NOTICE

NOTICE IS HEREBY GIVEN THAT THE 15TH ANNUAL GENERAL MEETING OF M/S. MCT CARDS & TECHNOLOGY PRIVATE LIMITED WILL BE HELD AT SHORTER NOTICE ON THURSDAY, 30TH SEPTEMBER 2023 AT THE RGISTERED OFFICE OF THE COMPANY AT UDAYAVANI BUILDING, PRESS CORNER, MANIPAL-576104, AT 10.00 A.M. (IST) TO TRANSACT THE FOLLOWING BUSINESS:

- **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2023 together with the Report of the Auditors and Directors thereon.
2. To appoint a Director in the place of Ms. Roopashree Roopashree, (DIN: 08966571), who retires by rotation and being eligible, offers herself for reappointment.
3. To consider & declare final dividend of Rs.1 per share, i.e., 10% of paid-up equity share capital of the Company.

BY ORDER OF THE BOARD
FOR MCT CARDS & TECHNOLOGY PRIVATE LIMITED

KATAPADI GOVINDRAYA SUBRAYA KAMATH
DIRECTOR
DIN: 05259687

ADDRESS: #2-121, SRI RAM PRASAD, POSAR, MOODABETTU, KATAPADI UDUPI 574105 KA IN

DATE: 29.09.2023
PLACE: MANIPAL

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. THE BLANK PROXY FORM IS ENCLOSED. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY A CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.

3. MEMBERS/PROXIES SHOULD FILL IN THE ATTENDANCE SLIP FOR ATTENDING THE MEETING. MEMBERS ARE REQUESTED TO BRING THEIR ATTENDANCE SLIP.

4. A PROXY IS ALLOWED TO BE APPOINTED UNDER SECTION 105 OF THE ACT TO ATTEND AND VOTE AT A GENERAL MEETING ON BEHALF OF A MEMBER WHO IS NOT ABLE TO ATTEND PERSONALLY. THE APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THOSE MEMBERS WHO ARE ATTENDING THE GENERAL MEETING HELD THROUGH FACILITY OF VC OR OAVM.

5. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the 13th Annual General Meeting (AGM) is annexed.

6. Shareholders are required to intimate changes in their addresses, if any.

7. On account of threat posed by COVID-19 pandemic situation, the company is sending AGM Notice in electronic form also in terms of the General Circular No. 17/2020 issued by Ministry of Corporate Affairs dated April 13, 2020 & General Circular No.22/2020 issued by Ministry of Corporate Affairs dated June 15, 2020 :
   a) Pursuant to the aforesaid Circular issued by Ministry of Corporate Affairs, shareholders who have not registered their email address and in consequence of the notice could not receive the notice electronically may get their email address registered with the Company by sending a mail to binod.mandal@manipalgroup.info. In case of any queries, shareholder may write to binod.mandal@manipalgroup.info

   b) It is clarified that for permanent registration of email address, shareholders are requested to register their email addresses, by writing an email to binod.mandal@manipalgroup.info

   c) Those shareholders who have already registered their email addresses are requested to keep their email addresses validated with the Company to enable servicing of notices / documents / Annual Reports electronically to their email address

d) The shareholders may attend the AGM via Video Conference facility through zoom https://us02web.zoom.us/j/89949297069 Meeting Id: 89949297069 Meeting password: 887959

e) Members can send their questions/ queries prior to the date of the meeting by sending an email to binod.mandal@manipalgroup.info, Phone No 0820-220-5376. Please avoid any queries which are irrelevant to the topic.

BY ORDER OF THE BOARD
FOR MCT CARDS & TECHNOLOGY PRIVATE LIMITED

MCT CARDS & TECHNOLOGY PVT LTD MANIPAL 576 104

KATAPADI GOVINDRAYA SUBRAYA KAMATH
DIRECTOR
DIN: 05259687

ADDRESS: #2-121, SRI RAM PRASAD, POSAR, MOODABETTU, KATAPADI UDUPI 574105 KA IN

DATE: 29.09.2023
PLACE: MANIPAL

Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Corporate Identity Number : U72900KA2008PTC045316

Name of the company : MCT CARDS & TECHNOLOGY PRIVATE LIMITED

Registered office :Udayavani Building, Press Corner, Manipal, Udupi 576104 Karnataka

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	
DP ID	

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

1.

Name	
Address	
E-Mail ID	
Signature	

or failing him,

2.

Name	
Address	
E-Mail ID	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Thursday the 30th day of September 2021 at the Registered Office at Udayavani Building, Press Corner, Manipal, Udupi 576104 Karnataka, at 10:00 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Description
	Ordinary Business
1	To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March 2021 together with the Report of the Auditors and Directors thereon
2	To appoint a Director in the place of Mr. Katpadi Govindraya S Kamath (DIN: 05259687), who retires by rotation and being eligible, offers himself for reappointment
3	To appoint a Director in the place of Mr. Katpadi Govindraya S Kamath (DIN: 05259687), who retires by rotation and being eligible, offers himself for reappointment
4	To declare final dividend of Rs.1 per share, i.e., 10% of paid-up equity share capital of the Company.
	Special Business
5	Appointment of Ms. Roopashree Roopashree (DIN 08966571 as a (Women) Non- Executive Director

Signed this...... day of.......... 2021

Signature of Proxy holder(s):

Signature of shareholder:

Affix Re.1/- Revenue Stamp

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

MCT Cards & Technology Private Limited

CIN: U72900KA2008PTC045316

Registered office: Udayavani Building, Press Corner, Manipal, Udupi 576104 Karnataka

ATTENDANCE SLIP

Sr. No.....

Registered Folio No/ Client Id and DP Id	
Name and address of the Member(s)	
Joint Holder 1	
Joint Holder 2	
No. of Shares	

I/we record my/ our presence at the 13th Annual General Meeting of the Company to be held on Thurday the 30th day of September 2021 at the Registered Office at Udayavani Building, Press Corner, Manipal, Udupi 576104 Karnataka at 10:00 A.M.

....

Member's / Proxy's name in Block Letters

....

