable Financial assets & Liabilities.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Financial Assets | | |
| <u>Measured at Amortised Cost</u> | | |
| Loans | 342.33 | 28.94 |
| Trade Receivables | 4,794.35 | 3,151.79 |
| Other Financial Assets | 8.90 | 0.50 |
| Cash & Cash Equivalents | 23.27 | 90.60 |
| Bank Balances Other Cash & Cash Equivalents | 0.08 | 0.08 |
| Total financial Assets Measured at Amortised Cost (I) | 5,168.94 | 3,271.91 |
| Measured at Fair Value Through Other Profit & Loss Account (FVTPL) | 154.67 | 154.67 |
| Total Value of Financial Assets [(I)+(II)] | 5,323.60 | 3,426.58 |
| Financial Liabilities | | |
| <u>Measured at Amortised Cost</u> | | |
| Borrowings | 3,419.59 | 2,379.47 |
| Trade Payables | 1,941.02 | 1,461.97 |
| Lease Liabilities | 114.65 | 30.58 |
| Other Financial Liabilities | 61.64 | 34.59 |
| Total of Financial Liabilities Measured at Amortised Cost | 5,536.90 | 3,906.62 |
| Measured at Fair Value Through Other Profit & Loss Account (FVTPL) | | |
| Other Financial Liabilities | 0 | 0 |
| Total Value of Financial Liabilities | 5,536.90 | 3,906.62 |

(b) Disclosures relating to recognition of items of income, expenses, gains or losses related to financial instruments

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Net gains/(losses) on financial assets and Financial liabilities measured at amortised cost :- | | |
| (i) Exchange Difference Gains/ (Losses) on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.) | (33.96) | (4.59) |
| (ii) Amortisation of Fair Value Changes of Asset | (0.12) | (0.12) |
| (iii) Amortisation of Fair Value Changes of Liability | 0.47 | - |
| (iv) Finance Charges (Net) | (1.31) | (1.22) |
| (v) Interest Income | 45.78 | 187.41 |
| (vi) Interest Expense | (364.84) | (276.11) |
| (vii) Finance Charges on Lease Liabilities | (4.14) | (5.18) |
| (viii) Bank Charges on Finance | (0.56) | (1.91) |
| (ix) Processing Charges | (12.55) | (18.20) |
| (x) Provision for Expected Credit Losses | (13.68) | (42.14) |
| Total | (384.91) | (162.06) |
| Net gains/(losses) on financial liabilities measured at Fair Value Through Profit & Loss Account (FVTPL) :- | 0 | 0 |
| Total | 0 | 0 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 49

DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT

Particulars of Loans, Deposits and Guarantees as at the year end

| NAME OF THE ENTITY | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | NATURE OF ASSISTANCE | PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT |
|----------------------------------|--------------------------|--------------------------|----------------------|--|
| Technofy Digital Private Limited | 312.47 | 0.00 | Inter Corporate Loan | Short Term Working Capital |
| Technofy Digital Private Limited | 600.00 | 1,800.00 | Corporate Guarantee | Advance for Purchase of Property |
| Shree Rajlaxmi Textiles | 10.00 | 10.00 | Advance | |

NOTE NO. 50

ADDITIONAL REGULATORY INFORMATION

A. Disclosure Where Loans Or Advances In The Nature Of Loans Are Granted To Promoters, Directors, KMP'S And The Related Parties, Either Severally Or Jointly With Any Other Person, That Are :

- repayable on demand; or
- without specifying any terms or period of repayment.

| Type of Borrower | Amount of Loans or advances in the nature of loan outstanding | Percentage to the Total loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | N.A. | N.A. |
| Directors | N.A. | N.A. |
| KMP's | 9.35 | 2.89% |
| Related Parties | N.A. | N.A. |

B. Details Of Benami Property Held

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

C. Disclosure Relating To Company Being Declared As Wilful Defaulter

The company has not been declared as wilful defaulter by any Banks or Financial Institution or other lender.

D. Transactions With Struck-Off Companies

There were no transactions with any struck-off companies during the year.

E. Disclosure Relating To Registration Of Charge Or Satisfaction With Roc Beyond Statutory Period

All the Charges (be it Fixed or Floating Charge created on the assets of the Company by way of Cash credit or Car Loan or Property Loan or Term loans) have been registered with ROC within statutory period.

F. Disclosure Relating To Compliance With Number Of Layers Of Companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013.

G. Financial Ratios

The Financial ratios for the years ended March 31, 2023 and March 31, 2022 are as follows :

| Sr No. | Particulars | Numerator | Denominator | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | Variance (%) |
|--------|-----------------------------|--------------------------------------|-------------------------|--------------------------|--------------------------|--------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.52 | 1.71 | -11.10% |
| 2 | Debt Equity Ratio * | Total Debt (incl. Lease Liabilities) | Shareholder's Equity | 0.96 | 0.70 | 38.51% |
| 3 | Debt Service Coverage Ratio | Earnings available for Debt service | Debt Service (Interest) | 1.85 | 2.33 | -20.59% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| Sr No. | Particulars | Numerator | Denominator | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | Variance (%) |
|--------|----------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|--------------|
| 4 | Return on Equity | Net Profit after Taxes | Avg Shareholder's Equity | 5.19% | 6.25% | -16.95% |
| 5 | Inventory Turnover Ratio | Revenue | Avg Inventory | 4.31 | 3.91 | 10.07% |
| 6 | Trade Receivables Turnover Ratio | Revenue | Avg Trade Receivables | 2.81 | 2.46 | 14.46% |
| 7 | Trade Payables Turnover Ratio | Purchases of Goods/ Services | Avg Trade Payables | 5.77 | 6.06 | -4.79% |
| 8 | Net Capital Turnover Ratio ** | Revenue | Working Capital | 4.00 | 3.04 | 31.63% |
| 9 | Net Profit Ratio ** | Net Profit | Revenue | 1.66% | 2.44% | -32.12% |
| 10 | Return on Capital Employed | EBIT | Capital Employed | 14.97% | 14.52% | 3.11% |

Reasons for variance :

- * Debt Equity ratio has shown a significant variance due to enhancement in fund based limit of the bank overdraft facility availed by the company from Canara Bank.
- ** Net Profit ratio has shown a decline as result of decrease in margins of the goods (i.e electronic products); majorly due to supply chain constraints in the global markets; sold by the company in FY 2022-23. The revenue has been increased compared to previous year, hence there is a positive variance in Net capital Turnover Ratio. The top-line of the company has shown an improvement, however the bottom-line (profit) has reduced for the company in FY 2022-23.

H. Note On Undisclosed Income If Any

The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

I. Disclosure Relating To Compliance With Approved Scheme Of Arrangements

The company has not applied for any Schemes of Arrangements to any Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

J. Disclosure Relating To Reporting Under Rule 11(E) Of The Companies (Audit And Auditors) Rules, 2014 , As Amended.

- 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 any other person or entities, 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.
- No funds have been received by the Company from any person or entity, including foreign entities ("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.

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN : 23044039BGWCDI4232

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

PLACE: MUMBAI
DATED: 24th May, 2023

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

UDIN: 23044039BGWCDJ7457

To the Shareholders of
M/s. Panache Digilife Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Financial statements of Panache Digilife Limited ('hereinafter referred to as the Parent Company'), its subsidiary - Technofy Digital Private Limited' and its associate – ICT Infratech Solutions Private Limited ('hereinafter together referred to as "the Group"), which comprise the `Consolidated Balance Sheet as at 31st March, 2023 and the Consolidated Statement of Profit and Loss (Including other Comprehensive Income), The Consolidated Cash Flow Statement and the consolidated statement of change in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Opinion

In our opinion and to the best of our information and according to the explanations given to us by the management of the Group, the aforesaid Consolidated 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 Indian Accounting Standards under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, and its profit (including Other Comprehensive Income), changes in equity and statement of cash flows for the year ended on that date.

Basis of Our 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention towards the Note No.7 of the Notes to Statement of Consolidated Audited results for Quarter & year ended 31.03.2023.

"As disclosed in the previous year's result, the status of subsidiary viz. Technofy Digital Private Limited, continued to be 'not a going concern'. Hence the company has continued to disclose subsidiary's result as a discontinued operation as per IND AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

Our opinion is not modified in respect of this matter.



Other Matters

The Consolidated Ind AS Financial Statements includes the Financial Statements of Wholly Owned Subsidiary 'Technofy Digital Private Limited' and the Parent's share in Change in Net Assets of Associate "ICT Infratech Services Private Limited" for the year ended 31st March, 2023 which has been audited by us. The financial statements of ICT Infratech Services Private Limited have been prepared on the basis that it is a non-going concern entity. The salient features of the aforementioned subsidiary's Financial Statements are as Follows;

| Sr.No. | Particulars | Amount in INR |
|--------|---------------|------------------|
| 1. | Net Assets | Rs.(1,04,11,930) |
| 2. | Total Revenue | Nil |
| 3. | Net Income | Rs. (48,89,718) |

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

The respective Board of Directors of the companies included in the Group is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The respective Board of Directors of the companies included in the Group are responsible for the matters in Section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position and financial performance (including other comprehensive income), statement of changes in equity and statement of Cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Companies included in the Group or to cease operations, or has no realistic alternative but to do so.





The respective Board of Directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Ind AS Financial Statements.

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

We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls and 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;



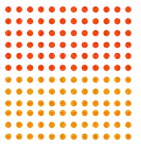


- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and Statement of Cash flow dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on 31st March 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- 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 Group 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 explanations given to us:
 - (i) The Group has disclosed that there are no pending litigations which would impact its financial position.
 - (ii) The Group did not have any long term contracts for which there were any material foreseeable losses;
 - (iii) The Group is not required to transfer any amount to the Investor Education and Protection Fund by the Group.
 - (iv)
 - (a) The respective managements of the companies included in the Group has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective managements of the companies included in the Group has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Group 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)
 - a. No dividend had been proposed in the previous year which were required to be paid by the Group during the year in accordance with section 123 of Act.
 - b. The respective board of directors of the companies included in the Group does not intend to propose any dividend for the year.
- (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 Group 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 Jain Salia & Associates
Chartered Accountants
[FRNo: 116291W]

Place : Mumbai
Date : 24.05.2023
UDIN: 23044039BGWCDJ7457

Partner
(CA Jayesh K. Salia)
(Membership No. 044039)



ANNEXURE -B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Panache Digilife Limited ("hereinafter referred to as the Parent") as of 31st March 2023 in conjunction with our audit of the Consolidated Ind-AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

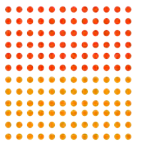
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Parent company;



(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Parent company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Parent company's assets that could have a material effect on the consolidated Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

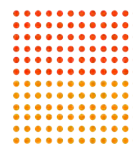
In our opinion, the Parent Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting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

For Jain Salia & Associates
Chartered Accountants
[FRNo: 116291W]

Place : Mumbai
Dated : 24.05.2023
UDIN : 23044039BGWCDJ7457

Partner
(CA Jayesh K. Salia)
(Membership No. 044039)



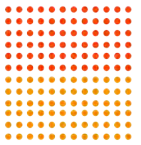


Consolidated Balance Sheet

As at 31st March 2023

(Rs. in Lakhs)

| Sl. No. | PARTICULARS | NOTE NO. | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|-------------|----------|-----------------------|-----------------------|
| I. ASSETS | | | | |
| 1 NON-CURRENT ASSETS | | | | |
| (a) Property, Plant & Equipments | ... | 2 | 826.29 | 363.46 |
| (b) Right of use assets | | 2 | 113.49 | 25.30 |
| (c) Capital Work-in-Progress | ... | 2 | 0.00 | 629.82 |
| (d) Investment Properties | ... | 2 | 234.90 | 0.00 |
| (e) Goodwill | ... | | 0.00 | 0.00 |
| (f) Other Intangible Assets | ... | 2 | 0.00 | 0.00 |
| (g) Intangible Assets Under Development | ... | | 0.00 | 0.00 |
| (h) Biological Assets Other than Bearer Plants | ... | | 0.00 | 0.00 |
| (i) <u>Financial Assets</u> | | | | |
| (i) Investments Accounted for Using the equity method | ... | 3 | 0.08 | 0.60 |
| (ii) Other Investments | ... | | 0.00 | 0.00 |
| (iii) Loans & Deposits | ... | 4 | 18.79 | 17.43 |
| (iv) Other Financial Assets | ... | 5 | 0.25 | 0.50 |
| (j) Deferred Tax Assets | ... | | 0.00 | 0.00 |
| (k) Other Non-Current Assets | ... | 6 | 0.64 | 2.30 |
| 2 CURRENT ASSETS | | | | |
| (a) Inventories | ... | 7 | 2,555.73 | 2,634.93 |
| (b) <u>Financial Assets</u> | | | | |
| (i) Investments | ... | | 0.00 | 0.00 |
| (ii) Trade Receivables | ... | 8 | 4,794.35 | 3,151.79 |
| (iii) Cash and Cash Equivalents | ... | 9 | 23.27 | 90.60 |
| (iv) Bank Balances other than Cash & Cash Equivalents | ... | 10 | 0.08 | 0.08 |
| (v) Loans & Deposits | ... | 11 | 11.08 | 11.51 |
| (vi) Other Financial Assets | ... | | 0.00 | 0.00 |
| (c) Other Current Assets | ... | 12 | 503.69 | 944.15 |
| (d) Assets of Disposal Group classified as held for sale | ... | 38 | 1,130.92 | 1,818.13 |
| TOTAL ASSETS | | | 10,213.55 | 9,690.61 |
| II. EQUITY AND LIABILITIES | | | | |
| 1 EQUITY | | | | |
| (a) Equity Share Capital | ... | 13 | 1,200.00 | 1,200.00 |
| (b) Other Equity | ... | 14 | 1,944.23 | 1,843.46 |
| 2 LIABILITIES | | | | |
| A Non-Current Liabilities | | | | |
| (a) <u>Financial Liabilities</u> | | | | |
| (i) Borrowings | ... | 15 | 312.35 | 485.23 |
| (ia) Lease Liabilities | ... | 16 | 77.62 | 0.00 |
| (ii) <u>Trade Payables</u> | ... | | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | | 0.00 | 0.00 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | | 0.00 | 0.00 |
| (iii) Other Financial Liabilities | ... | 17 | 8.80 | 0.60 |
| (b) Provisions | ... | 18 | 63.80 | 66.89 |
| (c) Deferred Tax Liabilities(Net) | ... | 19 | 10.93 | 3.34 |
| (d) Other Non-Current Liabilities | ... | 20 | 2.35 | 0.00 |



| (Rs. in Lakhs) | | | | |
|--|--|----------|-----------------------|-----------------------|
| Sl. No. | PARTICULARS | NOTE NO. | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
| B | Current Liabilities | | | |
| (a) | <u>Financial Liabilities</u> | | | |
| (i) | Borrowings ... | 21 | 3,107.24 | 1,894.24 |
| (ia) | Lease Liabilities ... | 22 | 37.03 | 30.58 |
| (ii) | <u>Trade Payables</u> ... | 23 | | |
| (a) | total outstanding dues of micro enterprises and small enterprises | | 232.26 | 185.35 |
| (b) | total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,708.77 | 1,276.62 |
| (iii) | Other Financial Liabilities ... | 24 | 52.83 | 33.99 |
| (b) | Other Current Liabilities ... | 25 | 154.28 | 461.04 |
| (c) | Provisions ... | 26 | 40.75 | 54.19 |
| (d) | Current Tax Liabilities(Net) ... | 27 | 25.27 | 71.36 |
| (e) | Liabilities Associated with Disposal Group classified as held for sale ... | 38 | 1,235.04 | 2,083.69 |
| TOTAL EQUITY AND LIABILITIES | | | 10,213.55 | 9,690.61 |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS | | 1 | | |

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN: 23044039BGWCDJ7457

PLACE: MUMBAI
DATED: 24th May, 2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