Member's /Proxy's Signature

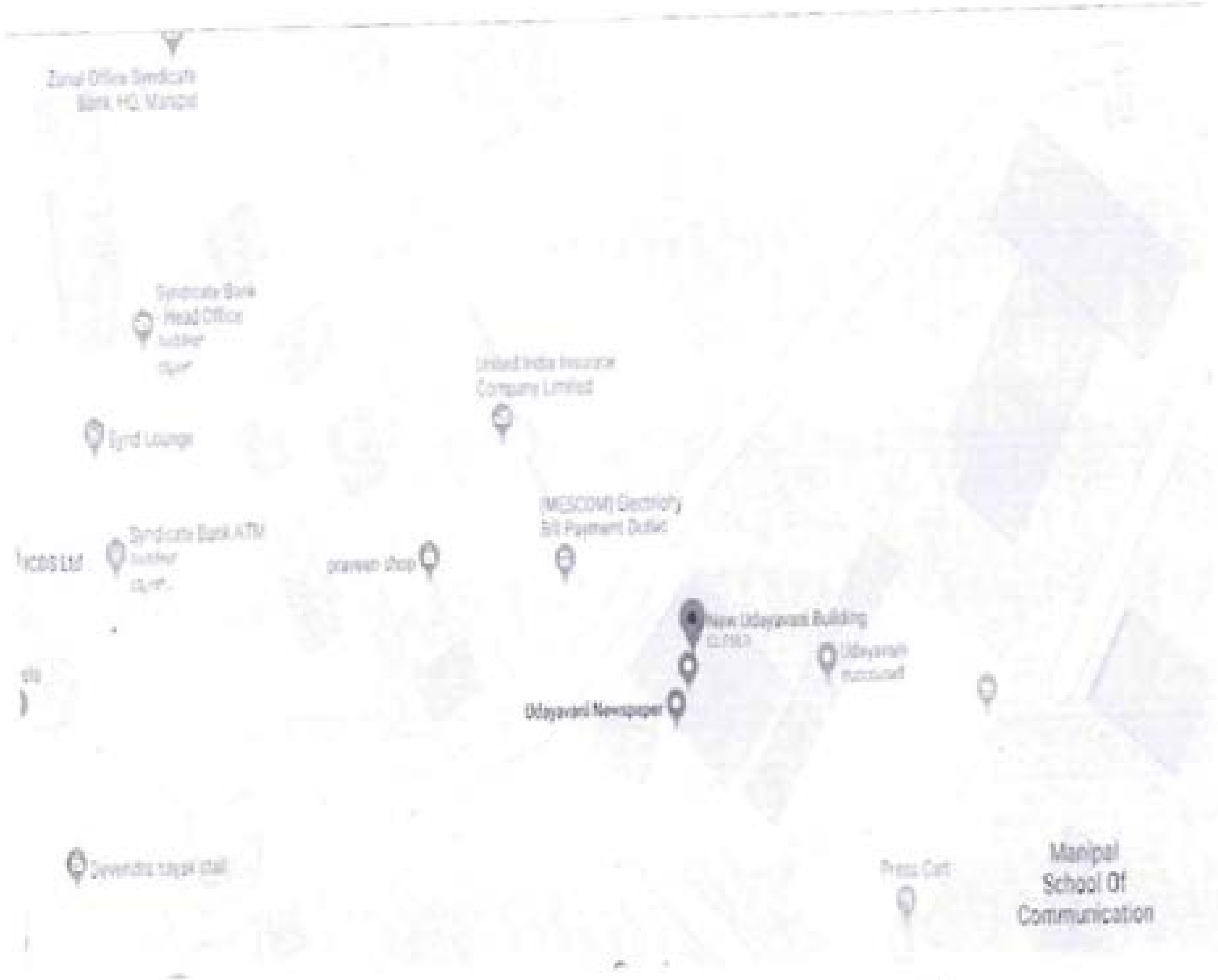
Note: 1. please fill the name and sign this Attendance Slip and deposit the same with the Company officials at the venue of the Meeting

2. Shareholders are requested to advise, indicating their Folio Nos. DP ID*, Client ID*, the change in their address, if any, to the Registrar & share Transfer Agent

3. Applicable for investor holding Shares in Electronic (Demat) From.

ROUTE MAP OF THE AGM VENUE

VENUE: UDAYAVANI BUILDING, PRESS CORNER, MANIPAL-576104



BOARD'S REPORT

To,
The Members
MCT CARDS & TECHNOLOGY PRIVATE LIMITED
Udayavani Building, Press Corner, Manipal - 576104

The Board of Directors are pleased to present the Fifteenth (15th) Annual Report on the business and operations of MCT Cards & Technology Private Limited (**"The Company"**) together with the Audited Accounts of the Company for the financial year ended 31st March 2023.

1. FINANCIAL RESULTS:

The Financial Results of the Company for the year 2022-23 are summarized as under:

(Rs. in Lakhs)

Particulars	**Year ended 31.03.2023**	**Year ended 31.03.2022**
Revenue from Operations	62,907.01	23,991.12
Other Income	1184.77	1,484.67
Total Income	**64,091.78**	**25,475.79**
Total Expenses	**56,660.61**	**23,881.07**
Profit/(Loss) Before Exceptional and Extraordinary Items and Tax	**7,431.17**	**1,594.72**
(-) Exceptional Items		-
Net Profit/(Loss) before Tax	**7,431.17**	**1,594.72**
(-) Tax Expenses	1,899.59	417.36
Net Profit After Tax	**5,531.58**	**1,177.36**
Other Comprehensive Income	(16.57)	57.46
Total Comprehensive Income for the year	**5,515.01**	**1,234.82**
Earnings per Equity share in Rs. (EPS)	**13.37**	**2.85**

2. OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the Company recorded sales turnover of INR 62,907.01 lakhs during the year under report as against the turnover of INR 23,991.12 lakhs achieved during the previous year. The net profit after tax during the year is INR 5,531.58 lakhs whereas, the net profit after tax for the previous year is Rs. **1,177.36** lakhs.

Your Directors are putting all possible efforts to improve the operational efficiency and effectiveness in all fronts so as to achieve better results by the end of the current Financial Year.

3. CHANGE IN NATURE OF BUSINESS:

During the year under review there was no change in the business.

4. RESERVES:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

5. DIVIDEND:

The Board of Directors of your company is pleased to recommend a dividend of Rs.1 per equity share of the face value of Rs. 10 each (@ 10 %) amounting to Rs.41,361,000/- payable to those Shareholders whose names appear in the Register of Members.

The dividend pay-out is in accordance with the company's dividend distribution policy.".