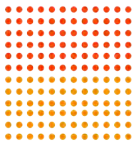


Consolidated Statement of Profit & Loss

For the year ended 31st March 2023

(Rs. in Lakhs)

| SR. No. | PARTICULARS | NOTE NO. | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---|----------|------------------------------------|------------------------------------|
| CONTINUING OPERATIONS | | | | |
| I. REVENUE | | | | |
| | Revenue From Operations | 28 | 11,179.60 | 8,590.94 |
| | Other Income | 29 | 89.91 | 200.51 |
| | Other Gains / (Losses) - net | | 0.00 | 0.00 |
| TOTAL INCOME | | | 11,269.51 | 8,791.44 |
| II. EXPENSES | | | | |
| | Cost of Materials Consumed | 30 | 9,809.90 | 8,322.70 |
| | Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods | 31 | 79.20 | (879.63) |
| | Employee Benefit Expenses | 32 | 360.67 | 368.41 |
| | Finance Costs | 33 | 393.04 | 327.49 |
| | Depreciation and Amortisation Expenses | 34 | 79.09 | 69.82 |
| | Impairment Expenses / Losses | | 0.00 | 0.00 |
| | Other Expenses | 35 | 369.75 | 334.19 |
| TOTAL EXPENSES | | | 11,091.65 | 8,542.99 |
| III. Profit Before Exceptional items & Tax | | | 177.86 | 248.46 |
| | Exceptional Items | 36 | 0.00 | (14.96) |
| IV. Profit Before Tax From Continuing Operations | | | 177.86 | 233.50 |
| | <u>Income Tax Expense</u> | 37 | | |
| | -Current Tax | | 33.60 | 79.63 |
| | -Deferred Tax | | 12.42 | 8.26 |
| A. PROFIT FROM CONTINUING OPERATIONS | | | 131.83 | 145.60 |
| | Add: Share of Profit/(loss) from Joint Venture | | (0.52) | 0.43 |
| TOTAL PROFIT FROM CONTINUING OPERATIONS | | | 131.31 | 146.03 |
| DISCONTINUING OPERATIONS | | 38 | | |
| | I. Profit / (loss) from Discontinuing Operations | | (48.90) | (66.13) |
| | Tax Expense of Discontinuing Operations | | 0.00 | 0.00 |
| B. TOTAL PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS | | | (48.90) | (66.13) |
| C. TOTAL PROFIT/(LOSS) FOR THE PERIOD [(A)+(B)] | | | 82.41 | 79.90 |



| (Rs. in Lakhs) | | | | |
|--|-------------|----------|------------------------------------|------------------------------------|
| SR. No. | PARTICULARS | NOTE NO. | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
| OTHER COMPREHENSIVE INCOME | | | | |
| I. Items that will not be reclassified to Profit or Loss A/c | ... | 39 | 13.52 | 11.51 |
| Income Tax Relating to items that will not be reclassified to Profit or Loss A/c | ... | 42 | 4.83 | 2.60 |
| II. Items that will be reclassified to Profit or Loss A/c | ... | 39 | 0.00 | 0.00 |
| Income Tax Relating to items that will be reclassified to Profit or Loss A/c | ... | 42 | 0.00 | 0.00 |
| D. OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | 18.36 | 14.11 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(C)+(D)] | | | 100.77 | 94.01 |
| <u>Profit for the year attributable to :</u> | | | | |
| (a) Owners of the Parent Company | ... | | 82.41 | 145.60 |
| (b) Non-Controlling Interest | ... | | 0.00 | 0.00 |
| | | | 82.41 | 145.60 |
| <u>Other Comprehensive Income for the year attributable to :</u> | | | | |
| (a) Owners of the Parent Company | ... | | 18.36 | 14.11 |
| (b) Non-Controlling Interest | ... | | 0.00 | 0.00 |
| | | | 18.36 | 14.11 |
| <u>Total Comprehensive Income for the year attributable to :</u> | | | | |
| (a) Owners of the Parent Company | ... | | 100.77 | 94.01 |
| (b) Non-Controlling Interest | ... | | 0.00 | 0.00 |
| | | | 100.77 | 94.01 |
| EARNINGS PER SHARE | | | | |
| Basic EPS | ... | 40 | 0.69 | 0.67 |
| Diluted EPS | ... | | 0.69 | 0.67 |

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023
UDIN: 23044039BGWCDJ7457

PLACE: MUMBAI
DATED: 24th May, 2023



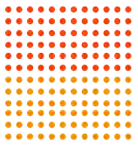
Consolidated Statement of Cash Flows

For the year ended 31st March, 2023

(Rs. In Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax as per Profit & Loss A/c | 128.96 | 167.37 |
| <u>Adjustments for Non-cash Items</u> | | |
| Depreciation on Property, Plant & Equipment, Investment Property & Intangible Assets | 43.66 | 36.11 |
| Depreciation of Right of Use Assets | 35.47 | 33.74 |
| Finance Charges on Financial Instruments (unwinding of Discount) | (0.91) | (1.22) |
| Amortisation of Fair Value Changes | (0.35) | 0.12 |
| Provision for Gratuity | 6.60 | 12.42 |
| Notional Fair Valuation Gain on Investment | (3.50) | (3.57) |
| Impairment Loss recognised/(reversed) under Expected Credit Loss Model | 13.68 | 19.48 |
| Provision for Interest on Income Tax | 0.00 | 1.30 |
| Miscellaneous Expenses Written Off | 1.55 | 12.66 |
| | 96.20 | 111.04 |
| | 225.16 | 278.41 |
| <u>Adjustments for Non-Operating Items</u> | | |
| Interest Income | (10.92) | (2.29) |
| Interest on Income Tax Payment | 10.95 | 24.79 |
| Interest Paid | 474.64 | 370.46 |
| Rent Income from Investment Property | (15.11) | 0.00 |
| Finance charges on Lease Liabilities | 4.14 | 5.18 |
| Bank Charges on Finance | 0.56 | 1.91 |
| Profit / Loss on Sale of Fixed Assets | (69.10) | (32.26) |
| Processing charges | 12.22 | 19.52 |
| | 407.38 | 387.31 |
| Operating Profit before Working Capital Changes | 632.54 | 665.72 |
| <u>Adjusted for Change in Working Capital:</u> | | |
| Inventories | 79.20 | (879.63) |
| Trade Receivable | (1,660.07) | 676.35 |
| Other Current Assets | 437.92 | (546.18) |
| Other Non-Current Assets | 0.00 | 0.00 |
| Other Financial Assets | 0.25 | 49.75 |
| Trade Payable | 482.90 | 175.21 |
| Other Non Current Liabilities | 2.82 | 0.00 |
| Other Financial Liabilities | 26.64 | (70.91) |
| Provisions (Short Term) | (8.59) | 7.02 |
| Other Current Liability | (561.54) | 799.23 |
| | (1,200.47) | 210.83 |
| Cash Generated from Operations | (567.93) | 876.56 |
| Taxed Paid | 92.81 | (149.07) |
| Net Cash Flow from Operations (A) | (660.74) | 727.49 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| <u>Cash Inflow</u> | | |
| Interest Income | 10.92 | 2.29 |
| Rent Income from Investment Property | 15.11 | 0.00 |
| Sale of Fixed Assets | 659.60 | 566.28 |
| Loans Repaid by Parties | 0.00 | 2.28 |
| | 685.63 | 570.86 |
| <u>Cash Outflow</u> | | |
| Purchase of Fixed Assets | 111.54 | 9.87 |
| Loans & Deposits Given | 0.00 | 0.01 |
| | 111.54 | 9.88 |
| Net Cash Flow from Investing Activities (B) | 574.09 | 560.97 |

Continued



Consolidated Statement of Cash Flows (Continued)

For the year ended 31st March, 2023

(Rs. In Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| <u>Cash Inflow</u> | | |
| Long Term Borrowing | 0.00 | 250.00 |
| Short Term Borrowing | 0.00 | 267.15 |
| | | 517.15 |
| <u>Cash Outflow</u> | | |
| Long Term Borrowing Settled | 431.45 | 425.91 |
| Short Term Borrowing Settled | 540.68 | 279.29 |
| Repayment of Lease Liabilities | 43.73 | 41.64 |
| Interest Paid | 474.64 | 370.46 |
| Bank Charges | 0.56 | 1.91 |
| Processing charges | 12.22 | 19.52 |
| | 1,503.27 | 1,138.72 |
| Net Cash Flow from Financing Activities (C) | (1,503.27) | (621.57) |
| CASH FLOW FROM ALL ACTIVITIES (A+B+C) | (1,589.92) | 666.89 |
| <u>Cash and Cash Equivalents at the Beginning</u> | | |
| Cash in Hand | 7.69 | 6.42 |
| Balance in Bank | (1,252.97) | (1,918.60) |
| | (1,245.28) | (1,912.17) |
| <u>Cash and Cash Equivalents at the End of the year</u> | (2,835.21) | (1,245.28) |
| <u>Closing Balance as per accounts</u> | | |
| Cash in Hand | 4.42 | 7.69 |
| Balance in Bank | (2,839.63) | (1,252.97) |
| | (2,835.21) | (1,245.28) |

Notes :

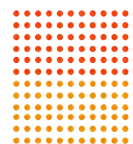
- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standard Rules), 2015.
- Purchase of Fixed Assets represents additions to Property, Plant and Equipments, Capital Work-in-progress and Other Intangible Assets.
- Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Cash balance Disclosed under Current Financial Assets - Note No.9 | 4.42 | 7.69 |
| <u>Balances With Bank</u> | | |
| Fixed Deposits With Bank Disclosed under Current Financial Assets - Note No.9 | 16.63 | 81.40 |
| Current Deposits with Bank Disclosed under Current Financial Assets - Note No.9 | 2.22 | 2.64 |
| Current Deposits with Bank Disclosed under Current Financial Assets - Note No. 39 | 0.66 | 3.38 |
| Unclaimed Dividends Disclosed in Bank Balances Other than Cash & Cash Equivalents - Note No. 11 | 0.08 | 0.08 |
| Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No.21 | (2,859.23) | (1,340.47) |
| Cash & Cash Equivalents as per Balance Sheet | (2,835.21) | (1,245.28) |

4 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------------------|--------------------------|--------------------------|
| Cash and Cash Equivalents | 23.27 | 90.60 |
| Borrowings (including overdraft) | (3,902.57) | (3,356.32) |
| Lease liabilities | (114.65) | (30.58) |
| Net Debt | (3,993.95) | (3,296.31) |
| Cash and liquid investments | 23.27 | 90.60 |
| Gross debts- fixed interest rates | (187.45) | (409.98) |
| Gross debts- variable interest rates | (3,829.78) | (2,976.93) |
| Net Debt | (3,993.95) | (3,296.31) |



Consolidated Statement of Cash Flows (Continued)

For the year ended 31st March, 2023

(Rs. In Lakhs)

5 Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2022

| PARTICULARS | NON CURRENT BORROWINGS | CURRENT BORROWINGS | CURRENT MATURITIES OF LONG TERM BORROWINGS | LEASE LIABILITIES |
|--|------------------------|--------------------|--|-------------------|
| Opening Balance as on 31st March 2021 | 1,558.99 | 365.89 | 322.46 | 67.04 |
| Changes from Financing Cash Flows | (59.44) | 13.26 | (322.46) | (41.64) |
| Interest Accrued | 142.34 | 48.95 | 0.00 | 5.18 |
| Transfer within categories | (442.25) | 0.00 | 442.25 | 0.00 |
| Other Changes | (7.14) | 0.00 | 0.00 | 0.00 |
| Closing Balance as on 31st March 2022 | 1,192.50 | 428.10 | 442.25 | 30.58 |

For the Year Ended 31st March 2023

| PARTICULARS | NON CURRENT BORROWINGS | CURRENT BORROWINGS | CURRENT MATURITIES OF LONG TERM BORROWINGS | LEASE LIABILITIES |
|--|------------------------|--------------------|--|-------------------|
| Opening Balance as on 31st March 2022 | 1,192.50 | 428.10 | 442.25 | 30.58 |
| Changes from Financing Cash Flows | (374.37) | (358.22) | (442.25) | (43.73) |
| Interest Accrued | 152.42 | 49.92 | 0.00 | 4.14 |
| Transfer within categories | (209.50) | 0.00 | 209.50 | 0.00 |
| Other Changes | 0.00 | 0.00 | 0.00 | 123.65 |
| Closing Balance as on 31st March 2023 | 761.06 | 119.79 | 209.50 | 114.65 |

Amounts reported in the statement of cash flow under financing activities

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|-----------------------|-----------------------|
| Proceeds from Non-current Borrowings | 0.00 | 250.00 |
| (Repayment) of Non-current Borrowings | (431.45) | (376.61) |
| (Repayment) / Proceeds from current Borrowings | (1,028.09) | (453.33) |
| (Repayment/Waiver) of Lease Liabilities | (43.73) | (41.64) |
| Net Movement in Financing Activities | (1,503.27) | (621.57) |

AS PER OUR REPORT OF EVEN DATE

FOR JAIN SALIA & ASSOCIATES

CHARTERED ACCOUNTANTS

[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS

PANACHE DIGILIFE LIMITED

MR. AMIT D. RAMBHIA

MANAGING DIRECTOR

DIN:- 00165919

MR. NIKIT D. RAMBHIA

JOINT MANAGING DIRECTOR

DIN:- 00165678

CA JAYESH K. SALIA

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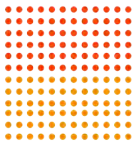
DIN:- 05155342

PLACE: MUMBAI

DATED: 24th May, 2023

PLACE: MUMBAI

DATED: 24th May, 2023



Consolidated Statement of Changes in Equity

For the year ended 31st March, 2023

(Rs. In Lakhs)

a. EQUITY SHARE CAPITAL

| Balance as at 01st April 2021 | Changes in Equity Share capital due to prior period errors | Restated balance at the beginning of current reporting period | Changes in Equity Share Capital During FY 2021-22 | Balance as at 31st March 2022 |
|----------------------------------|--|---|--|----------------------------------|
| 1,200.00 | 0.00 | 1,200.00 | 0.00 | 1,200.00 |

| Balance as at 01st April 2022 | Changes in Equity Share capital due to prior period errors | Restated balance at the beginning of current reporting period | Changes in Equity Share Capital During FY 2022-23 | Balance as at 31st March 2023 |
|----------------------------------|--|---|--|----------------------------------|
| 1,200.00 | 0.00 | 1,200.00 | 0.00 | 1,200.00 |

b. OTHER EQUITY

| PARTICULARS | SHARE APPLICATION MONEY PENDING FOR ALLOTMENT | RESERVES & SURPLUS | | | | EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME | ACTUARIAL GAINS/(LOSSES) ON DEFINED BENEFIT OBLIGATIONS | TOTAL |
|---|---|--------------------|----------------------------------|---|----------------------|--|---|-----------------|
| | | CAPITAL RESERVE | SECURITIES PREMIUM RESERVE | OTHER RESERVE (SPECIFY NATURE) | RETAINED EARNINGS | | | |
| Balance at the beginning of the reporting Period as at 01st April 2021 | 0.00 | 0.00 | 678.00 | 0.00 | 1,017.12 | 46.86 | (0.88) | 1,741.10 |
| Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 0.00 | 79.90 | 0.00 | 0.00 | 79.90 |
| Comprehensive Income for the Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 14.11 | 14.11 |
| Transfer to Reserves | 0.00 | 0.00 | 0.00 | 0.00 | 55.21 | (46.86) | 0.00 | 8.35 |
| Premium on Issue of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance as at 31st March 2022 | 0.00 | 0.00 | 678.00 | 0.00 | 1,152.23 | 0.00 | 13.23 | 1,843.46 |
| Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit for the year | 0.00 | 0.00 | 0.00 | 0.00 | 82.41 | 0.00 | 0.00 | 82.41 |
| Total Comprehensive Income for the Year | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 | 18.36 | 18.36 |
| Transfer to Reserves | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Premium on Issue of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance as at 31st March 2023 | 0.00 | 0.00 | 678.00 | 0.00 | 1,234.65 | 0.00 | 31.59 | 1,944.23 |

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN: 23044039BGWCDJ7457

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. HARSHIL CHHEDA
COMPANY SECRETARY

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

PLACE: MUMBAI
DATED: 24th May, 2023



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

A Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2023

1 Basis of Preparation

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 24th May, 2023.

2 Compliance with Ind AS

The separate financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for financial instruments - measured at fair value or amortised cost.

3 System of Accounting :

3.1 The Group follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

3.2 Accounts of the Group are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

3.3 Fair Value measurements under Ind As are categorized as below, based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to their fair value measurement in its entirety.

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date.
- b) Level 2 inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or
- c) Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

4 Going Concern

Fundamental Accounting assumption of going concern is followed in preparation of the financial statement.

5 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All amounts in the Financial Statements are presented in Indian Rupees (INR).

6 Valuation of Property, Plant & Equipments & Intangible Assets & Depreciation/Amortisation policy

6.1 Method Of Valuation Of Property, Plant & Equipments.

Property, Plant & Equipments (hereinafter referred to as PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the group and the cost of such PPE can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated depreciation and cumulative impairment. Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance & repairs are charged to the profit & loss account.

Depreciation

Depreciation on PPE is recognised using Straight Line Method so as to write off the cost of PPE less the residual value over its useful lives specified in Schedule- II of the Companies Act, 2013. In case of PPE purchased/sold during the year, Depreciation has been provided on pro-rata basis.

6.2 Method of Valuation of Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated amortisation and cumulative impairment.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

Amortisation

Amortisation charge on Intangible asset has been allocated on a systematic basis over the best estimate of useful life.

6.3 Manner of Classification of Capital WIP

PPE not ready for intended use on the date of Balance sheet are disclosed as 'Capital work-in-progress'.

7 Use of Estimates

The preparation of Financial Statements in conformity with Indian Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. As such estimates are based on the management's best knowledge of the current events and actions; there are possibilities of such estimates resulting in outcome's requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

8 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company, its subsidiaries, associates and joint ventures. The Parent Company together with its subsidiaries, associates and joint ventures constitute a Group.

8.1 Consolidation Process for Subsidiaries

An entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Group, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

8.2 Consolidation Process for Joint Ventures & Associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Associates are companies over which the Parent Company exerts significant influence, generally through an ownership interest between 20% and 50%. Investments in associates are accounted for using the equity method and recognized at cost on the acquisition date. The carrying amount is subsequently increased or decreased to recognize Parent Company's share of profit or loss and other comprehensive income of the associate. Intra-group profits on transactions with associates accounted for using the equity method are eliminated against the investment to the extent of Parent Company's equity interest in the associates. Intra-group losses are eliminated in the same way as intra-group profits unless there is evidence of impairment.