6. CHANGES IN SHARE CAPITAL OF THE COMPANY:

There were no changes in the Capital Structure of the Company. During the Financial Year 2022-23, the Share Capital of the Company was as follows:

Particulars		**No. of Shares**	**Amount (in Rs.)**
Authorised Capital	Equity Shares of Rs. 10/- each	5,00,00,000	50,00,00,000
Issued, Subscribed and Paid-up Capital	Equity Shares of Rs. 10/- each	4,13,61,000	41,36,10,000

a. BUY BACK OF SECURITIES:

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES:

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the employees.

e. ISSUE OF NON-CONVERTIBLE DEBENTURE

The Company has issued and allotted 350 rated, secured, unlisted, redeemable Non-Convertible Debentures of ` 10,00,000/- each on November 17, 2022, on private placement basis to True North Credit Opportunities Fund I for refinancing its working capital. The Company has appointed IDBI Trusteeship Services Limited to act as debenture trustee for the aforesaid issue of debentures.

7. STATUTORY AUDITORS

M/s N. P. Pai & Co., Chartered Accountants, Udupi (Firm Reg Number: 115271W) was appointed as the Statutory Auditor of the Company in the 9th Annual General Meeting held on Thursday the 10th day of August 2017 for a term of Five years i.e. from the conclusion of 9th Annual General Meeting till the conclusion of 14th Annual General Meeting.

Mr. Gurudas Shenoy H., Chartered Accountants, Udupi (Firm Reg Number: 029204) shall be appointed as the Statutory Auditor of the Company in the 14th Annual General Meeting to be held on Friday the 30th day of September 2022 subject to the approval of the shareholders for a term of Five years i.e. from the conclusion of 14th Annual General Meeting till the conclusion of 19th Annual General Meeting.

Mr. Gurudas Shenoy H., Chartered Accountant, Udupi (Firm Reg Number: 029204), has given his consent pursuant to Section 141 of the Companies Act, 2013, that he is not disqualified to be appointed as the Statutory Auditors of the Company.

8. QUALIFICATIONS, RESERVATION OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STAUTORY AUDITORS IN THEIR REPORT

The Auditor's observation titled emphasis of matter is self-explanatory and can be referred in the Audited Financial Statements of the Company for the F.Y. 2022-23.

9. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no such significant material orders passed by the Regulators / Courts/ Tribunal which would impact the going concern status of the Company and its future operations.

11. PARTICULARS OF EMPLOYEE:

List of Top Ten employee of the Company in terms of remuneration drawn is attached as **ANNEXURE-I.** There are no employees in receipt of remuneration exceeding the limits specified under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

12. DEPOSITS:

During the year under review the Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and Company does not have any outstanding deposits falling within the purview of section 73 to section 76 of the Act.

13. DIRECTORS/ KEY MANAGERIAL PERSONNEL:

List of Directors as on 31st March 2023

DIN	Full Name	Present Residential Address	Designation	Date of Appointment
03574154	Mr. Marachai Kongboonma	118 Sueksa Witthaya Lane Silom Sub District Bang Rak District, Bangkok, Thailand- 10500	Director	14-07-2011
03599282	Mr. Felipe Palacio Bautista	21200 NE 38th AVE Apt 1501 Aventura, Florida NA 33180 USA	Director	17-08-2011
02589021	Mr. Nagarmutt Padmakar Nayak	10-1-70a, Geetanjali Kanakadasa Road NEAR CANARA BANK Udupi 576101	Independent Director	16-08-2016
05259687	Mr. Katapadi Govindraya Subraya Kamath	#2-121, Sri Ram Prasad, Posar, Moodabettu, Katapadi Udupi 574105 Karnataka	Director	05-12-2018
07220100	Mr. Anand Kudigrama	"Sri Devi Kripa, 8-1-81 H, MGM Road, Behind Sudharshan Automobiles, Kunjibettu, Udupi Karnataka, India-576102"	Director	24-08-2020
08966571	Ms. Roopashree Roopashree	Sumadhura, Flat No. 301, 3rd Floor, Modern Comforts, Laxmindra Nagar, Udupi – 576102, Karnataka	Director	03-04-2021
02577488	Mr. Sujir Prabhakar	705A Mandavi Pearl City, Vidyarathna Nagar, Behind Edu Building, End Point Road, Manipal, Udupi, Karnataka	Independent Director	29-03-2023

List of Key Managerial Personnel as on 31st March, 2023

Name	Present residential address	Designation	Date of Appointment
Abhay Anant Gupte	C-102 Mandavi Pearl City Vidyarathnanagar Manipal Udupi 576104	CEO	01-04-2015
Binod Kumar Mandal	A-4-256 Lawrance Villa Lakshmindra Nagar, 1st Lane, Near Car Bazar Manipal 576104	Company Secretary	01-02-2018
Gopinathan Anil Shankar	# At-2 Grand Residency, Kanakapura Main Road, Saraki, Signal, J P Nagar, 6th Phase, Bangalore -560078	CFO	18-03-2019

Cessation of Mr. T.Y. Prabhu- Independent Director

During the year under review, Mr. T Y Prabhu (DIN: 02113527) ceased to be Independent Director of the Company with effect from July 07, 2022, due to completion of his term. Your directors placed on record their appreciation for the valuable contribution made by Mr. T Y Prabhu during his tenure as Director of the Company.

Appointment of Mr. Sujir Prabhakar as Independent Director.

During the year under review, had appointed Mr. Sujir Prabhakar_has been appointed as Additional Independent Director through circular resolution on 29th March 2023 and is regularized as Independent Director at this ensuing Annual General Meeting till the 20th Annual General Meeting of the Company.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

Director retiring by the rotation in the Ensuing Annual General Meeting

Pursuant to the provisions of section 152(6) of the Companies Act, 2013, Ms. Roopashree Roopashree (DIN: 08966571) and Mr. Katapadi Govindraya Subraya Kamath, (DIN: 05259687) Directors of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. The Board recommended their re-appointment.

14. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

Independent Directors have provided the declarations pursuant to Section 149(7) of the Act at the first meeting of the Board of Directors held for the Financial Year 2022-23 in which they participated as Director, that they have met with the criteria of independence as provided in Section 149(6) of the Act.

15. BOARD EVALUATION

During the year under review, the Board has initiated formal evaluation process for its own performance and of its own committees and individual Directors pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Rule 8 (4) of the Companies (Accounts) Rules, 2014. This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of the Company confirm that.

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 had 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 internal financial controls are adequate and are operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. NUMBER OF MEETINGS OF THE BOARD/ITS COMMITTEES:

During the year under review, the Board of Directors has met Seven (7) times.

The details of the meetings and the directors who attended the meetings are given below:

Sr. No.	Dates of Meetings	Meeting Attended by
1.	05/05/2022	Mr. Anand Kudigrama, Mr. Tekkar Yashwanth Prabhu, Mr. Laxminarayan Rao Karpe, Mr. Nagarmutt Padmakar Nayak, Mr. Marachai Kongboonma, Mr. Felipe Palacio Bautista, Mr. Katapadi Govindraya Subraya Kamath.
2.	20/05/2022	Mr. Anand Kudigrama,Mr. Tekkar Yashwanth Prabhu, Mr. Laxminarayan Rao Karpe, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree
3.	09/08/2022	Mr. Anand Kudigrama, Mr. Laxminarayan Rao Karpe, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree
4.	17/10/2022	Mr. Anand Kudigrama, Mr. Laxminarayan Rao Karpe, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree
5.	07/11/2022	Mr. Anand Kudigrama, Mr. Laxminarayan Rao Karpe, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree
6.	17/11/2022	Mr. Anand Kudigrama, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree
7.	19/12/2022	Mr. Anand Kudigrama, Mr. Nagarmutt Padmakar Nayak, Mr. Katapadi Govindraya Subraya Kamath, Ms Roopashree Roopashree

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

During the Financial Year 2022-23, the Members of the Audit Committee met 4 times as below:

Sr. No.	Dates of Meetings	Meeting Attended by
1.	05/05/2022	Mr. Tekkar Yashwanth Prabhu, Mr. Nagarmutt Padmakar Nayak (Independent Directors), and Mr. Anand Kudigrama (Director)

During the Financial Year 2022-23 the Members of the Nomination and Remuneration Committee met once:

Sr.No.	Dates of Meetings	Meeting Attended by
1.	05/05/2022	Mr. Tekkar Yashwanth Prabhu and Mr. Nagarmutt Padmakar Nayak (Independent Directors) and Mr. Anand Kudigrama (Director)

During the Financial Year 2022-23 the Members of the Corporate Social Responsibility Committee met once:

Sr. No.	Dates of Meetings	Meeting Attended by
1.	09/08/2022	Mr. Nagarmutt Padmakar Nayak (Independent Directors) and Mr. Anand Kudigrama (Director)

18. NOMINATION AND REMUNERATION COMMITTEE

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees has been constantly reviewed by the Committee. Composition of the committee upto July 07, 2022 was constituted with the following members:

Mr. Tekkar Yashwanth Prabhu	Chairman/Independent Director
Mr. Nagarmutt Padmakar Nayak	Member/ Independent Director
Mr. Anand Kudigrama	Member / Non-Executive Director

Since Mr. T Y Prabhu (DIN: 02113527) ceased to be Independent Director of the Company with effect from July 07, 2022, due to completion of his term, the committee was falling short of members required for valid constitution of committee.

Mr. Sujir Prabhakar (DIN:02577488) was appointed as Additional Director in Independent category through circular resolution with effect from 21st February 2023 and accordingly the committee was reconstituted as below;

Sr. No.	Name of the Member	Designation
1.	Mr. P. N. Nayak (Independent Director)	Chairman
2.	Mr. Sujir Prabhakar (Additional Independent Director)	Member
3.	Mr. Anand Kudigrama (Non-Executive Director)	Member

Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management attached as **ANNEXURE-II.**

19. AUDIT COMMITTEE:

The Audit Committee of the Board pursuant to Section 177(2) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 consists of 3 Directors.

Composition of the committee up to July 7, 2022 was constituted with the following members

Mr. Tekkar Yashwanth Prabhu	Chairman/Independent Director
Mr. Nagarmutt Padmakar Nayak	Member/ Independent Director
Mr. Anand Kudigrama	Member/ Non-Executive Director

Since Mr. T Y Prabhu (DIN: 02113527) ceased to be Independent Director of the Company with effect from July 07, 2022, due to completion of his term, the committee was falling short of members required for valid constitution of committee.

Mr. Sujir Prabhakar (DIN:02577488) was appointed as Additional Director through circular resolution with effect from 21st February 2023 and accordingly the committee was reconstituted as below;

Sr. No.	Name of the Member	Designation
1.	Mr. P. N. Nayak (Independent Director)	Chairman
2.	Mr. Sujir Prabhakar (Additional Independent Director)	Member
3.	Mr. Anand Kudigrama (Non-Executive Director)	Member

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given thereto and form part of this Report.

Sr. No.	Particulars	Details
1	The steps taken or impact on conservation of energy	a) Conversion of 90% of the lights to LED. b) IR compressor with VFD/Synchronization done with other compressor/Closed loop piping done for providing need-based air. c) Thermography tests have been performed as predictive measure. d) Air cooled conversion of chillers from water cooled eliminating usage of pumps for water circulation. e) Addition of air booster in CD 74 eliminating standalone compressor for the machine. f) New APFC panel improving PF thereby reducing power consumption.
2	The steps taken by the company for utilizing alternate sources of energy	Wind energy - Company has utilized wind energy (233,55,000 Units) thereby utilizing alternate sources of energy. The Company continues to explore measures which will help in conservation and saving of energy including monitoring of consumption
3	The capital investment on energy conservation equipment's;	During the year under review, there are no capital investment made on energy conservation equipment

A. Technology absorption-

Sr. No.	Particulars	
i)	Efforts made towards technology absorption	NA
ii)	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): a. Details of technology imported; b. Year of import; c. Whether the technology been fully absorbed; If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	During the year under review, the company has not imported any technology.
iv)	Expenditure incurred on Research and Development.	During the year under review, the Company has not spent towards Research & Development

B. Foreign Exchange Earnings and outgo:

The Foreign exchange gain for the year under review was INR 71.95 lakhs as against INR 59.04 lakhs during the previous year.

21. PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS:

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 **("Act")** forms part of the Standalone Financial Statements provided in the Annual Report.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, the Company has entered into contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the ordinary course of business and at arm's length basis. The details of the same is given in **Form AOC-2** pursuant to Section 134(3) (h) of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014 and is attached as **ANNEXURE-III** to this Report.

23. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company has adequate internal financial controls with reference to the Financial Statements commensurate with the size of the company and the nature of its business. The Board has evaluated the effectiveness of the internal financial control systems of the Company pertaining to financial statements, reviewed major transactions and has taken steps for rectifying deficiencies, if any.

24. EXTRACT OF ANNUAL RETURN:

The Annual Return of the Company in form MGT-7 as required under Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company.

25. VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014), the Company has established and notified a Vigil Mechanism for directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and to provide adequate safeguards against victimization of persons who use such mechanism.

26. RISK MANAGEMENT POLICY:

The Board of Directors of the Company are continuously monitoring various risks attached to business. Board and senior managers on the basis of past experience ensure management of risk and take necessary steps to mitigate the risks.