9 Prior Period Errors

Prior Period Errors, if identified are corrected retrospectively in the first set of financial statements approved for issue after the discovery of error by :-

- Restating the comparative amounts of the prior period presented, in which the error occurred;
- If the error occurred before the earliest prior period presented, the opening balance of assets, liability and equity is restated for the earliest prior period presented.

10 Employee Benefits

10.1 Short Term Employee Benefits

Employee Benefits such as Salaries, Wages, short term compensated absences, and expected cost of bonus, ex-gratia, and performance linked rewards falling due, wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

10.2 Post-Employment Benefits

a) Defined Contribution Plans

The Group's contributions to state governed provident fund scheme and employee state insurance scheme are the defined contribution plans maintained by the Group. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

b) Defined Benefit Plans

The Group has an obligation towards gratuity, a defined retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The present value of obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government bonds, with a maturity period, equivalent to the weighted average maturity profile of the defined benefit obligations at the Reporting date.

Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Excess gains or losses on settlement of any claims are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

11 Financial Instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legal enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

11.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

a) Recognition

Investments in debt instruments – at amortised cost, subject to following conditions:

- i. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) De-recognition

A Financial Asset is primarily De-recognized when:-

- i. The right to receive cash flows from the asset has expired, or
- ii. The Group 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 (a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- iii. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

c) Impairment of Financial Assets

The Group recognises impairment loss on trade receivables using expected credit loss model, where the provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivable. These provisions represent the difference between the trade receivable's carrying amount in the Consolidated Balance Sheet and the estimated collectible amount.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

11.2 Financial Liabilities

a) Initial Recognition

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

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

b) Subsequent Measurement

Financial Liabilities are carried at amortized cost using the Effective Interest Rate (EIR) Method. For trade and other payables maturing within one year from the reporting date, the carrying amounts, approximate fair value due to the short maturity of these instruments.

12 Foreign Currencies

- The functional currency and presentation currency of the Group is Indian Rupee (INR).
- Transactions in currencies other than the Group's functional currency occurred during the year are translated into Rupees at the exchange rate prevailing on the date of respective payments or receipts. Such Practice is not consistent with the provisions of Ind AS 21, "The Effects of Changes in Foreign Exchange Rates". However for costing purposes, such practice is consistently followed over the years.
- At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise

13 Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

14 Revenue Recognition

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax.

Interest income is recognised using the effective interest method.

15 Leases

As per Ind AS 116, the standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Operating lease expenses are charged to the statement of Consolidated Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

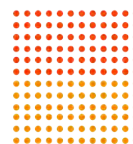
Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

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 Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- Low value leases; and
- Leases which are short-term.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

The Group recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Group presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

16 Taxes On Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

16.1 Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961.

16.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that, taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

17 Non Current Assets held for Sale and discontinued operations

Non Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non Current assets classified as held for sale and assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The Liabilities directly associated with assets of disposal group are classified and presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired with a view to resale. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

In respect of Technofy Digital Private Limited (Subsidiary of Panache Digilife Limited), the accounts of the company has been prepared based on the assumption that the company is not going concern for the year ended 31st March 2023.

- As per Ind AS 105, Assets and Liabilities of Technofy Digital Private Limited are presented separately in the balance sheet as the Subsidiary meets the definition of Disposal Group for purpose of consolidation of Panache Digilife Limited Group.
- The results of operating activities of such disposal group are presented separately in Statement of Profit/Loss under Discontinuing Operations.
- The results of operations of the component previously presented in continuing operations have been reclassified and included in income from Discontinuing operations.

18 Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

Considering the nature and scope of business of the Group, the Chief Operating Decision Maker could not identify any operating Segment.

However, a report on Group's reliance on major customers is as follows:-

| SALES MADE TO MAJOR CUSTOMER | TOTAL SALES MADE DURING THE YEAR | % OF SALES MADE TO MAJOR CUSTOMERS |
|------------------------------|----------------------------------|------------------------------------|
| Rs. 8,563 | Rs. 1,11,79,60,114 | 0.00% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

19 Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

The capitalisation of borrowing costs will be suspended if the Activities in the Qualifying Asset remain discontinued (for reasons other than those that are temporary in nature), and Accordingly, Borrowing costs that the Group has incurred during such suspension period has been charged to Statement of Profit/Loss.

Other borrowing costs are expensed in the period in which they are incurred.

20 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised only when:

- The Group has a present obligation (legal or Constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is discounted to the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

21 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- Non-cash items such as depreciation, provisions, and deferred taxes, and;
- All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

22 Earnings Per Share

Basic and Diluted earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period.

There are no potential equity shares in the books, and therefore diluted earnings per share are same as basic earnings per share.

B Accounting Transactions

- None of the employees were in receipt of or are entitled to receive remuneration aggregating to more than Rs.102.00 Lakhs/- for the year or more than Rs.8.50 Lakhs/- per month, if employed for part of the year.
- Outstanding balances as at 31st March, 2023 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- In the opinion of the Board of Directors, the Group is dealing in different varieties of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Consumer Electronic Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- All the Directors have drawn remuneration for the Accounting Year 2022-23 aggregating to Rs 73.88 Lakhs/-.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

C Recent Accounting & Reporting Framework Pronouncements

a) Amendments to Existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards via a notification dated 23rd March, 2022 effective from 1st April, 2022.

- 1) Ind AS 103 - Business Combination
- 2) Ind AS 16 - Property, Plant & Equipment
- 3) Ind AS 37 – Provisions, Contingent Liabilities & Contingent Assets
- 4) Ind AS 107 & Ind AS 109 - Financial Instruments

The Group is in the process of evaluating the impact of the new amendments issued but not yet effective.

D Previous Year's Figures have been regrouped / reclassified wherever necessary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

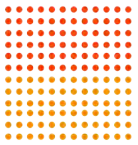
NOTE NO. 2
PROPERTY, PLANT & EQUIPMENTS, RIGHT OF USE ASSETS, CAPITAL WORK-IN-PROGRESS, INVESTMENT PROPERTY & INTANGIBLE ASSETS

| Particulars | Tangible Assets (Owned) | | | | | | | | | | Leased Assets | | Capital WIP | Investment Property | Intangible Assets | Grand Total |
|-----------------------------------|-------------------------|--------------------------------|---------------------------------|-----------------|-------------------|------------------------|-------|-------------------|----------------|------|--------------------|-----------|---------------------|-------------------------------|-------------------|-------------|
| | Office Premises | Furniture & Fixtures - Class I | Furniture & Fixtures - Class II | Air Conditioner | Plant & Machinery | Leasehold Improvements | Mould | Office Equipments | Mobile Handset | Lift | Networking Devices | Motor Car | Computers & Laptops | Right of Use Asset (Building) | | |
| Gross Block | | | | | | | | | | | | | | | | |
| As at 1st April 2021 | 278.03 | 14.38 | 42.06 | 29.23 | 45.64 | 30.94 | 7.00 | 11.45 | 4.31 | 5.93 | 1.02 | 90.77 | 22.14 | 209.06 | 629.82 | 1,426.42 |
| Additions | 0.00 | 4.58 | 0.00 | 0.16 | 7.27 | 0.00 | 0.00 | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12.26 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.50 | 0.00 | 48.57 | 0.00 | 0.00 | 0.00 | 51.07 |
| Impairment of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 31st March 2022 | 278.03 | 18.96 | 42.06 | 29.39 | 52.91 | 30.94 | 7.00 | 11.70 | 4.31 | 3.43 | 1.02 | 42.20 | 22.14 | 209.06 | 629.82 | 1,387.60 |
| Additions | 661.32 | 59.67 | 0.00 | 13.08 | 10.59 | 0.00 | 0.00 | 0.14 | 0.00 | 0.00 | 0.20 | 0.00 | 0.33 | 123.65 | 0.00 | 1,147.02 |
| Disposals/Reclassification | 278.03 | 3.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 209.06 | 0.00 | 1,120.89 |
| Impairment of Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| As at 31st March 2023 | 661.32 | 74.65 | 42.06 | 42.47 | 63.50 | 30.94 | 7.00 | 11.84 | 4.31 | 3.43 | 1.22 | 42.20 | 22.47 | 123.65 | 0.00 | 1,413.73 |
| Depreciation/Amortisation | | | | | | | | | | | | | | | | |
| As at 1st April 2021 | 34.33 | 6.56 | 10.42 | 15.48 | 15.84 | 7.81 | 2.98 | 5.68 | 3.90 | 0.09 | 0.98 | 30.41 | 16.28 | 150.02 | 0.00 | 305.32 |
| Charge for the year | 4.40 | 1.21 | 4.99 | 4.29 | 3.09 | 3.67 | 0.92 | 1.31 | 0.19 | 1.10 | 0.00 | 8.43 | 2.35 | 33.74 | 0.00 | 69.82 |
| Depreciation on disposal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.12 | 0.00 | 0.00 | 0.00 | 6.12 |
| As at 31st March 2022 | 38.73 | 7.77 | 15.41 | 19.78 | 18.93 | 11.48 | 3.90 | 6.99 | 4.09 | 1.20 | 0.98 | 32.73 | 18.63 | 183.76 | 0.00 | 369.02 |
| Additions due to reclassification | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Charge for the year | 8.66 | 4.52 | 4.99 | 5.89 | 3.96 | 3.67 | 0.92 | 1.20 | 0.00 | 0.65 | 0.02 | 4.56 | 1.43 | 35.47 | 0.00 | 79.09 |
| Depreciation on disposal | 39.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 209.06 | 0.00 | 249.05 |
| As at 31st March 2023 | 7.41 | 12.29 | 20.41 | 25.67 | 22.89 | 15.16 | 4.82 | 8.20 | 4.09 | 1.85 | 1.00 | 37.29 | 20.06 | 10.16 | 0.00 | 239.05 |
| Net Block | | | | | | | | | | | | | | | | |
| As at 31st March 2022 | 239.30 | 11.18 | 26.65 | 9.62 | 33.98 | 19.45 | 3.10 | 4.70 | 0.22 | 2.23 | 0.04 | 9.47 | 3.52 | 25.30 | 0.00 | 1,018.58 |
| As at 31st March 2023 | 653.92 | 62.36 | 21.65 | 16.81 | 40.61 | 15.78 | 2.18 | 3.65 | 0.22 | 1.58 | 0.22 | 4.91 | 2.42 | 113.49 | 0.00 | 1,174.68 |

Notes:

1. Impairment Loss : No Provision for Impairment loss is made during the year.
2. For Method of Valuation of Assets and Depreciation/Amortisation refer Clause 6 & 15 of Note No.1 of General Notes to Financial Statements.
3. The title deeds, comprising of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Group. In respect of assets given as collateral for loans

The Useful Life of Assets adopted by the management from Schedule II of Companies Act, 2013; for calculating Depreciation to be charged on different classes of Assets for the current year are as follows:-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| CLASS OF ASSET | USEFUL LIFE ADOPTED (IN YEARS) |
|-------------------------------------|--------------------------------|
| Office Premises | 60 |
| Furniture & Fixtures - Class I | 5 - 10 |
| Furniture & Fixtures - Class II | 8 |
| Leasehold Improvements & Mould | 8 |
| Air Conditioner | 5 |
| Plant & Machinery | 15 |
| Office Equipments | 5 - 15 |
| Lift | 4 - 5 |
| Networking Devices | 6 |
| Motor Car | 8 |
| Mobile Handset & Computers & Laptop | 3 - 6 |
| Right of Use Asset (Building) | 5 |
| Investment Property | 60 |
| Software | 3 |

Disclosure requirements for Capital WIP

a. As at 31st March 2023

| Particulars | Amount in CWIP for period | | | | |
|---|---------------------------|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | | | | | |
| Additional Office Premise at Raheja Plaza | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |

b. As at 31st March 2022

| Particulars | Amount in CWIP for period | | | | |
|---|---------------------------|------------|------------|-------------------|--------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | | | | | |
| Additional Office Premise at Raheja Plaza | 0.00 | 0.00 | 629.82 | 0.00 | 629.82 |
| Total | | | | | 629.82 |

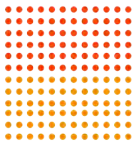
Disclosure requirements for Intangible Assets

a. As at 31st March 2023

| Particulars | Intangible assets under development for a period of | | | | |
|--------------------------------|---|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |

b. As at 31st March 2022

| Particulars | Intangible assets under development for a period of | | | | |
|--------------------------------|---|------------|------------|-------------------|-------|
| | Less than 1 year | 1 - 2 year | 2 - 3 year | More than 3 years | Total |
| Projects in progress | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Projects temporarily suspended | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | | | | | 0.00 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 3

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| ICT Infratech Services Private Limited | 0.08 | 0.60 |
| | 0.08 | 0.60 |

NOTE NO. 4

LOANS & DEPOSITS (NON CURRENT)

(a) Measurement

Financial Assets in the nature of deposits have been measured at fair value by discounting the deposits over the tenure of lease.

The Discount rates used to different deposits are as follows:-

| DEPOSIT | PERIOD | SOURCE | RATE |
|---------------------|--------|------------------|-------|
| Factory Deposit | 8 | Government Bonds | 7.75% |
| Electricity Deposit | 8 | Government Bonds | 7.75% |

(b) Value of Other Financial Assets

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------|--------------------------|--------------------------|
| Rent Deposits | 16.56 | 15.36 |
| Electricity Deposit | 2.23 | 2.06 |
| | 18.79 | 17.43 |

NOTE NO. 5

OTHER FINANCIAL ASSETS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---------------------|--------------------------|--------------------------|
| Other Deposits | 0.25 | 0.50 |
| | 0.25 | 0.50 |

NOTE NO. 6

OTHER NON-CURRENT ASSETS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Advances Recoverable other than in Cash | 0.25 | 0.36 |
| Miscellaneous Expenditure | 0.39 | 1.94 |
| | 0.64 | 2.30 |

NOTE NO. 7

INVENTORIES

(a) Valuation Method

Inventories comprise of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System, and Other Consumer Electronic Goods which have been measured at weighted average cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price, cost of conversion and other costs including any duties or taxes (to the extent not recoverable) incurred in bringing them to their present location and condition.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

(b) Based on the above Valuation Method, the value of Inventories for different reporting periods are as follows:-

| PARTICULARS | AS AT 31 ST MARCH 2023 | AS AT 31 ST MARCH 2022 |
|------------------------------|--------------------------------------|--------------------------------------|
| Closing Stock of Inventories | 2,555.73 | 2,634.93 |
| | 2,555.73 | 2,634.93 |

NOTE NO. 8

TRADE RECEIVABLES

| PARTICULARS | AS AT 31 ST MARCH 2023 | AS AT 31 ST MARCH 2022 |
|---|--------------------------------------|--------------------------------------|
| Secured, Considered good | 0.00 | 0.00 |
| Unsecured, Considered good | 4,457.29 | 2,835.59 |
| Significant Increase in Credit Risk | 10.91 | 13.43 |
| Credit Impaired | 0.00 | 0.00 |
| | 4,468.20 | 2,849.02 |
| Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses) | 10.91 | 13.43 |
| | 4,457.29 | 2,835.59 |
| Receivable from related Parties (Refer Note No.47) | 337.06 | 316.20 |
| | 4,794.35 | 3,151.79 |

Trade Receivables - Ageing Schedule 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 | 1,835.54 | 938.36 | 785.75 | 98.60 | 1,136.09 | 4,794.35 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | 9.70 | 0.00 | 0.44 | 0.76 | 0.01 | 10.91 |
| (iii) Undisputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed Trade Receivables - considered good | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Trade Receivables - Ageing Schedule 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 | 957.90 | 578.50 | 487.02 | 665.74 | 462.63 | 3,151.79 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | 0.41 | 0.03 | 0.76 | 9.66 | 2.58 | 13.43 |
| (iii) Undisputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed Trade Receivables - considered good | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (vi) Disputed Trade Receivables - credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 9

CASH AND CASH EQUIVALENTS

Investments in Fixed Deposits have been considered by the management to be short term in nature, made against letter of credit facility from the Bank and hence they are valued at cost plus accrued interest on it.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------|--------------------------|--------------------------|
| Balance with Banks | 2.22 | 2.64 |
| Cash on Hand | 4.42 | 6.56 |
| Fixed Deposits with Bank | 16.63 | 81.40 |
| | 23.27 | 90.60 |

NOTE NO. 10

BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---------------------|--------------------------|--------------------------|
| Unclaimed Dividends | 0.08 | 0.08 |
| | 0.08 | 0.08 |

NOTE NO. 11

LOANS & DEPOSITS (CURRENT)

(a) Measurement

Financial Assets represented by Loans & advances given to parties under the terms, wherein such Loans & advances are repayable on demand to the Group have been measured at their respective carrying Values as the management considers that the carrying value of such loans & advances to be the best estimate of its Fair Value.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| Secured, Considered good | 0.00 | 0.00 |
| Unsecured, Considered good | 11.08 | 11.51 |
| Significant Increase in Credit Risk | 10.00 | 10.00 |
| Credit impaired | 0.00 | 0.00 |
| | 21.08 | 21.51 |
| Less: Provision for Expected Credit Loss on Loans | 10.00 | 10.00 |
| | 11.08 | 11.51 |

Note :

- Advance given to Shri Rajlaxmi Textiles amounting Rs. 10,00,000 has been provided for Expected credit loss due to its low recoverability and depicts fair value as on reporting date.

NOTE NO. 12

OTHER CURRENT ASSETS

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| Prepaid Expenses & Others | 86.00 | 74.39 |
| Advances To Creditors | 206.01 | 528.88 |
| Advance for Capital Assets | 0.00 | 127.50 |
| Input Credit of GST | 209.60 | 211.10 |
| Miscellaneous Expenses | 1.55 | 1.55 |
| Advance Recoverable Other than in Cash | 0.12 | 0.12 |
| MEIS Duty Scrips | 0.01 | 0.21 |
| Unrealised DD | 0.41 | 0.41 |
| | 503.69 | 944.15 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

a. Capital Structure of the Group

| PARTICULARS OF CAPITAL | AS AT 31ST MARCH 2023 | | AS AT 31ST MARCH 2022 | |
|---|-----------------------|-------------|-----------------------|-------------|
| | NO.OF SHARES | TOTAL VALUE | NO.OF SHARES | TOTAL VALUE |
| AUTHORISED | | | | |
| Equity Shares of Rs.10/- each | 1,30,00,000 | 1,300 | 1,30,00,000 | 1,300 |
| | 1,30,00,000 | 1,300 | 1,30,00,000 | 1,300 |
| ISSUED, SUBSCRIBED & FULLY PAID-UP : | | | | |
| Equity Shares of Rs.10/- each | 1,20,00,000 | 1,200 | 1,20,00,000 | 1,200 |
| | 1,20,00,000 | 1,200 | 1,20,00,000 | 1,200 |
| ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP : | | | | |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |

b. Details of Shareholding

Shareholders holding more than 5% of Equity Shares :

| Sr. NO | NAME OF SHAREHOLDER | NO.OF SHARES AS ON 31.03.23 | PERCENTAGE HOLDING | NO.OF SHARES AS ON 31.03.22 | PERCENTAGE HOLDING |
|--------|----------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | EQUITY SHARES | | | | |
| 1. | Amit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 2. | Nikit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 3. | Devchand Rambhia ... | 22,58,360 | 18.82% | 22,58,360 | 18.82% |

c. Reconciliation of the number of Equity Shares outstanding

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|-----------------------|-----------------------|
| Number of Shares at the beginning of the year : | 1,20,00,000 | 1,20,00,000 |
| (+) Bonus shares issued ... | 0 | 0 |
| (+) Fresh issue made ... | 0 | 0 |
| (-) Shares forfeited ... | 0 | 0 |
| Number of Shares at the end of the year | 1,20,00,000 | 1,20,00,000 |

d. Voting Rights

The Group has one class of equity shares having face value of Rs.10 per share. Each shareholder is eligible for one voting right per share.

e. Promoter Share Holding

Shares held by promoters at the end of the year :

| Sr. NO | NAME OF PROMOTER | NO.OF SHARES AS ON 31ST MARCH 2023 | PERCENTAGE HOLDING | NO.OF SHARES AS ON 31ST MARCH 2022 | PERCENTAGE HOLDING |
|--------|----------------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| 1 | Amit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 2 | Nikit Devchand Rambhia ... | 28,00,000 | 23.33% | 28,00,000 | 23.33% |
| 3 | Devchand Rambhia ... | 22,58,360 | 18.82% | 22,58,360 | 18.82% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

f. Capital Management

The Group adheres to a disciplined Capital Management Framework in order to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The Group strategically manages its funds by :-

- Maintaining Diversity of Sources of Financing and spreading the maturity across periods in order to minimise liquidity risk.
- Analysing and managing its financial market risks like foreign exchange, interest rates and commodity prices, and minimise the impact or market volatility on earnings.
- Analysing the changes in macro economic factors affecting business environment and re-organising its capital structure accordingly to adapt to the ever changing dynamics of business environment.
- Leveraging Optimally in order to maximise shareholder returns.

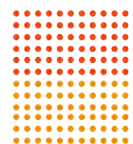
The Net Gearing Ratio at the end of the Reporting period was as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------------|-----------------------|-----------------------|
| Gross Debt | 4,064 | 3,434 |
| Less: Liquid Assets | 24 | 95 |
| Net Debt | 4,040 | 3,339 |
| Total Equity (As Per Balance Sheet) | 3,144 | 3,043 |
| Net Gearing Ratio | 1.28 | 1.10 |

* Liquid Assets Comprises of Cash & Cash Equivalents only.

NOTE NO. 14 OTHER EQUITY

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Securities Premium</u> | | |
| Opening Balance | 678.00 | 678.00 |
| Add: Premium Collected on Issue of Shares | 0.00 | 0.00 |
| Less: Utilised | 0.00 | 0.00 |
| Closing Balance | 678.00 | 678.00 |
| <u>Retained Earnings</u> | | |
| Opening Balance | 1,152.23 | 1,017.12 |
| Add/(Less): Opening Ind AS Adjustments | 0.00 | 0.00 |
| Add: Surplus As per Profit & Loss Account | 165.43 | 135.11 |
| Less: Appropriations | | |
| Dividends Paid | 0.00 | 0.00 |
| Dividend Distribution Tax Paid | 0.00 | 0.00 |
| Closing Balance | 1,317.67 | 1,152.23 |
| <u>Foreign Currency Translation Reserve</u> | | |
| Opening Balance | 0.00 | 46.86 |
| Add/(Less): Adjustments for prior periods | 0.00 | 0.00 |
| Add/(Less): Changes for the Year | 0.00 | (46.86) |
| Closing Balance | 0.00 | 0.00 |
| <u>Other Comprehensive Income</u> | | |
| a) Actuarial Gains or Losses on Defined Benefit Plans | | |
| Opening Balance | 13.23 | (0.88) |
| Add/(Less): Changes for the Year | 18.36 | 14.11 |
| Closing Balance | 31.59 | 13.23 |
| | 2,027.25 | 1,843.46 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 15 BORROWINGS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------|--------------------------|--------------------------|
| Secured Borrowings | 312.35 | 485.23 |
| | 312.35 | 485.23 |

Terms of Repayment of Secured Borrowings

Property Loan of Rs.4,00,00,000 (Sanction Amount) is secured by way of exclusive first charge created on the concerned Property. The Balance loan as on March 31, 2023 is repayable in 17 monthly repayment of Rs.7.41 Lakhs. Interest to be serviced as and when debited. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan.

Term Loan (Guaranteed Emergency Credit Line) of Rs 2,50,00,000 (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2023 is repayable in 15 monthly installments of Rs 7.92 Lakhs/- each. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan.

Term Loan (Guaranteed Emergency Credit Line) of Rs 2,50,00,000 (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2023 is repayable in 36 monthly installments of Rs 7.78 Lakhs/- each with moratorium of 8 months for next financial year. Interest as per Repo Linked Lending Rate (RLLR) is applicable on the said loan

NOTE NO. 16 LEASE LIABILITIES (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------------------|--------------------------|--------------------------|
| Payables towards Lease Liabilities | 77.62 | 0.00 |
| | 77.62 | 0.00 |

NOTE NO. 17 OTHER FINANCIAL LIABILITIES (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------|--------------------------|--------------------------|
| Deposit against Goods on Rent | 0.60 | 0.60 |
| Deposit for Rent | 8.20 | 0.00 |
| | 8.80 | 0.60 |

NOTE NO. 18 PROVISIONS (NON CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------|--------------------------|--------------------------|
| Provision for Gratuity | 63.80 | 66.89 |
| | 63.80 | 66.89 |

Disclosure

Provision for Gratuity has been made based on present value of obligation under defined benefit plan determined through actuarial valuation carried out by an Actuary using Projected Unit Credit Method. The Details of the same have been elaborated in Note No.46.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 19

DEFERRED TAX LIABILITIES(NET)

| PARTICULARS | TAXABLE/ (DEDUCTIBLE) TEMPORARY DIFFERENCES | DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF PROFIT/LOSS | DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF OCI | TOTAL DEFERRED TAX (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET |
|--|--|--|---|---|
| Balance as on 01.04.2021 | 0.00 | (2.02) | 8.06 | 6.03 |
| For the Year 2021-22 | | | | |
| Carrying Value of Property Plant & Equipment | 112.02 | 28.19 | 0.00 | |
| Provision for Gratuity | (63.80) | (16.06) | 0.00 | |
| Actuarial Gains on Employee Benefit Expenses | (11.51) | 0.00 | (2.90) | |
| Expected Credit Losses | (13.43) | (3.38) | 0.00 | |
| Expected Credit Losses on Loans | (10.84) | (2.52) | 0.00 | |
| (DTA)/DTL as on 31.03.2022 | | 6.24 | (2.90) | 3.34 |
| For the Year 2022-23 | | | | |
| Carrying Value of Property Plant & Equipment | 164.61 | 41.43 | 0.00 | |
| Provision for Gratuity | (68.38) | (17.21) | 0.00 | |
| Actuarial Gains on Employee Benefit Expenses | (30.72) | 0.00 | (7.73) | |
| Expected Credit Losses | (10.91) | (2.75) | 0.00 | |
| Expected Credit Losses on Loans | (10.00) | (2.52) | 0.00 | |
| Measurement of Lease Liability & Asset | (1.16) | (0.29) | 0.00 | |
| (DTA)/DTL as on 31.03.2023 | | 18.66 | (7.73) | 10.93 |

NOTE NO. 20

OTHER NON-CURRENT LIABILITIES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------------|--------------------------|--------------------------|
| Advances payable other than in Cash | 2.35 | 0.00 |
| | 2.35 | 0.00 |

NOTE NO. 21

BORROWINGS (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--------------------------|--------------------------|
| <u>Secured Borrowings</u> | | |
| Cash Credit | 2,859.23 | 1,340.47 |
| Current Maturities of Long Term Borrowings | 175.22 | 172.67 |
| Other borrowings | 0.00 | 0.00 |
| <u>Unsecured Borrowings</u> | | |
| Short Term loans & advances from Related Parties | 26.29 | 359.60 |
| Short Term loans & advances from Others | 46.50 | 21.50 |
| | 3,107.24 | 1,894.24 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Note :

- 1 The Cash Credit is secured by first charge by way of hypothecation of Stock and Book debts. Further, it is secured by way personal guarantee provided by Mr. Amit Rambhia & Mr. Nikit Rambhia - Promoters, Mr. Devchand Rambhia - Promoter Group
- 2 Quarterly returns or Statements of Current assets filed with bank are not in agreement with the books of accounts. Disclosed below are the details provided by the company to the Lender Bank - Canara Bank and Valuation of Book debts & Stock as per books of accounts and reasons of their discrepancies.
- 3 The Group has registered all details of Registration or satisfaction of charge with ROC within the prescribed time limit from the execution of document.
- 4 The Group has not been declared wilful defaulter by any Banks / Financial Institutions.

| Name of bank | Qtr ended | Particulars | As per Quarterly statement filed with Bank | As per Books of accounts | Amount of Difference |
|--------------|----------------------|------------------|--|--------------------------|----------------------|
| Canara Bank | 30th June, 2022 | Trade Receivable | 2,621.32 | 3,949.91 | (1,328.60) |
| | | Stock | 2,427.61 | 2,317.12 | 110.49 |
| Canara Bank | 30th September, 2022 | Trade Receivable | 3,086.21 | 4,253.26 | (1,167.04) |
| | | Stock | 2,680.64 | 2,614.82 | 65.83 |
| Canara Bank | 31st December, 2022 | Trade | 2,358.00 | 3,460.92 | (1,102.92) |
| | | Stock | 2,123.21 | 2,670.23 | (547.01) |
| Canara Bank | 31st March, 2023 | Trade Receivable | 4,120.10 | 4,794.35 | (674.25) |
| | | Stock | 2,789.91 | 2,555.73 | 234.18 |

Note for discrepancies :

- (a) Discrepancy in Inventory is primarily on account of the details being submitted on the basis of provisional books of accounts & due to estimated over head rate considered while valuing FG given to the bank and the actual over head rate.
- (b) Discrepancy in trade receivable is on account of non inclusion of receivables from group companies, customers with discounting facility etc.

NOTE NO. 22

LEASE LIABILITIES (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|----------------------------------|--------------------------|--------------------------|
| Payables towards Lease Liability | 37.03 | 30.58 |
| | 37.03 | 30.58 |

NOTE NO. 23

TRADE PAYABLES (CURRENT)

| PARICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Trade payables to Other than Related Parties</u> | | |
| Due to Micro, and Small Enterprises (On the basis of Information available with management) | 223.42 | 178.20 |
| Other Trade Payables | 1,708.77 | 1,276.62 |
| <u>Trade Payables to Related Parties (Refer Note No 47)</u> | | |
| Due to Micro, and Small Enterprises (On the basis of Information available with management) | 8.84 | 7.15 |
| Other Trade Payables | 0.00 | 0.00 |
| | 1,941.02 | 1,461.97 |

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs. 106.52 Lakhs/- stand overdue as on 31st March 2023. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Trade Payables ageing schedule: As at 31st March, 2023

| PARTICULARS | Outstanding for following periods from bill date | | | | |
|-----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 209.54 | 22.72 | 0.00 | 0.00 | 232.26 |
| (ii) Others | 1,685.37 | 1.35 | 8.42 | 13.63 | 1,708.77 |
| (iii) Disputed dues- MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Trade Payables ageing schedule: As at 31st March, 2022

| PARTICULARS | Outstanding for following periods from bill date | | | | |
|-----------------------------|--|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 185.35 | 0.00 | 0.00 | 0.00 | 185.35 |
| (ii) Others | 1,247.32 | 10.00 | 1.11 | 18.18 | 1,276.62 |
| (iii) Disputed dues- MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed dues - Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

NOTE NO. 24

OTHER FINANCIAL LIABILITIES (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------------------------|--------------------------|--------------------------|
| Interest Payable | 38.59 | 19.75 |
| Interest on Income Tax Payable | 14.24 | 14.24 |
| | 52.83 | 33.99 |

NOTE NO. 25

OTHER CURRENT LIABILITIES

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|------------------------------------|--------------------------|--------------------------|
| Statutory Liabilities | 80.26 | 30.17 |
| Advances From Debtors | 73.31 | 328.35 |
| Advance Payable other than in Cash | 0.71 | 101.17 |
| Others | 0.00 | 1.35 |
| | 154.28 | 461.04 |

NOTE NO. 26

PROVISIONS (CURRENT)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-----------------------------|--------------------------|--------------------------|
| Audit Fees Payable | 3.15 | 1.01 |
| Professional Fees Payable | 5.01 | 3.96 |
| Electricity Charges Payable | 0.97 | 1.88 |
| Clearing Charges Payable | 0.00 | 2.34 |
| Freight Charges Payable | 0.00 | 2.05 |
| Salary Payable | 26.96 | 34.46 |
| Dividend Payable | 0.08 | 0.08 |
| Provision for Gratuity | 4.58 | 8.41 |
| | 40.75 | 54.19 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 27 CURRENT TAX LIABILITIES(NET)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------------|--------------------------|--------------------------|
| Direct Taxes | 25.27 | 71.36 |
| | 25.27 | 71.36 |

NOTE NO. 28 REVENUE FROM OPERATIONS

(a) Recognition of Revenue

The Group derives revenue primarily from sale of IT Hardware & its peripherals, Alkaline Water Ionizers, Solar Power Supply System and other Consumer Electronic Goods. It also derives revenue from renting of Alkaline Water Ionizers.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration the group expects to be entitled to, in exchange for those products or services.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method. When there is uncertainty as to the measurement of ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized over the term of underlying maintenance agreement.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on allocation of discounts/ incentives to each of the underlying performance obligations that corresponds to the progress by the customer towards earning the discount/ incentive. The Group presents revenue net of Indirect Taxes.

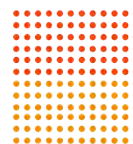
| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------|---------------------------------------|---------------------------------------|
| Net Sales | 11,062.85 | 8,498.54 |
| Service Charges | 46.15 | 29.05 |
| Marketing Fund | 70.61 | 63.34 |
| | 11,179.60 | 8,590.94 |

(b) Remaining Performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the group expects to recognize these amounts of revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance obligations completed till date.