In the opinion of the Board there are no risk elements which may threaten the existence of the Company except general market risks, risk due to effect of changes in government policies, competition risks and risk due to natural calamities.

27. CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted CSR Committee pursuant to Section 135(2) of the Companies Act, 2013. The Composition of the committee was reconstituted with the following Members:

Name of the Member	Designation
Mr. Nagarmutt Padmakar Nayak	Member/ Independent Director
Mr. Anand Kudigrama	Member/ Non-Executive Director

Since Mr. T Y Prabhu (DIN: 02113527) ceased to be Independent Director of the Company with effect from July 7, 2022, due to completion of his term, the committee was falling short of members required for valid constitution of committee.

Mr. Sujir Prabhakar (DIN:02577488) was appointed as Additional Director through circular resolution with effect from 21st February 2023 and accordingly the committee was reconstituted as below;

Sr. No.	Name of the Member	Designation
1.	Mr. P. N. Nayak (Independent Director)	Chairman
2.	Mr. Sujir Prabhakar (Additional Independent Director)	Member
3.	Mr. Anand Kudigrama (Non-Executive Director)	Member

Company in consultation with CSR committee formulated a CSR policy.

The annual report on CSR activities is annexed herewith in **Annexure V**

During the year under review the Company spent INR 43,63,323/-

28. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiaries or Joint ventures or Associate Companies during the period under review.

29. **FRAUD REPORTING:**

During the financial year 2022-23, neither management has noted nor have auditors informed any frauds that have been committed against the Company.

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

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.The Company has duly constituted ICC committee at place. Any aggrieved person can lodge their complaint at icc.tmg@manipalgroup.info.

However, during the year under review, no complaints were received regarding sexual harassment of women at the workplace.

31. **STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with the applicable Secretarial Standards-1 and Secretarial Standards-2 as prescribed by the Institute of Company Secretaries of India.

32. **STATEMENT ON MAINTENANCE OF COST RECORDS:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company for the reporting period.

33. **GENERAL STATEMENT**

There was no instance of a one-time settlement with any Bank or Financial Institution.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

There was no revision in the financial statements.

The Company has not made any downstream investments during FY 2022-23 and hence certificate under FEMA is not required; and

There was no material subsidiary during FY 2022-23.

34. **ACKNOWLEDGEMENTS:**

The Board places on record their appreciations of the whole hearted and sincere co-operation received by the Company during the year from the employees, customers/ clients, bankers and various Government authorities at all levels.

The relations between the management and the staff were cordial during the financial year under review.

The Company also wishes to put on record the appreciation of the work done by the staff. Your Directors appreciate and value the trust imposed upon them by the members of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF MCT CARDS & TECHNOLOGY PRIVATE LIMITED

ANAND KUDIGRAMA	**K. GOVINDRAYA KAMATH**
DIRECTOR	DIRECTOR
DIN: 07220100	DIN: 05259687

DATE : September 5, 2023
PLACE: Manipal

ANNEXURE-I

LIST OF TOP TEN EMPLOYEES OF THE COMPANY

S. L.	Name	Designation	Gross Remuneration (In Rs.)	Nature of employment	Qualifications and Experience in years	Date of joining	Age	Previous employment	The percentage of equity of equity shares held by the employee in the company
1	Vanishree Rao	Senior Manager - Planning & Scheduling	12,41,699	Regular	B Sc 18.04	08-May-08	46.45	Micro Business Management College	NIL
2	Bhasker M	Senior Manager - Production	17,33,955	Regular	PUC/HSC/12TH 23.09	20-Aug-08	53.05	Intilligen Card Production System	NIL
3	Rajat Shuvra Sen	Business Head	25,62,417	Regular	B Tech 14.04	30-Apr-12	38.89	TATA Consultancy Services (TCS)	NIL
4	Vikas R	Senior Manager	14,54,633	Regular	B E 13.04	23-Sep-13	35.36	Vinyas Innovative Technologies Private Limited	NIL
5	Ramanath Pai	Senior Manager	30,29,676	Regular	C A 10.06	19-Mar-12	34.12	N.A	NIL
6	Jnaneshwara Prabhu	AVP - Operations (Plastic Cards)	32,95,959	Regular	B E 25.02	01-Aug-97	47.82	N.A	NIL
7	Ajith N R	Head - Operations (Integrated Services)	26,84,803	Regular	B Com 31.09	04-Aug-16	55.54	Telematics Services Pvt Ltd	NIL
8	Manjunath Nayak	Manager	12,94,741	Regular	DIPLOMA 14.05	02-May-08	39.58	N.A	NIL
9	Sajani Shirali	Senior Manager	17,36,651	Regular	B Sc,PUC/HSC/ 12TH,SSLC 16.11	17-Nov-08	40.22	M/S Technosoft Electronics Pvt Ltd	NIL
10	Anupam Pandey	Senior Manager	16,66,671	Regular	MBA	01-June-22	44.90	Smart Chip Private Limited	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF MCT CARDS & TECHNOLOGY PRIVATE LIMITED

ANAND KUDIGRAMA	**K. GOVINDRAYA KAMATH**
DIRECTOR	DIRECTOR
DIN:07220100	DIN: 05259687

DATE : September 5, 2023
PLACE: Manipal

ANNEXURE-II

Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management

➢ **Introduction:**

The Nomination and Remuneration Policy is formulated pursuant to Section 178 of the Companies Act, 2013. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

➢ **Applicability:**

This policy is applicable to:

1. Directors viz. Executive, Non-executive and Independent

2. KMP

3. Senior Management Personnel

➢ **Definitions:**

Director [Section 2(34) of the Companies Act, 2013]
"Director" means a director appointed to the Board of a company.

Key Managerial Personnel [Section 2(51) of the Companies Act, 2013]
"Key Managerial Personnel", in relation to a company, means-

the Chief Executive Officer or the managing director or the manager;
the company secretary;
the whole-time director;
the Chief Financial Officer; and
such other officer as may be prescribed.

Remuneration [Section 2(78) of the Companies Act, 2013]
"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management [Section 178(8) of the Companies Act, 2013]
"Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

➢ **Objective of the Policy:**

The policy is framed with the objective(s):

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management of the quality required to run the company successfully.

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

3. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

➢ **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors, provided that the chairperson of the Company (whether executive or non-executive) may be appointed as a member of this Committee but shall not chair such Committee.

➢ **Role and Functions of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee shall perform the following functions:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors and key managerial personnel.

3. To ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors.

4. To formulate the criteria for evaluation of Individual Directors and the Board as a whole.

5. To devise a policy on Board diversity, composition, size.

6. The Nomination and Remuneration Committee shall, formulate the Remuneration Policy of the Company.

7. To perform such other functions as may be necessary or appropriate for the performance of its duties.

➢ **Appointment of Directors, KMP and Senior Management:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience in the fields of business of the company of a person for appointment as Director, KMP or at Senior Management and recommend to the Board his/ her appointment.

2. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Director specified in Section 149(6) and Schedule IV of the Companies Act, 2013 so as to enable the Board to discharge its function and duties effectively.

3. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

4. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

    a. Qualification, expertise and experience of the Directors in their respective fields;

    b. Personal, Professional or business standing;

c. Diversity of the Board.

5. In case of appointment or re-appointment of Managing Director, Whole-time Director or Manager, the Committee shall satisfy itself with regards to compliance of conditions specified in Section 196 and Schedule V of the Companies Act, 2013.

- **Remuneration of Directors, KMP and Senior Management:**

A. Remuneration of Directors and KMP:

The Non-Executive Directors/ Independent Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

i) Non-Executive Director/ Independent Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii) Non-Executive Director/ Independent Directors shall also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.

iii) The commission shall be payable on pro rata basis to those Directors who occupy office for part of the year.

iv) The Independent Directors pursuant to Section 149 and Schedule IV of the Companies Act, 2013 shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

v) At the time of appointment or re-appointment of Directors and KMP shall be paid such remuneration as may be mutually agreed between the Company (which includes the Committee and the Board) and the Directors and KMP within the overall limits prescribed under the Companies Act, 2013.

vi) The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

vii) The remuneration of the Directors and KMP is broadly divided into fixed and variable component. The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.

B. Remuneration of Senior Management:

In determining the remuneration of Senior Management, the Committee shall consider the following:

i) the relationship of remuneration and performance benchmark is clear.

ii) balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iii) the remuneration is divided into two components viz. fixed component of salaries, perquisites and retirement benefits and variable component of performance based incentive.

iv) the remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

➢ **Removal of Directors, KMP and Senior Management:**

The Committee may recommend to the Board with reasons recorded in writing, removal of a Directors, KMP or Senior Management subject to the provisions of the Companies Act, 2013 and all other applicable Acts, Rules and Regulations, if any.

➢ **Retirement of Directors, KMP and Senior Management:**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF MCT CARDS & TECHNOLOGY PRIVATE LIMITED

ANAND KUDIGRAMA	**K. GOVINDRAYA KAMATH**
DIRECTOR	DIRECTOR
DIN:07220100	DIN: 05259687

DATE : September 5, 2023
PLACE: Manipal

ANNEXURE-III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: None**

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including the value, if any	Justification for entering	Date(s) of approval by the Board	Amount paid as advances	Date on which the special resolution was passed
-	-	-	-	-	-	-	-	-

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the Related Party	Nature of Relationship	Nature of contracts/arrangements/transactions	Duration	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Manipal Technologies Limited	Holding Company	Services Provided: Sale of Cards & Printing Charges	Ongoing	In the ordinary course of business Value – INR 101.85 Lakhs	-	-
		Services Received: Printing Charges	Ongoing	In the ordinary course of business Value – INR 896.92 Lakhs	-	-
		Services Received: Rent paid	10 years starting from 31st July, 2013	Machine lease agreement at a lease rent of Rs. 16.00 lakhs p.m. Value – Rs. 192 Lakhs	-	-

			24 months starting from June 2019	In the ordinary course of business Warehouse Rent agreement at a rent of Rs. 7.64 lakhs p.m. Value – Rs. 91.68 Lakhs In the ordinary course of business		
		Sale of Materials	Ongoing	In the ordinary course of business Value – Rs. 38.09 Lakhs	-	-
		Purchase of Materials	Ongoing	In the ordinary course of business Value – INR 2,753.55 Lakhs	-	-
Manipal Business Solutions Private Limited	Fellow Subsidiary	Services Provided: Sale of Cards & Printing Charges	Ongoing	In the ordinary course of business Value – INR 9.39 lakhs	-	-
Manipal Utility & Packaging Solutions Private Limited	Fellow Subsidiary	Services Received: Printing Charges	Ongoing	In the ordinary course of business Value – Rs 0.05 Lakhs	-	-
		Purchase of materials	Ongoing	In the ordinary course of business Value – INR 317.78 Lakhs	-	-
Manipal Energy & Infratech Limited	Group Company	Services Received: Printing Charges	Ongoing	In the ordinary course of business Value – INR 0.91 Lakhs	-	-
Manipal Media Network Limited	Group Company	Services Received: Rent paid	11 months	In the ordinary course of business Extension of lease agreement for office space for rent of INR 2000/- p.m. Value – INR 0.24 Lakhs	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF MCT CARDS & TECHNOLOGY PRIVATE LIMITED

ANAND KUDIGRAMA	**K. GOVINDRAYA KAMATH**
DIRECTOR	**DIRECTOR**
DIN:07220100	**DIN: 05259687**

DATE : September 5, 2023
PLACE: Manipal

CA. Gurudas Shenoy H. B. Com., LL.B., FCA
CHARTERED ACCOUNTANT

'Gurudev', P.R. Nayak's Compound
Rabindranath Tagore Road
UDUPI - 576 102, Karnataka
Email : cliguru@gmail.com
Cell : 87622 83187

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MCT CARDS AND TECHNOLOGY PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying Financial Statements of **MCT CARDS AND TECHNOLOGY PRIVATE LIMITED (CIN:U72900KA2008PTC045316)**("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed 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 March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the Financial Statements.

05/09/2023

CA. GURUDAS SHENOY H.
UDUPI
M. No: 028284
Chartered Accountant

Emphasis of the Matter

a. I relied on the management perception as detailed in Note No. 38.08 of the Financial Statements regarding the impairment of financial assets as covered under note 38.13 read with note 11 with sub notes thereof of financial statements and accordingly considered such assets to be of value at least equal to the amount stated in the Balance Sheet. My Opinion is not modified in respect of this matter.

Other Matter

The Comparative Financial Statement for the year ended 31st March 2022 was audited by M/s NP Pai & Co Chartered Accountants, whose report for the year ended 31st March 2022 dated 09/8/2022 expressed an unmodified opinion on those financial statements, which has been considered by me while expressing opinion for the current year. The management of the Company has compiled the information for the Comparative reporting period from the aforesaid audited financial statement i.e for the year ending 31st March 2022.