(c) Movement in Contract Balances

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Contract Liability | | |
| Opening Balance | 328.35 | 24.56 |
| Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period. | (307.83) | (4.44) |
| Add: Revenue not recognised in the reporting period that is to be included in the closing balance of contract liability balance at the end of the period. | 52.79 | 308.23 |
| Closing Balance | 73.31 | 328.35 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31 ST MARCH 2023 | FOR THE YEAR ENDED 31 ST MARCH 2022 |
|--|--|--|
| Contract Assets | | |
| Opening Balance | 528.88 | 174.48 |
| <u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period. | (349.95) | (21.63) |
| <u>Add:</u> Expense not recognised in the reporting period that is to be included in the closing balance of contract asset balance at the end of the period. | 27.08 | 376.02 |
| Closing Balance | 206.01 | 528.88 |

NOTE NO. 29 OTHER INCOME

| PARTICULARS | FOR THE YEAR ENDED 31 ST MARCH 2023 | FOR THE YEAR ENDED 31 ST MARCH 2022 |
|--|--|--|
| Additional/Differential CST Collected from Customers | 0.00 | 24.37 |
| Differential GST Collected from Customers | 0.00 | 0.02 |
| Rent on Investment Property | 15.11 | 1.75 |
| Support Service Charges | 18.40 | 1.52 |
| Finance Charges (Income) | 1.31 | 1.22 |
| Amortisation of Fair Value Changes of Liability | 0.47 | 0.00 |
| Marketing Incentives | 10.38 | 3.50 |
| Liabilities no Longer Payable | 3.10 | 8.09 |
| Discount Received | 0.00 | 2.12 |
| Interest Income | 36.17 | 157.50 |
| Other Income | 4.97 | 0.00 |
| Insurance Claim received | 0.00 | 0.43 |
| | 89.91 | 200.51 |

Measurement of Other Incomes

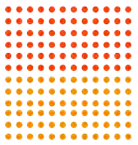
- Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.
- Rent income is recognized on a periodic basis as and when the Group becomes entitled to receive the amount as per the agreement between the contracting parties.

NOTE NO. 30 COST OF MATERIALS CONSUMED

| PARTICULARS | FOR THE YEAR ENDED 31 ST MARCH 2023 | FOR THE YEAR ENDED 31 ST MARCH 2022 |
|----------------------|--|--|
| Net Purchase | 9,707.43 | 8,280.41 |
| Service Charges | 102.25 | 41.56 |
| Consumables & Others | 0.21 | 0.73 |
| | 9,809.90 | 8,322.70 |

NOTE NO. 31 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

| PARTICULARS | FOR THE YEAR ENDED 31 ST MARCH 2023 | FOR THE YEAR ENDED 31 ST MARCH 2022 |
|--|--|--|
| Opening Stock / Inventories | 2,634.93 | 1,755.30 |
| <u>Less:</u> Closing Stock / Inventories | (2,555.73) | (2,634.93) |
| | 79.20 | (879.63) |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 32 EMPLOYEE BENEFIT EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Director's Remuneration | 73.88 | 99.00 |
| Salary & Bonus to Employees | 265.72 | 249.02 |
| Employers Contribution to PF & ESIC & Other Funds | 3.19 | 3.87 |
| Staff Welfare Expenses | 5.61 | 4.10 |
| Contribution to and Provision for Gratuity | 12.28 | 12.42 |
| | 360.67 | 368.41 |

NOTE NO. 33 FINANCE COSTS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Bank Charges on Finance | 0.56 | 1.91 |
| Interest Expenses | 364.84 | 276.11 |
| Interest on Income Tax Payment | 10.95 | 26.09 |
| Finance Charges on lease Liabilities | 4.14 | 5.18 |
| Processing Charges | 12.55 | 18.20 |
| | 393.04 | 327.49 |

NOTE NO. 34 DEPRECIATION AND AMORTISATION EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Depreciation on Property, Plant & Equipment | 40.48 | 35.97 |
| Depreciation on Right to Use Assets | 35.47 | 33.74 |
| Depreciation on Investment Property | 3.15 | 0.00 |
| Amortisation of Intangible Assets | 0.00 | 0.11 |
| | 79.09 | 69.82 |

NOTE NO. 35 OTHER EXPENSES

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Accounts & Administrative Expenses | 9.26 | 6.80 |
| Bad debts written off | 0.00 | 2.46 |
| Bank Charges | 7.66 | 6.93 |
| Certification Charges | 6.37 | 8.39 |
| Cloud Services | 1.51 | 2.30 |
| Commission Expenses | 11.61 | 20.64 |
| Conveyance | 3.11 | 2.34 |
| Custom Duty Paid | 0.00 | 0.86 |
| Donation | 0.05 | 0.00 |
| E-waste Charges | 0.00 | 1.95 |
| Electricity Charges | 10.30 | 8.85 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Finance Charges (Expense) | 0.40 | 0.00 |
| Goods lost in Transit | 0.00 | 0.19 |
| Insurance Charges | 8.73 | 8.57 |
| Interest on Late Payment to Creditors | 4.70 | 0.66 |
| Interest on Late Payment of TDS/TCS | 0.69 | 2.49 |
| Interest on Late Payment of GST | 0.07 | 0.35 |
| Interest/ Late fees on Other Statutory Matters | 0.21 | 0.00 |
| Income Tax Dues/ Late Fees | 0.27 | 0.00 |
| GST Late Fees Paid | 0.05 | 0.05 |
| Reversal of GST credit | 0.24 | 0.00 |
| (Profit) / Loss Due To Foreign Exchange Fluctuation | 33.96 | 4.59 |
| Manpower Services | 101.07 | 45.54 |
| Manufacturing Expenses | 2.83 | 2.18 |
| Preliminary Expenditure W/off | 1.55 | 12.66 |
| Office & Factory Maintenance Charges | 4.68 | 3.68 |
| Maintenance Charges on Office Premises | 2.37 | 4.30 |
| Office Maintenance Charges on Investment Property | 0.88 | 0.00 |
| Property Tax on Investment Property | 0.79 | 0.00 |
| Property Tax on Office Premises | 2.29 | 0.00 |
| Payment to Auditor's | 4.25 | 4.55 |
| PLI Application Fees | 0.00 | 2.00 |
| Printing & Stationery | 2.84 | 2.82 |
| Professional Fees | 61.52 | 63.70 |
| Profession Tax | 0.03 | 0.03 |
| Provision for Expected Credit Losses | 13.68 | 42.14 |
| Provision for Expected Credit Losses on Loans | 0.00 | 10.00 |
| Amortisation of Fair Value Changes of Asset | 0.12 | 0.12 |
| Rent, Rates & taxes | 3.42 | 2.57 |
| Repairs & Maintenance | 6.89 | 8.96 |
| Royalty Paid | 6.76 | 8.01 |
| Sales Promotion & Advt Expenses | 0.14 | 0.06 |
| Service Expenses | 10.38 | 13.50 |
| Software Expenses | 0.37 | 0.24 |
| Sundry Expenses | 3.67 | 1.84 |
| Telephone & Mobile Charges | 0.32 | 0.41 |
| Tender Registration Fees | 0.34 | 0.05 |
| Transportation Charges | 23.78 | 22.54 |
| Travelling Expenses | 15.58 | 3.81 |
| VTS Expenses | 0.00 | 0.08 |
| | 369.75 | 334.19 |

NOTE NO. 35.1

DETAILS OF PAYMENTS TO AUDITORS

Payment made to Auditors for Different kinds of Audits are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| <u>Payment to Auditors</u> | | |
| Statutory Audit | 2.50 | 2.60 |
| Tax Audit | 0.75 | 0.75 |
| Internal Audit | 1.00 | 0.00 |
| Total Payments to Auditors | 4.25 | 3.35 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 36
EXCEPTIONAL ITEMS

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Loss on Sale of Fixed Asset | 0.00 | 14.96 |
| | 0.00 | 14.96 |

NOTE NO. 37
INCOME TAX EXPENSE

A. Disclosure Pursuant to Ind AS 12

(a) Major Components of Income Tax

| Sr. No. | PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---------|--|---------------------------------------|---------------------------------------|
| (a) | <u>Tax on Items Routed Through Profit or Loss Section</u> | | |
| | (i) <u>Income Tax</u> | | |
| | Current Tax under Income Tax Act, 1961 | 36.59 | 82 |
| | Adjustments in respect of income tax of previous years. | (2.99) | (2) |
| | (ii) <u>Deferred Tax</u> | | |
| | Tax Expense on Origination & Reversal of Temporary Difference | 12.42 | 8 |
| | Tax Expense Reported in statement of Profit or Loss [(i) +(ii)] | 46.03 | 88 |
| (b) | <u>Tax on Items Routed Through Other Comprehensive Income</u> | | |
| | (i) Income Tax | 0.00 | 0.00 |
| | (ii) Deferred Tax | (4.83) | (2.60) |
| | Tax Expense Reported in Other Comprehensive Income [(i) +(ii)] | (4.83) | (2.60) |

B. Reconciliation of tax expense and accounting profit multiplied by Domestic Tax Rate applicable in India:

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Profit Before Tax | 177.86 | 233.50 |
| Corporate Tax Rate as per Income Tax Act, 1961 | 25.17% | 25.17% |
| Tax on Accounting Profit (A) | 44.76 | 58.77 |
| <u>Adjustments as per Income Tax</u> | | |
| Add: Depreciation as per Companies Act | 87.43 | 78.15 |
| Add: Disallowances U/s 37 | 85.84 | 79.17 |
| Add: Notional Guarantee Premium Expense | 5.33 | 5.33 |
| Add: Disallowance of Gratuity Premium | 12.28 | 12.42 |
| Add: Disallowance of Contribution to statutory Funds | 0.87 | 2.08 |
| Less: Depreciation as per Income Tax | (96.14) | (37.57) |
| Less: Other Additions / (Deductions) | (116.07) | (36.69) |
| Total Adjustments | (20.46) | 102.89 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Total Adjustments | (20.46) | 102.89 |
| Corporate Tax Rate as per Income Tax Act, 1961 | 25.17% | 25.17% |
| Tax on Gross Adjustments as per Income Tax (B) | (5.15) | 26.00 |
| Tax after adjustments as per Income Tax Act, 1961 [(A)+(B)] | 39.71 | 84.76 |
| Less: Transferred to Deferred Taxes | (3.12) | (3.12) |
| Net Income Tax Payable by the Group (C) | 36.59 | 81.64 |
| Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits, Expected Credit Losses & Carried forward Losses | 12.42 | 8.26 |
| Incremental Deferred Tax Liability/(Asset) due Defined Benefit Obligations | (4.83) | (2.60) |
| Incremental Deferred Tax Liability/(Asset) due Translation of Foreign operations | 0.00 | 0.00 |
| Net Deferred Tax Expense/(Benefit) (D) | 7.59 | 5.66 |
| Total Tax Expense Recognised for the Year (E) = [(C)+(D)] | 44.18 | 87.30 |
| Effective Tax Rate [(E)/(A)*100] | 24.84% | 37.39% |

C. Calculation of Corporate Tax Rate

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Basic Tax Rate Applicable to the Group as per Income Tax Act | 22% | 22% |
| Surcharge Applicable | 10% | 10% |
| Education Cess | 4% | 4% |
| Corporate Tax Rate as per Income Tax Act, 1961 | 25.17% | 25.17% |

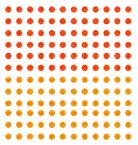
NOTE NO. 38

PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS

Technofy Digital Private Limited

a) Description

Due to inappropriateness of going concern assumption of subsidiary Company viz. Technofy Digital Private Limited and Intention/commitment by the Company to sell its significant Asset i.e Leasehold Land in Gujarat (Right of Use Asset) by passing a Special Resolution on 02nd of January 2021, the operating losses of the aforesaid subsidiary has been shown as discontinued operations and Assets & Liabilities associated with such Asset of Disposal Group have been classified separately from other assets of Group as per IND AS 105 "Non current Assets Held for Sale and Discontinued Operations"



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

b) Financial Performance and Cash Flow Information

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Revenue | 0.00 | 0.00 |
| Other Income | 72.60 | 50.78 |
| Expenses | 121.49 | 116.91 |
| Profit Before Tax | (48.90) | (66.13) |
| Income Tax Expense | 0.00 | 0.00 |
| Total Profit from Discontinued Operations | (48.90) | (66.13) |
| Other Comprehensive Income From discontinued Operations | 0.00 | 0.00 |
| Total Comprehensive Income from Discontinued Operations | (48.90) | (66.13) |

The Cash inflows incurred by Technofy Digital Private Limited :

| CASH FLOWS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Net Cash Flow from Operating Activities | 502.75 | 502.75 |
| Net Cash inflow / (outflows) from investment Activities | 539.02 | 539.02 |
| Net Cash flow from Financing Activities | (1040.64) | (1040.64) |
| | 1.13 | 1.13 |

c) Assets and Liabilities of Disposal Group classified as held for Sale

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Assets classified as held for sale</u> | | |
| Furniture & Fixtures | 0.28 | 0.31 |
| Right of Use Asset | 1022.50 | 1613.00 |
| Investments | 78.62 | 75.12 |
| Loans & Deposits | 1.10 | 1.10 |
| Cash & Cash Equivalents | 0.66 | 4.51 |
| Current Tax Assets (Net) | 2.77 | 1.56 |
| Other Current Assets | 24.99 | 122.53 |
| Total Assets of Disposal Group held for Sale | 1130.92 | 1818.13 |
| <u>Liabilities associated with assets classified as held for sale</u> | | |
| Loan from Non Banking Financial Institution | 482.99 | 976.85 |
| Loan from Related Parties | 47.00 | 47.00 |
| Other Financial Liabilities | 0.59 | 0.59 |
| Other Current Liabilities | 702.80 | 1058.62 |
| Provisions | 1.66 | 0.63 |
| Total Liabilities of Disposal Group held for Sale | 1235.04 | 2083.69 |





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

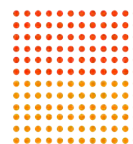
NOTE NO. 39 OTHER COMPREHENSIVE INCOME

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Items That will not be reclassified to Profit/Loss Account | | |
| Actuarial Gains/Losses on Employee Benefit Expenses | 13.52 | 11.51 |
| | 13.52 | 11.51 |

NOTE NO. 40 EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share (EPS) computed as per the requirements under Ind AS 33 on 'Earnings Per Share' issued by Institute of Chartered Accountants of India are as under :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Calculation of Basic EPS | | |
| Continuing Operations | | |
| A. Profit From Continuing Operations (Numerator) | 131.31 | 146.03 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Basic Earnings Per Share(EPS) [(A) / (B)] | 1.09 | 1.22 |
| Discontinuing Operations | | |
| A. Profit From Discontinuing Operations (Numerator) | (48.90) | (66.13) |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Basic Earnings Per Share(EPS) [(A) / (B)] | (0.41) | (0.55) |
| A. Profit/Loss for the Period | 82.41 | 79.90 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Basic Earnings Per Share(EPS) [(A) / (B)] | 0.69 | 0.67 |
| Calculation of Diluted EPS | | |
| Continuing Operations | | |
| A. Profit From Continuing Operations (Numerator) | 131.31 | 146.03 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| b. Potential Equity shares | 0 | 0 |
| Total Equity Shares for Calculation of Diluted EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Diluted Earnings Per Share(EPS) [(A) / (B)] | 1.09 | 1.22 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| <u>Discontinuing Operations</u> | | |
| A. Profit From Discontinuing Operations (Numerator) | (48.90) | (66.13) |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| b. Potential Equity shares | 0 | 0 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Diluted Earnings Per Share(EPS) [(A) / (B)] | (0.41) | (0.55) |
| A. Profit/Loss for the Period | 82.41 | 79.90 |
| B. <u>Equity Shares Outstanding as on Balance sheet Date</u> | | |
| a. Weighted Average Number of Equity Shares | 1,20,00,000 | 1,20,00,000 |
| b. Potential Equity shares | 0 | 0 |
| Total Equity Shares for Calculation of Basic EPS (Denominator) | 1,20,00,000 | 1,20,00,000 |
| Diluted Earnings Per Share(EPS) [(A) / (B)] | 0.69 | 0.67 |

NOTE NO. 41

DISCLOSURE OF CURRENT ASSETS & LIABILITIES

A. Basis of classification of Current Assets

The Group classifies an asset as current asset when :-

- (i) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) it holds the asset primarily for the purpose of trading;
- (iii) it expects to realise the asset within twelve months after the reporting period; or
- (iv) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets have been classified as Non-Current

Recovery Period for Current Assets

Pursuant to requirements of Ind AS-1, disclosures regarding current assets which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

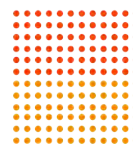
| PARTICULARS | AS AT 31ST MARCH 2023 | | | AS AT 31ST MARCH 2022 | | |
|------------------------|----------------------------|---------------------------|----------|----------------------------|---------------------------|----------|
| | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL |
| Loans & Deposits | 12.18 | 0.00 | 12.18 | 12.61 | 0.00 | 12.61 |
| Inventories | 2,555.73 | 0.00 | 2,555.73 | 2,634.93 | 0.00 | 2,634.93 |
| Trade Receivables | 4,794.35 | 0.00 | 4,794.35 | 3,151.79 | 0.00 | 3,151.79 |
| Other Financial Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Assets | 528.67 | 0.00 | 528.67 | 1,066.68 | 0.00 | 1,066.68 |

B. Basis of classification of Current Liabilities

The Group classifies a liability as current liability when :-

- (i) it expects to settle the liability in its normal operating cycle;
- (ii) it holds the liability primarily for the purpose of trading;
- (iii) the liability is due to be settled within twelve months after the reporting period; or
- (iv) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period .