Other Information (other than the Financial Statements and Auditors' Report thereon)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Financial Statements and my auditors' report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to me after the date of this auditors' report.

My opinion on the Financial Statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the Financial Statements, my 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 my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Board's Report including Annexures to Board's Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate

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preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatements of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for my 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, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to

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draw attention in my auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, on the basis of examination of books of accounts and according the information and explanations given to me by the management of the Company, I 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, I report that:

   (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

   (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.

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

   (d) In my opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

05/09/2023.

(e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) 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 my separate Report in "Annexure B". My 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

The Company has not paid any managerial remuneration to its directors, other than sitting fees. In my opinion and to the best of my information and according to the explanations given to me, the remuneration (i.e. sitting fees) so 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me:

i. The Company has disclosed the possible impact of pending litigations on its financial position in its Financial Statements vide Note 38.01.D(a) to (m) read with Note 38.14 of Financial Statements.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

iv. a) The management has represented and confirmed that, other than as disclosed in notes to accounts (if any), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons 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 ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

c) The management has represented and confirmed that, other than as disclosed in notes to accounts (if any), *no funds have been received by the Company from any* persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

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d) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material misstatement.

e) During the year, the Company has declared and distributed a sum of Rs.413.61 lakhs as Dividend on Equity Shares, which is in compliance with section 123 of the Companies Act 2013.

f) As proviso to rule 3(1) of the Companies (Accounts) Rules 2014 is applicable for the Company only with effect from 1st April 2023, reporting under this clause is not applicable.

Place: Manipal

Date: 5th September 2023

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: 23029204BGYBHC6241

'ANNEXURE A' TO INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

(Issued to MCT CARDS AND TECHNOLOGY PRIVATE LIMITED for the year ending 31 March 2023)

(Referred to in paragraph 1 of my report of even date under the heading "Report on Other Legal and Regulatory Requirements")

In my opinion and in terms of the information and explanations sought by me and given by the Company and the books of accounts and records examined by me in the normal course of audit and to the best of my knowledge and belief, I report as below:

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

(B)According to the information and explanations given to me and on the basis of my examination of the records of the company, the Company does not have any intangible assets at any time during the year. Therefore, paragraph 3(i)(a)(A) of the order is not applicable to the Company.

b) According to the information and explanations given to me and the records examined by me, the Property and Plant and Equipment of the Company have been physically verified by the management. In my opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to me and as evidenced by the records produced before me, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to me and the records examined by me and based on the examination of the registered sale deeds provided to me, I report that the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements (as produced before us) are in the name of the Company, where the Company is the lessee in the agreement. The original title deeds in respect of aforesaid immovable properties of land and buildings (both free hold and lease hold) whose title deeds have been pledged as security for borrowings, are lying with the bankers, as evidenced by the records produced before me and accordingly, I have given my report as above, based on the examination of copies of the above said documents.

d) According to the information and explanation given to me and on the basis of my examination of the records of the company, the company has not revalued Property, Plant and Equipment (Including Right-of-use assets) or intangible assets if any or both during the year.

e) According to the information and explanation given to me and on the basis of my examination of the records of the company, there are no proceedings initiated or pending against the company for holding any benami property under the prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. a) According to the information and explanations given to me, I am of the opinion that the inventories have been physically verified by the management at reasonable intervals and no

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discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanation given to me and on the basis of my examination of the records of the company, I hereby report that the Company has been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from Banks and Financial Institutions, on the basis of security of Current Assets i.e Inventory and Trade Receivables. The details of such borrowings are being disclosed by the Management vide Note 19 (read with sub notes thereon) of the Standalone Financial Statement and the Company has filed the periodical returns/statements of Current Asset i.e the Information about Inventory and Trade Receivables, with the such lending Banks and Financial Institutions and as on the last date of first three quarters of the financial year the information of trade receivables are being supported/substituted by the Certificate as stated in Note 38.15.d of financial statement. In my opinion and as per the records produced before me, I report that the information as aforesaid stated in quarterly returns or statements as supported/substituted by aforesaid certificate, submitted by the company with such banks/financial institution are in agreement with the books of accounts of the company.

iii. According to the information and explanations given to me, during the year the Company has granted unsecured loans to other Companies. However, the Company has not made any other advance, which are in the nature of loans. Accordingly, I report that

a) The details Security Provided, Guarantees Given and Loans Granted:

In Lakhs

Particulars	Security Given	Guarantee provided	Loans granted
Aggregate amount granted/ provided during the current year			
- Subsidiaries	-	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	-
Balance outstanding as a balance sheet date in respect of the above			
- Subsidiaries	-	-	-
- Joint Ventures	-	-	-
- Associates	-	-	-
- Others	-	-	10,405.44

b) According to the information and explanations given to me and based on the audit procedures conducted by me, I am of the opinion that Investments made, security given if any and the terms and conditions of the grant of all loans given and guarantee provided if any are, prima facie, not prejudicial to the interest of the company.

c) I have been informed that the loans and advances granted are repayable on demand and accordingly are without any stipulation as to the repayment of principal and interest. Therefore, commenting on the regularity on the repayment does not arise.

d) I have been informed that the loans and advances granted are repayable on demand and accordingly are without any stipulation as to the repayment of principal and Interest.

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Therefore, the question of taking any steps by the Company for the recovery of the principal and interest does not arise.

e) According to the information and explanations given to me and on the basis of my examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

f) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has granted loans to parties which are repayable on demand and for which the terms of repayments are not specified. The details are as below:

In Lakhs

Particulars	As on 31/3/2023	Percentage
Intercorporate loan to related Parties as defined under clause 76 of Section 2 of the Companies Act 2013	Nil	Nil
Intercorporate loan to others	10,405.44	100%

iv. According to the information and explanations given to me the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees provided if any and securities given if any as applicable.

v. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits in terms of the provisions of Section 73 to 76 of the Companies Act 2013 and the Companies (Acceptance of Deposit) Rules, 2014. Therefore paragraph 3(v) of the order is not applicable to the Company.

vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act 2013, for the Company. Therefore, the question of making any comments as required under paragraph 3(vi) of the Order does not arise.

vii. a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Good and Service Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, applicable to it, with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on the date of Balance Sheet for a period of more than six months from the date they became payable.

b) According to the records of the company made available to me and as per the information and explanations given to me, there are no statutory dues referred to in subclause (a) above, which have not been deposited on account of any dispute except the following:

Karnataka Value added tax (under KVAT Act, 2003) demanded but not deposited for the year 2011-12 is Rs. 6.67 Lakhs and Central Sales Tax (under CST Act, 1956) is Rs.13.53 Lakhs including interest and penalty. Out of the sum demanded, Rs.14.14 Lakhs remained unpaid as on the date of Balance sheet. The matter is pending in Hon'ble High Court of Karnataka.