All other Liabilities have been classified as Non-Current



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Credit Period for Current Liabilities

Pursuant to requirements of Ind AS-1, disclosures regarding current Liabilities which are expected to be paid within twelve months and after twelve months from the reporting date are as follows:-

| PARTICULARS | AS AT 31ST MARCH 2023 | | | AS AT 31ST MARCH 2022 | | |
|-----------------------------|----------------------------|---------------------------|----------|----------------------------|---------------------------|----------|
| | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL | WITHIN TWELVE MONTHS | AFTER TWELVE MONTHS | TOTAL |
| Borrowings (Current) | 3,637.23 | 0.00 | 3,637.23 | 2,918.09 | 0.00 | 2,918.09 |
| Trade Payables | 1,941.02 | 0.00 | 1,941.02 | 1,461.97 | 0.00 | 1,461.97 |
| Lease Liabilities | 37.03 | 0.00 | 37.03 | 30.58 | 0.00 | 30.58 |
| Other Financial Liabilities | 53.42 | 0.00 | 53.42 | 34.58 | 0.00 | 34.58 |
| Other Liabilities | 857.07 | 0.00 | 857.07 | 1,519.66 | 0.00 | 1,519.66 |
| Provisions | 42.41 | 0.00 | 42.41 | 54.83 | 0.00 | 54.83 |
| Current Tax Liabilities | 25.27 | 0.00 | 25.27 | 71.36 | 0.00 | 71.36 |

NOTE NO. 42

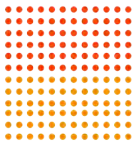
CONSOLIDATION DISCLOSURES

A. The List of subsidiaries, associates and joint ventures included in the Consolidated Financial Statements are as under :-

| NAME OF ENTITY | RELATION WITH PARENT | COUNTRY | AS AT 31ST MARCH 2023 | | AS AT 31ST MARCH 2022 | |
|--|----------------------|---------|---|--|---|---|
| | | | PROPORTION OF EFFECTIVE OWNERSHIP (%) | PROPORTION OF VOTING POWER HELD (%) | PROPORTION OF EFFECTIVE OWNERSHIP (%) | PROPORTION OF EFFECTIVE OWNERSHIP (%) |
| Technofy Digital Private Limited | Subsidiary | India | 100% | 100% | 100% | 100% |
| ICT Infratech Services Private Limited | Joint Venture | India | 50% | 50% | 50% | 50% |

B. Salient Features of Parent & Subsidiary in the Group Financial Statements for the year ended 31st March 2023

| NAME OF THE ENTITY | NET ASSETS = TOTAL ASSETS MINUS TOTAL LIABILITIES | | SHARE IN PROFIT OR LOSS | | SHARE IN OTHER COMPREHENSIVE INCOME | | SHARE IN TOTAL COMPREHENSIVE INCOME | |
|--|---|----------------------|--------------------------------|---------------|--|---------------|--|----------------|
| | % OF GROUP'S NET ASSETS | AMOUNT | % OF GROUP'S PROFIT OR LOSS | AMOUNT | % OF GROUP'S OTHER COMPR- EHENSIVE INCOME | AMOUNT | % OF GROUP'S TOTAL COMPREHEN- SIVE INCOME | AMOUNT |
| Parent Group | | | | | | | | |
| Panache Digilife Limited | 116.65% | 3,667.63 | 224.69% | 185.18 | 100.01% | 18.36 | 201.98% | 203.54 |
| Subsidiaries | | | | | | | | |
| Technofy Digital Private Limited | -11.70% | (367.81) | -124.06% | (102.25) | 0.00% | 0.00 | -101.46% | (102.25) |
| Joint Venture | | | | | | | | |
| ICT Infratech Services Private Limited | 0.003% | 0.08 | -0.63% | (0.52) | 0.00% | 0.00 | -0.52% | (0.52) |
| CFS Adjustments | 104.95% -4.95% | 3,299.90 (155.67) | 100.00% 0.00% | 82.41 0.00 | 100.01% 0.00% | 18.36 0.00 | 100.00% 0.00% | 100.77 0.00 |
| Total | 100.00% | 3,144.23 | 100% | 82.41 | 100.01% | 18.36 | 100.00% | 100.77 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

C. Disclosure of Interest in other entities - Joint Ventures and Associates.

a) Summarised Balance Sheet of material joint ventures

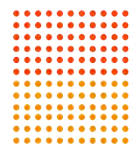
| PARTICULARS | ICT INFRA TECH SERVICES PRIVATE LIMITED | | ICT INFRA TECH SERVICES PRIVATE LIMITED | |
|--|--|--------|--|--------|
| | AS AT 31ST MARCH 2023 | | AS AT 31ST MARCH 2022 | |
| Total Non - Current Assets | | 0.00 | | 0.97 |
| <u>Current Assets</u> | | | | |
| Cash & Cash Equivalents | 0.48 | | 1.40 | |
| Other Assets | 52.77 | 53.24 | 49.94 | 51.33 |
| Total Assets | | 53.24 | | 52.30 |
| <u>Non - Current Liabilities</u> | | | | |
| Financial Liabilities (excluding trade Payables) | 0.00 | | 0.00 | |
| Other Liabilities (including Trade Payables) | 0.00 | 0.00 | 0.00 | 0.00 |
| <u>Current Liabilities</u> | | | | |
| Financial Liabilities (excluding trade Payables) | 0.27 | | 0.27 | |
| Other Liabilities (including Trade Payables) | 61.83 | 62.10 | 59.85 | 60.12 |
| Total Liabilities | | 62.10 | | 60.12 |
| NET ASSETS | | (8.86) | | (7.81) |

b) Summarised Statement of Profit and Loss of material joint ventures

| PARTICULARS | ICT INFRA TECH SERVICES PRIVATE LIMITED | | ICT INFRA TECH SERVICES PRIVATE LIMITED | |
|--------------------------------------|--|--------|--|------|
| | FOR THE YEAR ENDED 31ST MARCH 2023 | | FOR THE YEAR ENDED 31ST MARCH 2022 | |
| Revenue | | 0.00 | | 1.43 |
| <u>Other Income</u> | | | | |
| Interest income on loan | 0.00 | | 0.00 | |
| Others | 0.63 | 0.63 | 1.63 | 1.63 |
| Total Income | | 0.63 | | 3.06 |
| <u>Expenses</u> | | | | |
| Depreciation & Amortisation Expenses | 0.00 | | 0.11 | |
| Finance Costs | 0.00 | | 0.00 | |
| Income Tax Expense | 0.73 | 0.73 | 0.47 | 0.58 |
| Total Other Expenses | | 0.94 | | 1.62 |
| Total Expenses | | 1.67 | | 2.21 |
| Profit/(loss) for the Year | | (1.04) | | 0.85 |
| Other Comprehensive Income | | 0.00 | | 0.00 |
| TOTAL COMPREHENSIVE INCOME | | (1.04) | | 0.85 |

c) Reconciliation of carrying amounts of material joint ventures

| PARTICULARS | ICT INFRA TECH SERVICES PRIVATE LIMITED | | ICT INFRA TECH SERVICES PRIVATE LIMITED | |
|---|--|--------|--|--------|
| | FOR THE YEAR ENDED 31ST MARCH 2023 | | FOR THE YEAR ENDED 31ST MARCH 2022 | |
| Opening Net Assets | | (7.81) | | (9) |
| <u>Adjustments for the year</u> | | | | |
| Profit/(loss) for the year | (1.04) | | 0.85 | |
| Other Comprehensive Income for the Year | 0.00 | (1.04) | 0.00 | 0.85 |
| Closing Net Assets | | (8.86) | | (7.81) |
| % Share of the Group | | 0.50 | | 50.00% |
| Group's Share | | (4.43) | | (3.91) |
| Goodwill | | 4.51 | | 4.51 |
| Adjustments for the year | | 0.00 | | 0.00 |
| CARRYING AMOUNT | | 0.08 | | 0.60 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 43 RISK MANAGEMENT

The respective Board of Directors of the companies included in the Group has overall responsibility for establishment and oversight of the Group's risk management framework.

The Group, through three layers of defence viz: policies & procedures, review mechanism, and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee of the companies included in the Group oversees the formulation and implementation of Risk Management Policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate Forums.

A. Market Risk Management

Market Risk is the risk that changes in market prices-such as foreign exchange rates-will affect the Group's income or the value of Financial Instruments. The objective of Market Risk Management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

i. Foreign Exchange Risk

In General, the Group is a net payer of Foreign Currency. Accordingly, changes in exchange rates and in particular a strengthening of Indian rupee will positively affect the group's net results as expressed in Indian Rupees. The currency towards which the group is exposed to risk is US Dollars.

The Quantitative Summary about the Group's exposure to currency risk as on different reporting date are as follows:-

| PARTICULARS | AS AT 31ST MARCH 2023 | | | |
|-----------------|-----------------------|-------------------|------------------|-------------------|
| | USD | EQUIVALENT IN INR | OTHER CURRENCIES | EQUIVALENT IN INR |
| Dollars in Hand | 500.00 | 0.41 | 0.00 | 0 |
| Trade Payables | 12,92,990.60 | 1,063.06 | 0.00 | 0 |

| PARTICULARS | AS AT 31ST MARCH 2022 | | | |
|-----------------|-----------------------|-------------------|------|-------------------|
| | USD | EQUIVALENT IN INR | GBP | EQUIVALENT IN INR |
| Dollars in Hand | 3,633.00 | 2.75 | 0.00 | 0 |
| Trade Payables | 5,52,697.00 | 418.98 | 0.00 | 0 |

Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the group is exposed to, against all other currencies as at reporting date would have affected the measurement of financial exposure denominated in a foreign currency and would have affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

| SENSITIVITY TO MOVEMENT IN FOREIGN CURRENCY | %MOVEMENT IN RUPEE (ASSUMED) | PROFIT OR (LOSS) AFTER TAX | |
|---|---------------------------------|----------------------------|-----------------------|
| | | STRENGTHENING OF RUPEE | WEAKENING OF RUPEE |
| <u>As at 31st March 2023</u> | | | |
| US DOLLAR | 1% | 7.95 | (7.95) |
| <u>As at 31st March 2022</u> | | | |
| US DOLLAR | 1% | 3.11 | (3.11) |

ii. 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 Group's exposure to changes in interest rates relates primarily to the Overdraft CC Account, Term loans from bank and financial institutions and other Working capital loans. The group's total outstanding debt in local currency presented in the Financial Statements is a combination of fixed rate and floating rate Debts. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. Floating Rate Debts are linked to domestic interest rate benchmarks issued by Reserve Bank of India like Repo Linked Lending Rate (RLLR) and other domestic interest rate benchmarks issued by Financial institutions like Long Term Reference Rate (LTRR) of the Financial Institution.





NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

The Exposure of Group's Borrowings to interest rate changes at the end of reporting period are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-----------------------------|--------------------------|--------------------------|
| Cash Credit | 2,859.23 | 1,340.47 |
| Term Loans | 608.91 | 1,191.66 |
| Other Working Capital Loans | 361.64 | 444.80 |
| | 3,829.78 | 2,976.93 |

Sensitivity Analysis

A hypothetical 10 basis point shift in MCLR/RLLR rates on the unhedged loans would result in corresponding increase/decrease in interest cost for the Group on a yearly basis.

| SENSITIVITY TO MOVEMENT IN INTEREST RATES | FOR THE YEAR ENDED 31ST MARCH 2023 | | |
|---|---|------------------------------------|----------|
| | ASSUMED INTEREST RATE MOVEMENT IN BPS | IMPACT ON PROFIT OR LOSS AFTER TAX | |
| | | INCREASE | DECREASE |
| <u>Change in Interest Cost</u> | | | |
| Cash Credit * | 10 bps | (2.86) | 2.86 |
| Term Loans * | 10 bps | (0.61) | 0.61 |
| Other Working Capital Loans * | 10 bps | (0.36) | 0.36 |
| | | (3.83) | 3.83 |
| <u>Less: Tax Effect on Interest Cost</u> | | 0.96 | (0.96) |
| Net Effect on Profit & Loss Account | | (2.87) | 2.87 |

* Holding all other variables constant

| SENSITIVITY TO MOVEMENT IN INTEREST RATES | FOR THE YEAR ENDED 31ST MARCH 2022 | | |
|---|---|------------------------------------|----------|
| | ASSUMED INTEREST RATE MOVEMENT IN BPS | IMPACT ON PROFIT OR LOSS AFTER TAX | |
| | | INCREASE | DECREASE |
| <u>Effect on Change in Interest Cost</u> | | | |
| Cash Credit * | 10 bps | (1.34) | 1.34 |
| Term Loans * | 10 bps | (1.19) | 1.19 |
| Other Working Capital Loans * | 10 bps | (0.44) | 0.44 |
| | | (2.98) | 2.98 |
| <u>Less: Tax Effect on Interest Cost</u> | | 0.75 | (0.75) |
| Net Effect on Profit & Loss Account | | (2.23) | 2.23 |

* Holding all other variables constant

B. Financial Risk Management

i. Credit Risk

Credit Risk is the Risk of Financial Loss to the group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade Receivable and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into the contract, delivery terms and conditions of payments. The Group's review includes external ratings (if they are available), financial statements, industry information and business intelligence.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the group and existence of previous financial difficulties.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Expected Credit loss for trade receivable:

The Group, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the group is making provision on trade receivables based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

| PARTICULARS | AS AT | AS AT |
|--|-----------------|-----------------|
| | 31ST MARCH 2023 | 31ST MARCH 2022 |
| Opening Balance | 13.43 | 22.91 |
| <u>Changes in Loss Allowance</u> | | |
| Loss Allowance for the year, based on ECL Model. | 13.68 | 42.14 |
| Write Off as Bad Debts | 16.20 | 51.62 |
| Closing Balance reported under Note No.8 | 10.91 | 13.43 |

Expected Credit loss for Loans & Advances Given:

The Group, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the company is making provision on Loans & advances based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

| PARTICULARS | AS AT | AS AT |
|--|-----------------|-----------------|
| | 31ST MARCH 2023 | 31ST MARCH 2022 |
| Opening Balance | 10.00 | 0.00 |
| <u>Changes in Loss Allowance</u> | | |
| Loss Allowance for the year, based on ECL Model. | 0.00 | 10.00 |
| Write Off as Bad Debts | 0.00 | 0.00 |
| Changes in Foreign Exchange | 0.00 | 0.00 |
| Closing Balance reported under Note No.11 | 10.00 | 10.00 |

ii. Liquidity Risk

Liquidity Risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by cash or another financial asset. The group manages liquidity risk by maintaining sufficient cash and bank balances and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The respective finance departments of the companies included in the group are responsible for managing the short term and long term liquidity requirements. Short term liquidity finance is reviewed daily by finance department. Long Term Liquidity position is reviewed on a regular basis by the respective board of directors of the companies included in the group and appropriate decisions are taken according to the situation.

Maturity Analysis

The remaining contractual maturities on non-derivative Financial Liabilities are as follows:-

As at 31st March 2023

| NON-DERIVATIVE FINANCIAL LIABILITIES | CONTRACTUAL CASH FLOWS | | TOTAL |
|--------------------------------------|-------------------------|------------------------|----------|
| | PAYABLE WITHIN ONE YEAR | PAYABLE AFTER ONE YEAR | |
| Borrowings | 530.02 | 312.35 | 842.36 |
| Trade Payables | 1,941.02 | 0.00 | 1,941.02 |
| Lease Liabilities | 37.03 | 77.62 | 114.65 |
| Other Financial Liabilities | 53.42 | 8.80 | 53.42 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

As at 31st March 2022

| NON-DERIVATIVE FINANCIAL LIABILITIES | CONTRACTUAL CASH FLOWS | | TOTAL |
|--------------------------------------|-------------------------|------------------------|----------|
| | PAYABLE WITHIN ONE YEAR | PAYABLE AFTER ONE YEAR | |
| Borrowings | 2,918.09 | 485.23 | 3,403.32 |
| Trade Payables | 1,461.97 | 0.00 | 1,461.97 |
| Lease Liabilities | 30.58 | 0.00 | 30.58 |
| Other Financial Liabilities | 34.58 | 0.60 | 35.18 |

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purpose and which are not usually closed out before contractual maturity.

NOTE NO. 44 LEASES

i) Where the Group is a Lessor :-

The lease rentals received during the year are as follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|------------------------|---------------------------------------|---------------------------------------|
| Lease Rentals Received | 15.11 | 1.75 |

The group has given its office premise under non-cancellable operating lease, however the lock-in period of the agreement has ceased before the reporting date.

The operating lease agreements are renewable on a period basis, and these lease agreements are also subjected to price escalation clauses.

ii) Where the Group is a Lessee

This note explains the impact of the application of ind AS 116 Leases on the group's financial statements.

Practical Expedients Applied

As per Ind AS 116, the group has used the following practical expedients permitted by the standard:

- 1) accounting for operating leases with a remaining lease term of less than 12 months as short-term leases
- 2) excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- 3) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- 4) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

The lease liabilities recognised in the balance sheet at 01st April 2022 & balance of lease liability in Financial Statements as on 31st March 2023, is as follows:

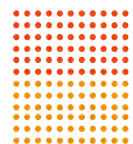
| PARTICULARS | AMOUNT |
|--|---------|
| Opening balance of Lease Liability in the Financial Statements as on 1st April 2022 | 30.58 |
| <u>Add:</u> Recognition of Finance Lease liability in FY 22-23 | 123.65 |
| <u>Add:</u> Interest Accrued for the Year | 4.14 |
| <u>Less:</u> Lease Payments Made | (43.73) |
| Closing balance of Lease Liability in the Financial Statements as on 31st March 2023 | 114.65 |

Details with respect to right of use Assets :

| PARTICULARS | CARRYING AMOUNT OF ASSET AS AT 1ST APRIL 2022 | CHANGES DURING THE YEAR | DEPRECIATION | CARRYING AMOUNT OF ASSET AS AT 31ST MARCH 2023 |
|-------------|---|----------------------------|--------------|--|
| Buildings | 25.30 | 123.65 | 35.47 | 113.49 |

Other Transactions recorded in the Financial statements pertaining to Leases are as follows

- i) Interest Expense on Lease liabilities amounts to Rs 4.14 Lakhs/-
- iii) Total cash outflow for leases amounts to Rs 43.73 Lakhs/- during the year including cash outflow of short-term and low value leases.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 45 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

| PARTICULARS | NOTES | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|-------------|--------------------------|--------------------------|
| CURRENT ASSETS | | | |
| <u>Fixed Charge Asset</u> | | | |
| Assets | | 0.00 | 0.00 |
| <u>Floating Charge</u> | | | |
| Trade Receivables | Note No. 8 | 4794.10 | 3151.79 |
| Inventory | Note No. 7 | 2555.73 | 2634.93 |
| Cash and Cash Equivalents | Note No. 9 | 0.66 | 4.51 |
| Total current assets pledged as security | | 7350.49 | 5791.23 |
| NON-CURRENT ASSETS | | | |
| <u>First Mortgage</u> | | | |
| Motor Car | Note No. 2 | 0.00 | 4.10 |
| Right of Use Asset | Note No. 2 | 1022.50 | 1613.00 |
| Office Premises (Property, Plant & Equipment) | Note No. 2 | 653.92 | 629.82 |
| <u>Floating Charge</u> | | | |
| Office Premises (Investment Property) | Note No. 2 | 234.90 | 239.30 |
| Financial assets at fair value through profit/loss | Note No. 38 | 78.62 | 75.12 |
| Total non-current assets pledged as security | | 1989.94 | 2561.34 |
| Total assets pledged as security | | 9340.44 | 8352.57 |

NOTE NO. 46 EMPLOYEE BENEFIT EXPENSES

(a) Disclosures pursuant to Ind AS-19

i. Defined Contribution Plans

The Group makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund (PF) and Employee State Insurance Corporation (ESIC), which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they

The Group has contributed the following amounts to the fund :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Employer's Contribution to Provident Fund & ESIC | 3.19 | 3.87 |

ii. Defined Benefit Plans.

The Group's gratuity plan to provide post employment benefits to its employees is reported in accordance with Ind AS 19, "Employee Benefits" - based on an actuarial valuation carried out in respect of such gratuity plan.

(a) The amounts recognised in Balance sheet are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| <u>Present Value of Defined Benefit Obligation</u> | | |
| Wholly Funded | 0.00 | 0.00 |
| Wholly Unfunded | 68.38 | 75.30 |
| | 68.38 | 75.30 |
| <u>Less: Fair Value of Plan Assets</u> | 0.00 | 0.00 |
| Amounts recognised as Liability (See Note No.18 & Note No.26) | 68.38 | 75.30 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

(b) The amounts recognised in statement of Profit and Loss are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Current Service Cost | 6.64 | 8.25 |
| Interest Cost | 5.65 | 4.40 |
| Past Service Cost | 0.00 | 0.00 |
| Expenses included in Employee Benefits (See Note No.32) | 12.28 | 12.65 |

(c) The amounts recognised in Other Comprehensive Income are as Follows:-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Actuarial (Gains) / Losses | (13.52) | (11.51) |
| Expenses included in Other Comprehensive Income (See Note No.39) | (13.52) | (11.51) |

(d) The Reconciliation of Opening and Closing Balances of Defined Benefit Obligation is as Follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--|---------------------------------------|---------------------------------------|
| Opening Balance of present value of Defined Benefit Obligation | 75.30 | 74.39 |
| <u>Add:</u> Current Service Cost | 6.64 | 7.36 |
| <u>Add:</u> Interest Cost | 5.65 | 5.06 |
| <u>Add:</u> Past Service Cost | 0.00 | 0.00 |
| <u>Add/(less):</u> Actuarial Losses/(gains) | (13.52) | (11.51) |
| | 74.06 | 75.30 |
| <u>Less:</u> Defined Benefit Claims Settled | 5.68 | 0.00 |
| | 68.38 | 75.30 |

(e) Breakup of Other Comprehensive Income

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| Actuarial losses / (gains) arising from change in financial assumptions | (5.36) | 0.00 |
| Actuarial losses / (gains) arising from change in Demographic assumptions | 0.00 | 0.00 |
| Actuarial losses / (gains) arising from change in experience adjustments | (8.15) | (11.51) |
| | (13.51) | (11.51) |

(f) Actuarial Assumptions

Principal actuarial assumptions at the Reporting date are as follows :-

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------------------|--------------------------|--------------------------|
| Discount Rate (per anum) | 7.50% | 6.80% |
| Salary Growth Rate (per anum) | 7.00% | 7.00% |
| Retirement Age | 58 Years | 60 Years |
| <u>Attrition Rate</u> | | |
| Younger Ages | 5.00% | 5.00% |
| Older Ages | 1.00% | 1.00% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

(h) Maturity profile of defined benefit obligation

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|-------------------|--------------------------|--------------------------|
| Within 1 Year | 4.58 | 8.41 |
| Year 1 to Year 2 | 2.33 | 2.25 |
| Year 2 to Year 3 | 2.25 | 2.17 |
| Year 4 to Year 5 | 2.17 | 2.09 |
| Year 5 to Year 6 | 5.02 | 2.02 |
| Year 6 to Year 10 | 26.19 | 22.39 |
| After 10 Years | 25.84 | 35.97 |

NOTE NO. 47

RELATED PARTY DISCLOSURES

a. Details of Related Parties

i) List of Related Parties on whom control is established by the Parent Company

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE GROUP |
|----------------------------------|-----------------------------|
| Technofy Digital private Limited | Wholly Owned Subsidiary |

ii) Key Managerial Personnel

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE GROUP |
|-----------------------------|---|
| Amit D. Rambhia | Managing Director |
| Nikit D. Rambhia | Joint Managing Director |
| Devchand Rambhia* | Whole-Time Director |
| Nitesh M Savla** | CFO & Whole-Time Director |
| Vikesh Shah | Sales Head |
| Jitendra Deokar | General Manager - Factory & Operations |
| Neha Madiar | Project Head |
| Harshil Chheda | CS & Compliance Officer |
| Devchand Rambhia | Director (Technofy Digital private Limited) |
| Jayachandran Sunderamoorthy | Director (Technofy Digital private Limited) |

* Ceased as a Whole-Time Director of the Company pursuant to completion of tenure with effect from February 16, 2023

** Appointed as a Whole-Time Director of the Company with effect from February 14, 2023

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

iii) List of Related Parties with whom transactions has taken place during the Reporting Period

| NAME OF RELATED PARTY | RELATIONSHIP WITH THE GROUP |
|--|--|
| Technofy Digital Private Limited | Wholly Owned Subsidiary |
| Amit D. Rambhia | Managing Director |
| Nikit D. Rambhia | Joint Managing Director |
| Devchand L. Rambhia | Whole-Time Director |
| Nitesh M. Savla | CFO & Whole-Time Director |
| Vikesh Shah | Sales Head |
| Jitendra Deokar | General Manager - Factory & Operations |
| Neha Madiar | Project Head |
| Harshil Chheda | CS & Compliance Officer |
| Panabyte Technologies Limited | Company having Common Director |
| ICT Infratech Services Private Limited | Joint Venture |
| Rambhia IPR Services LLP | Firm in which Director is a Partner |
| Deepa A. Rambhia | Relative of Director |
| Kavita N. Rambhia | Relative of Director |

b. List of Transactions with Related Parties

The Group has identified all the related parties having transactions during the year as per details given hereunder:-

| NAME OF THE PERSON / ENTITY | RELATION WITH THE GROUP | NATURE OF TRANSACTION | VOLUME OF TRANSACTION IN FY 22-23 |
|-----------------------------|--|------------------------------|-----------------------------------|
| Amit D. Rambhia | Managing Director | Remuneration | 31.50 |
| Nikit D. Rambhia | Joint Managing Director | Remuneration | 31.50 |
| Devchand L. Rambhia | Whole-Time Director | Remuneration | 9.65 |
| Nitesh M. Savla | CFO & Whole-Time Director | Short Term Employee Benefits | 1.23 |
| Deepa A. Rambhia | Relative of Director | Short Term Employee Benefits | 18.00 |
| Kavita N. Rambhia | Relative of Director | Short Term Employee Benefits | 12.00 |
| Nitesh M. Savla | CFO & Whole-Time Director | Short Term Employee Benefits | 13.54 |
| Jitendra Deokar | General Manager - Factory & Operations | Short Term Employee Benefits | 14.63 |
| Neha Madiar | Project Head | Short Term Employee Benefits | 14.08 |
| Vikesh Shah | Sales Head | Short Term Employee Benefits | 30.00 |
| Vikesh Shah | Sales Head | Advances Given | 6.00 |
| Harshil Chheda | CS & Compliance Officer | Short Term Employee Benefits | 6.60 |
| Amit D. Rambhia | Managing Director | Loan Repaid | 91.87 |
| Amit D. Rambhia | Managing Director | Interest on Unsecured Loan | 0.22 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| NAME OF THE PERSON / ENTITY | RELATION WITH THE GROUP | NATURE OF TRANSACTION | VOLUME OF TRANSACTION IN FY 22-23 |
|-------------------------------|-------------------------------------|----------------------------|-----------------------------------|
| Nikit D. Rambhia | Joint Managing Director | Loan Repaid | 82.22 |
| Nikit D. Rambhia | Joint Managing Director | Interest on Unsecured Loan | 0.49 |
| Devchand L. Rambhia | Whole-Time Director | Loan Repaid | 173.33 |
| Devchand L. Rambhia | Whole-Time Director | Interest on Unsecured Loan | 8.63 |
| Panabyte Technologies Limited | Company having Common Director | Sales | 95.87 |
| Panabyte Technologies Limited | Company having Common Director | Services Availed | 1.11 |
| Panabyte Technologies Limited | Company having Common Director | Services Provided | 5.81 |
| Rambhia IPR Services LLP | Firm in which Director is a Partner | Royalty Paid | 6.76 |

The above mentioned transactions with related parties are stated after excluding tax and carried out at arms length prices.

c. Amount Receivable / Payable from / to related parties as on reporting dates are as Follows:-

| PARTICULARS | RELATION WITH THE GROUP | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|-------------------------------------|-----------------------|-----------------------|
| <u>Amounts Receivable from Related Parties</u> | | | |
| <u>Receivables for Sales & Services Provided</u> | | | |
| Panabyte Technologies Limited | Company having Common Director | 279.74 | 259.19 |
| ICT Infratech Services Private Limited | Joint Venture | 57.32 | 57.02 |
| | | 337.06 | 316.20 |
| <u>Receivables from KMP's or their Relatives</u> | | | |
| Vikesh Shah | Sales Head | 9.35 | 3.35 |
| | | 9.35 | 3.35 |
| Total Receivables from Related Parties | | 346.41 | 319.55 |
| <u>Amounts Payable to Related Parties</u> | | | |
| <u>Payables for Purchases & Services Availed</u> | | | |
| Rambhia IPR Services LLP | Firm in which Director is a Partner | 8.84 | 7.15 |
| | | 8.84 | 7.15 |
| <u>Payable towards Borrowings Taken</u> | | | |
| Amit D. Rambhia | Managing Director | 0.00 | 84.70 |
| Amit D. Rambhia (Interest Payable) | Managing Director | 0.00 | 7.17 |
| Nikit D. Rambhia | Joint Managing Director | 5.54 | 81.90 |
| Nikit D. Rambhia (Interest Payable) | Joint Managing Director | 0.49 | 5.92 |
| Devchand L. Rambhia | Whole-Time Director | 19.84 | 193.00 |
| Devchand L. Rambhia (Interest Payable) | Whole-Time Director | 8.63 | 1.03 |
| | | 34.50 | 289.02 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | RELATION WITH THE GROUP | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--|--|--------------------------|--------------------------|
| <u>Payables to KMP and their Relatives as Remuneration</u> | | | |
| Amit D. Rambhia | Managing Director | 1.60 | 2.21 |
| Nikit D. Rambhia | Joint Managing Director | 2.13 | 2.37 |
| Devchand L. Rambhia | Whole-Time Director | 0.00 | 0.98 |
| Deepa A. Rambhia | Relative of Director | 1.27 | 1.09 |
| Kavita N. Rambhia | Relative of Director | 1.00 | 0.87 |
| Nitesh M. Savla | CFO & Whole-Time | 1.04 | 0.88 |
| Vikesh Shah | Sales Head | 1.99 | 2.16 |
| Jitendra Deokar | General Manager - Factory & Operations | 1.02 | 0.97 |
| Neha Madiar | Project Head | 1.05 | 0.75 |
| Harshil Chheda | CS & Compliance Officer | 0.41 | 0.37 |
| | | 11.51 | 12.65 |
| Total Payables to Related Parties | | 54.85 | 308.82 |

Compensation Paid to Key Managerial Personnel (KMP) :

The remuneration of Directors and other members of Key Managerial Personnel are as follows :-

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|--------------------------|---------------------------------------|---------------------------------------|
| Short Term Benefits | 122.79 | 114.93 |
| Post Employment Benefits | 39.24 | 43.03 |
| Other Long-Term Benefits | 0.00 | 0.00 |
| Share Based Payments | 0.00 | 0.00 |
| Termination Benefits | 0.00 | 0.00 |
| Total | 162.03 | 157.96 |

NOTE NO. 48

FAIR VALUE MEASUREMENT HIERARCHY

A. The Disclosure requirements pursuant to Ind AS 107 "Financial Instruments: Disclosures" are as Follows

(a) Category wise classification for applicable Financial assets & Liabilities.

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| Financial Assets | | |
| <u>Measured at Amortised Cost</u> | | |
| Loans | 30.96 | 30.04 |
| Trade Receivables | 4,794.35 | 3,151.79 |
| Other Financial Assets | 0.25 | 0.50 |
| Cash & Cash Equivalents | 23.94 | 95.10 |
| Bank Balances Other Cash & Cash Equivalents | 0.08 | 0.08 |
| Total financial Assets Measured at Amortised Cost (I) | 4,849.58 | 3,277.51 |
| <u>Measured at Fair Value Through Profit and Loss Account (FVTPL)</u> | | |
| Investment in Mutual Funds | 78.62 | 75.12 |
| | 78.62 | 75.12 |
| Total Value of Financial Assets [(I)+(II)] | 4,928.20 | 3,352.64 |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| PARTICULARS | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|---|--------------------------|--------------------------|
| Financial Liabilities | | |
| <u>Measured at Amortised Cost</u> | | |
| Borrowings | 3,949.57 | 3,403.32 |
| Trade Payables | 1,941.02 | 1,461.97 |
| Lease Liabilities | 114.65 | 30.58 |
| Other Financial Liabilities | 62.23 | 35.18 |
| Total of Financial Liabilities Measured at Amortised Cost | 6,067.48 | 4,931.06 |
| Total Value of Financial Liabilities | 6,067.48 | 4,931.06 |

(b) Disclosures relating to recognition of items of income, expenses, gains or losses related to financial instruments

| PARTICULARS | FOR THE YEAR ENDED 31ST MARCH 2023 | FOR THE YEAR ENDED 31ST MARCH 2022 |
|---|---------------------------------------|---------------------------------------|
| <u>Net gains/(losses) on financial assets and Financial liabilities measured at amortised cost :-</u> | | |
| (i) Exchange Difference Gains/ (Losses) on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.) | (33.96) | (4.59) |
| (ii) Liabilities no Longer Payable | 3.10 | 8.09 |
| (iv) Amortisation of Fair Value Changes of Asset | (0.12) | (0.12) |
| (v) Finance Charges (Net) | 1.31 | 1.22 |
| (vi) Interest Income | 36.17 | 157.50 |
| (vii) Interest Expense | (404.62) | (276.11) |
| (viii) Finance Charges on Lease Liabilities | (4.14) | (5.18) |
| (ix) Bank Charges on Finance | (0.56) | (1.91) |
| (x) Processing Charges | (12.55) | (18.20) |
| (xi) Provision for Expected Credit Losses | (13.68) | (42.14) |
| Total | (429.05) | (181.45) |
| <u>Net gains/(losses) on financial assets measured at Fair Value Through Profit and Loss Account (FVTPL) :-</u> | | |
| (i) Notional Fair Valuation gain on Bonds | 3.57 | 6.38 |
| | 3.57 | 6.38 |

B. Disclosure pursuant to Ind AS 113 "Fair Value Measurement"- Fair Value Hierarchy of Financial assets and Financial Liabilities :-

| AS AT 31ST MARCH 2023 | CARRYING VALUE IN BOOKS | LEVEL OF INPUT USED FOR FAIR VALUATION | | |
|-------------------------------|----------------------------|--|---------|---------|
| | | LEVEL 1 | LEVEL 2 | LEVEL 3 |
| <u>Other Financial Assets</u> | | | | |
| Investment in Mutual Fund | 78.62 | 78.62 | -- | -- |

Valuation Method by using Level 1 inputs

Investments, made in Mutual Funds by the Group has been measured with respect to the Market movements in instrument's Net Asset Value (NAV) over the reporting period. Hence the instrument has been classified as Level-1, since the same has been valued at its respective market price as on reporting date.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

NOTE NO. 49

DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT

Particulars of Loans, Deposits and Guarantees as at the year end

| NAME OF THE ENTITY | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | NATURE OF ASSISTANCE | PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT |
|-------------------------|--------------------------|--------------------------|----------------------|--|
| Shree Rajlaxmi Textiles | 10.00 | 10.00 | Advance | Advance for Purchase of Property |

NOTE NO. 50

ADDITIONAL REGULATORY INFORMATION

A. Disclosure where Loans or Advances in the nature of loans are granted to promoters, directors, KMP's and the related parties, either severally or jointly with any other person, that are :

- repayable on demand; or
- without specifying any terms or period of repayment.

| Type of Borrower | Amount of Loans or advances in the nature of loan outstanding | Percentage to the Total loans and Advances in the nature of loans |
|------------------|---|---|
| Promoters | N.A. | N.A. |
| Directors | N.A. | N.A. |
| KMP's | 9.35 | 76.79% |
| Related Parties | N.A. | N.A. |

B. Details of Benami Property held

No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.

C. Disclosure relating to Group being declared as Wilful defaulter

The Group has not been declared as wilful defaulter by any Banks or Financial Institution or other lender.

D. Transactions with Struck-off Companies

There were no transactions with any struck-off companies during the year.

E. Disclosure relating to Registration of charge or Satisfaction with ROC beyond Statutory period

All the Charges (be it Fixed or Floating Charge created on the assets of the Group by way of Cash credit or Car Loan or Property Loan or Term loans) have been registered with ROC within statutory period.

F. Disclosure relating to compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of Companies Act, 2013.

G. FINANCIAL RATIOS

The Financial Ratios for the Group for the FY 2022-23 and FY 2021-22 are as follows :

| Sr No. | Particulars | Numerator | Denominator | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | Variance (%) |
|--------|-----------------------------|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.37 | 1.42 | -3.69% |
| 2 | Debt Equity Ratio | Total Debt (incl. Lease Liabilities) | Shareholder's Equity | 1.29 | 1.13 | 14.56% |
| 3 | Debt Service Coverage Ratio | Earnings available for Debt service | Debt Service (Interest) | 1.55 | 1.87 | -16.88% |
| 4 | Return on Equity | Net Profit after Taxes | Avg Shareholder's Equity | 2.66% | 2.67% | -0.24% |



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March, 2023

(Rs. in Lakhs)

| Sr No. | Particulars | Numerator | Denominator | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 | Variance (%) |
|--------|----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|--------------|
| 5 | Inventory Turnover Ratio | Revenue | Avg Inventory | 4.31 | 3.91 | 10.07% |
| 6 | Trade Receivables Turnover Ratio | Revenue | Avg Trade Receivables | 2.81 | 2.46 | 14.46% |
| 7 | Trade Payables Turnover Ratio | Purchases of Goods/Services | Avg Trade Payables | 5.77 | 6.06 | -4.79% |
| 8 | Net Capital Turnover Ratio* | Revenue | Working Capital | 4.61 | 3.36 | 37.35% |
| 9 | Net Profit Ratio | Net Profit | Revenue | 0.74% | 0.93% | -20.74% |
| 10 | Return on Capital Employed | EBIT | Capital Employed | 17.18% | 15.16% | 13.36% |

Reasons for huge variance :

* Net Capital Turnover Ratio of the Group has shown positive variance as a result of increase in revenue in current year.

H. Note on Undisclosed Income If any

The Group does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also none of the previously unrecorded income and related assets have been recorded in the books of account during the year.

I. Disclosure relating to Compliance with approved scheme of Arrangements

The Group has not applied for any Schemes of Arrangements to any Competent Authority in terms of section 230 to 237 of the Companies Act, 2013.

J. Disclosure relating to reporting under rule 11(e) of the companies (audit and auditors) rules, 2014 , as amended.

- 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 Group to or any other person or entities, 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group 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.

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)
UDIN: 23044039BGWCDJ7457

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DIN:- 00165919

MR. HARSHIL CHHEDA
COMPANY SECRETARY

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE DIGILIFE LIMITED

MR. NIKIT D. RAMBHIA
JOINT MANAGING DIRECTOR
DIN:- 00165678

MR. NITESH M. SAVLA
CFO & WHOLE TIME DIRECTOR
DIN:- 05155342

PLACE: MUMBAI
DATED: 24th May, 2023

PLACE: MUMBAI
DATED: 24th May, 2023

PANACHE DIGILIFE LIMITED

Registered Office: Bldg. A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3,
Saravali Village, Bhiwandi, Thane - 421302, Maharashtra, India

Corporate Office: B-507, Raheja Plaza Premises CSL, L.B.S. Marg, Ghatkopar West, Mumbai-400086,
Maharashtra, India

Tel: 022-2500 7002; Email: info@panachedigilife.com; Website: www.panachedigilife.com

CIN: L72200MH2007PLC169415

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Sixteenth Annual General Meeting** ("AGM") of the Members of **Panache Digilife Limited** will be held on Friday, September 29, 2023 at 3.00 p.m. through electronic mode [video conference ("VC") / other audio - visual means ("OVAM")] to transact the following business;

Ordinary Business:

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon, and
2. To appoint a director in place of Mr. Amit Rambhia (DIN 001658919), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. **To ratify remuneration of the cost auditor for the financial year ending March 31, 2024.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 1,10,000 (Rupees one lakh ten thousand only) plus taxes as applicable and reimbursement of out of pocket expenses, to be paid to M/s. Kishore Bhatia & Associates (Firm Registration No. 00294), Cost Auditors of the Company, for the financial year ending March 31, 2024 as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to perform all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

**By order of the Board of Directors of
Panache Digilife Limited**

**Date: August 10, 2023
Place: Mumbai**

**Harshil Chheda
Company Secretary
Membership No. A62645**

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), which sets out details relating to Special Business to be transacted at the Sixteenth AGM, is annexed hereto.
2. Ministry of Corporate Affairs ("MCA") has vide its various circulars issued from time to time (the latest circular being dated December 28, 2022) ("MCA Circulars") permitted the holding of the AGM through VC / OAVM. In compliance with the provisions of the Act, MCA Circulars and Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), the Sixteenth AGM is being held through VC / OAVM on Friday, September 29, 2023 at 3:00 p.m. The deemed venue of the AGM shall be the Registered Office of the Company.

The procedure for joining the AGM through VC / OAVM is mentioned in this Notice.

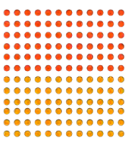
3. Since this AGM is being held through VC / OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the meeting.

The route map, Proxy Form and Attendance Slip are therefore, not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution/Authorization shall be sent to compliance@panachedigilife.com not less than 48 (forty-eight) hours before the commencement of the AGM i.e., by 3.00 P.M. on September 27, 2023.

5. Members of the Company, holding shares, as on Friday, September 1, 2023, (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2022-23, through their registered mail id. Any person, who acquires shares of the Company and becomes Member of the Company after sending of the Notice and holding shares as on cut-off date i.e. Friday, September 22, 2023 ("cut-off date"), may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company ("RTA"), Bigshare Services Private Limited at e-mail vinod.y@bigshareonline.com or to Central Depository Services (India) Limited ("CDSL") at email helpdesk.evoting@cdslindia.com.
6. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through CDSL. Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.
7. The Company has appointed Mr. Dharmesh Zaveri, proprietor of M/s. D. M. Zaveri & Co., Company Secretaries, as the Scrutinizer for conducting the e-voting and remote e-voting process for the AGM in a fair and transparent manner.
8. The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled time of the commencement of the AGM and while the AGM is in progress, by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first serve basis. This will not include large Shareholders



(Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis. Institutional Investors who are Members of the Company, are encouraged to attend the AGM and vote.

9. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. The Board of Directors have considered and decided to include the resolution no. 3 given above as Special Business in the forthcoming AGM.
11. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of 16th AGM.
12. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through remote e-voting for the business specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote again.
13. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members / list of Beneficial Owners maintained by National Securities Depository Limited ("NSDL") and CDSL (NSDL and CDSL collectively referred as "Depositories") as on the cut-off date.
14. A person, whose name is recorded in the Register of Members / list of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
15. Any person who becomes a Member of the Company after sending of Annual Report and holding shares as on the cut-off date shall also follow the procedure stated herein.
16. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
17. In case of joint holder attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
18. Non-Resident Indian Members are requested to inform the RTA immediately about the change in residential status on their return to India, if any.
19. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio by submitting duly filled and signed form ISR-4.
20. As on the date of this Notice all the shares of the Company are held in dematerialised form.
21. Members holding shares in dematerialized form are requested to update the bank account details (account number, 9-digit MICR and 11-digit IFSC), name/ address, e-mail address, mobile number etc. to their respective Depository Participants, any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.



22. Members can avail facility of nomination in respect of shares held by them pursuant to Section 72 of the Act.
23. The SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's RTA.
24. Additional information of Director seeking re-appointment at the ensuing AGM as required under Regulation 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to this Notice.
25. In line with MCA Circulars and SEBI circulars, the Notice calling the AGM along with the Annual Report for FY 2022-23 is being sent through the electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The cut-off date for receiving Notice and Annual Report through e-mail is Friday, September 1, 2023. A Member can request for a copy of the Annual Report by sending an e-mail to the Company at compliance@panachedigilife.com. Members may note that the Annual Report will also be available on the website of the Company at <https://www.panachedigilife.com/financials#annualreport> and on the website of the National Stock Exchange of India Limited at www.nseindia.com. The Notice is also disseminated on the website of CDSL (agency providing the remote e-voting facility and e-voting during the AGM) at www.evotingindia.com.

For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the e-mail address is not registered with the respective Depository Participants / Company / RTA, the members may register their e-mail addresses by sending an e-mail to the Company at compliance@panachedigilife.com with the following details mentioned in e-mail: DP ID & Client ID, name of the shareholder and PAN.

Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants in case the shares are held in dematerialised form.

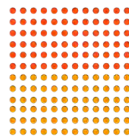
26. All the relevant documents referred to in this AGM Notice, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Act and other documents are available for inspection from the date of circulation of the notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to compliance@panachedigilife.com from their registered e-mail addresses.
27. Members are requested to note that as per Section 124(5) of the Act, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). The Company requests the Members to claim the unclaimed dividends within the prescribed period. Members are requested to contact the RTA / Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
28. All the investor related communication and grievances may be addressed to the Registrar and Transfer Agent of the Company at their following address:

Bigshare Services Private Limited

Address: - Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093

Website: www.bigshareonline.com Email: investor@bigshareonline.com

Tel No: +9122 6263 8200 / Fax No: +9122 6263 8299



PROCEDURE FOR REMOTE EVOTING, ATTENDING THE AGM AND E-VOTING DURING THE AGM:

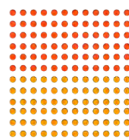
The remote e-voting period begins on Tuesday, September 26, 2023 from 9:00 a.m. (IST) and ends on Thursday, September 28, 2023 at 5:00 p.m. (IST). During this period, Members of the Company, holding shares as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and the same will be enabled during the AGM for the Members who have not casted their vote through remote e-voting.

The Members who have casted their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

A. I. Procedure and instructions for individual Members holding shares in dematerialised form:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are requested to visit www.cdslindia.com and click on Login icon and New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |





| | |
|---|---|
| | <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

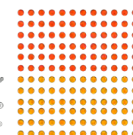
Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30 |

II. Procedure and instructions for non-individual Members holding shares in dematerialised form and Members holding shares in physical form:

- i. The user should log on to the e-voting website www.evotingindia.com.
- ii. Click on “Shareholders” module.
- iii. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,





- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|--|
| PAN | <ul style="list-style-type: none"> Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

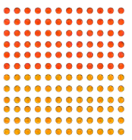
- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the Electronic Voting Sequence Number ("EVSN") of Panache Digilife Limited.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; dmz@dmzaveri.com and compliance@panachedigilife.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

B. Procedure and instructions for Members attending the AGM through VC/OAVM:

- i. The procedure for attending the AGM & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC / OAVM to attend the AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Members who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Members are encouraged to join the AGM through laptops / iPads for better experience.
- v. Members connecting through mobile devices or tablets or laptop connecting via mobile hotspot may experience loss of audio / video due to fluctuation in the network. Members are requested to allow camera and use an internet facility with a good bandwidth to avoid facing any disturbance during the AGM.
- vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio no., PAN, mobile number along with their queries at compliance@panachedigilife.com from Saturday, September 23, 2023 from 9:00 a.m. (IST) to Monday, September 25, 2023, till 5:00 p.m. (IST). Those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company



reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- vii. Only those Members, who are present at the AGM through VC / OAVM and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting during the AGM.
- viii. If any votes are cast by the Members through the e-voting facility available during the AGM and if the said Members have not participated in the AGM through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the AGM is available only to the Members attending the AGM.

Member who have any queries or issues regarding AGM or e-voting from the CDSL e-voting system, you can write an e-mail to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33.

All grievances connected with the e-voting facility may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33

C. Process for those shareholders whose email/ mobile no. are not registered with the company/ depositories:

- i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- ii. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
- iii. For Individual Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository

Declaration of Results:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the AGM, thereafter unblock the votes casted through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, who shall then countersign and declare the result of the voting forthwith.
2. Based on the Scrutinizer's Report, the Company will submit within two working days from the conclusion of the AGM to the Stock Exchange, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
3. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.panachedigilife.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorized by him and communicated to the National Stock Exchange of India Limited.
4. The resolutions shall be deemed to be passed on the date of the Meeting, i.e., September 29, 2023 subject to receipt of the requisite number of votes in favour of the resolutions.



EXPLANATORY STATEMENT FOR ITEM NO. 3 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

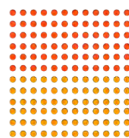
The Board of Directors, at its Meeting held on August 10, 2023, upon the recommendation of the Audit Committee, approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants having Firm Registration Number 00294, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending March 31, 2024, at a remuneration of ₹ 1,10,000 (Rupees one lakh ten thousand only) plus taxes as applicable and reimbursement of out-of-pocket expenses.

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.



Additional Information of directors seeking reappointment at the Sixteenth Annual General Meeting pursuant to SS-2 and SEBI Listing Regulations:

| | |
|---|--|
| Name of the Director | Amit Devchand Rambhia (DIN: 00165919) |
| Date of Birth / (Age) | September 23, 1974 (48 years) |
| Nationality | Indian |
| Qualifications | B. Com from Mumbai University and MBA from IIM Indore |
| Experience / Brief Resume | <p>Mr. Amit Rambhia is a Managing Director of the Company. He is associated with the Company as Director since inception and was later re-designated as the Managing Director of the Company.</p> <p>Mr. Amit Rambhia, has got 20+ years of experience in management and overall business execution. He has Bachelor's Degree from Mumbai University; MBA from IIM Indore. He is an innovative and self - driven man. He always had a passion for technology that led him to venture into IoT & ICT hardware business in 1993. He offers rich and varied exposure of 20+ years to the entire spectrum of Business activities.</p> <p>Mr. Amit Rambhia has been recognized amongst The Most Influential Marketing Leader by the World Marketing Congress.</p> |
| Nature of his expertise in specific functional area | Management & overall business execution |
| Terms and conditions of appointment or re-appointment | Tenure as a director is subject to retirement by rotation. |
| Remuneration proposed to be paid | As per existing approved terms of appointment. |
| Remuneration last drawn (For FY 2022-23) | Rs. 31,50,000 |
| Date of 1 st Appointment on the Board | March 30, 2007 (Since Inception) |
| No. of Board Meetings attended during the FY 2022-23 | No of Board Meetings held - 4 No of Board Meetings attended – 3 |
| Shareholding in the Company, including Shareholding as a Beneficial Owner | 28,00,000 Equity Shares |
| Relationship with other Directors, Manager & Key Managerial Personnel | He is a brother of Nikit Rambhia (Joint Managing Director). |
| Directorships held in other companies as on March 31, 2023 | Panabyte Technologies Limited (formerly known as Panache Innovations Limited) * ICT Infratech Services Private Limited |
| Names of listed entities from which the director have resigned in the past three years | NIL* |
| Committee Memberships / Chairmanship in other companies as on March 31, 2023 | <u>Panabyte Technologies Limited</u> (formerly known as Panache Innovations Limited) * Audit Committee - Member Nomination and Remuneration Committee - Member Stakeholders Relationship Committee -Member |
| Information as required pursuant to the National Stock Exchange of India Limited with ref no. NSE/CML/2018/24, dated June 20, 2018. | Not debarred from holding the office of director pursuant to any SEBI order or any such authority |

*Resigned as a Chairman and Non-Executive Director with effect from May 30, 2023

By order of the Board of Directors
For **Panache Digilife Limited**

Date: August 10, 2023

Place: Mumbai

Harshil Chheda
Company Secretary
Membership No. A62645





PANACHÉ®
Making Human Life Easy®

Panache Digilife Limited

info@panachedigilife.com

www.PanacheDigilife.com