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Excise duty and penalty (under The Central Excise Act, 1944) demanded but not deposited for the period July 2010 to September 2014 is Rs.293.01 lakhs. Out of the aforesaid amount, a sum of Rs.282.02 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending in Appeal before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs.19.61 Lakhs demanded for the period October 2014 to August 2015 as per the demand notice issued by the Additional Commissioner of Central Excise and Service Tax, out of which a sum of Rs.16.31 Lakhs not deposited as on the date of Balance Sheet. The matter is pending in Appeal before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 10,343.45 Lakhs demanded for the period from the year ending 31st March 2012 to 31st March 2016 as per the demand notice issued by Commissioner of Central Excise, out of which Rs 9955.57 lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before CESTAT, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 85.53 Lakhs demanded for the period September 2015 to June 2017 as per the demand notice issued by the Additional Commissioner of Central Excise, out of which Rs.71.35 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before CESTAT, Bangalore.

Central Sales Tax (under CST Act, 1956) of Rs. 102.17 Lakhs & Karnataka Value added tax (under KVAT Act, 2003) of Rs. 3.80 Lakhs demanded for the year ending 31st March 2014 as per the demand notice issued by Deputy Commissioner of Commercial Taxes, out of which Rs. 74.18 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

Central Sales Tax (under CST Act, 1956) of Rs. 47.99 Lakhs & Karnataka Value added tax (under KVAT Act, 2003) of Rs. 7.80 Lakhs demanded including interest and penalty for the year ending 31st March 2015 as per the demand notice issued by Deputy Commissioner of Commercial Taxes, out of which Rs. 39.05 Lakhs remained unpaid as on the date of Balance Sheet. The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

Excise Duty and penalty (under The Central Excise Act, 1944) of Rs. 2744.91 Lakhs demanded including penalty for the period April 2016 to June 2017 plus interest thereon, as per the demand notice issued by Commissioner of Central Excise. Out of which Rs. 2557.77 Lakhs remains unpaid as on the date of balance sheet. The company is in the process of filing appeal before CESTAT, Bangalore.

The Deputy Commissioner of Commercial Taxes has demanded Value Added Tax of Rs 6.06 lakhs for the year 2012-13. The aforesaid authority has also levied interest under section 36 & 37 of Rs 2.75 lakhs and penalty under section 72(2) of Rs 0.61 lakhs. The whole amount has been paid as on the date of Balance Sheet.The matter is pending before the Karnataka Appellate Tribunal, Bangalore.

The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2015-16 has demanded Value Added Tax of Rs 3.94 lakhs under KVAT, 2003 and Rs. 31.27 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 24.65 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2016-17 has demanded Value Added Tax of Rs.8.08 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 5.66 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

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The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2017-18 (up to June 2017) has demanded Value Added Tax of Rs. 2.24 lakhs under CST Act, 1956 including interest and penalty. Out of which Rs. 1.57 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before The Joint Commissioner Appeals, Mangalore.

Order in Original Number: BLR-CUSTM-CTY-COM-02-19-20 dated 10th May 2019 passed by the Commissioner of Customs, Bangalore demanding Custom duty of Rs 272.13 lakhs including penalty. Out of which Rs. 251.72 Lakhs remains unpaid as on the date of Balance Sheet. The matter is pending before the CESTAT Bangalore.

viii. According to the information and explanations given to me and on the basis of my examination of the records of the company, the company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year.

ix. a) Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of loans or borrowings to any lender. Accordingly, the question of making any observations as required under paragraph 3(ix) (a) of the order does not arise.

b) According to the information and explanations given to me and on the basis of my examination of the records of the company, the company has not been declared a wilful defaulter by any bank or financial institution or government or other lender.

c)According to the information and explanations given to me and on the basis of my examination of the records of the company, term loans were applied for the purpose for which it was obtained.

d)According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that that the Company has not utilized the funds raised on short-term basis towards long term purposes.

e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that the Company has not taken any funds from an entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to me and procedures performed by me, I report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x. a) According to the information and explanations given to me, no moneys were raised by the Company by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the company has not made any preferential allotment or private

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placement of shares or convertible debentures (whether fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. a) Based on the audit procedures performed and the information and explanations given to me, I report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to me, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to me, and as represented to me by the management, no whistle-blower complaints have been received during the year by the company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act wherever applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. a) Based on information and explanations provided to me and my audit procedures, in my opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) I have considered the reports of internal auditor issued till date for the period under audit.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. As evidenced from the records produced before me and as per information given to me, I am of the Opinion that (a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. (b) The Company has not carried on any business of Non-Banking Financial or Housing Finance Activities. (c) The Company is not a Core Investment Company as defined under the regulations made by the Reserve Bank of India. (d) There are no Core Investment Companies in the Group.

xvii. The company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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xix. According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that the 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. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I 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. As evident from Note 38.07of Financial Statement, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act towards Corporate Social Responsibility, Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The paragraph 3 (xxi) the order is not applicable, since the financial Statement under report is not a consolidated financial statement.

Place: Manipal

Date: 5th September 2023

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: 23029204BGYBHC6241

'ANNEXURE B' TO INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

(Issued to Members of MCT Cards and Technology Private Limited, Manipal for the year ending 31 March 2023)
(Referred to in paragraph 2(f) of my report of even date under the heading "Report on Other Legal and Regulatory Requirements")

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

I have audited the internal financial controls over financial reporting of **MCT Cards and Technology Private Limited** ("the Company") as at 31 March 2023 in conjunction with my audit of the 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 ('ICAI'). These responsibilities include 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

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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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention and timely detection of unauthorised acquisition, me e, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitation 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 became e of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, to the best of my information and according to the explanations given to me , 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 31 March 2023, based on the internal controls 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.

Place: Manipal

Date: 5th September 2023

Gurudas Shenoy H
Chartered Accountant
Membership No: 029204
UDIN: **23029204BGYBHC6241**

MCT Cards & Technology Private Limited
Regd Office: Press Corner, Manipal
CIN : U72900KA2008PTC045316
BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	As at 31st March 2023		As at 31st March 2022	
		Rs. In Lakhs		Rs. In Lakhs	
ASSETS					
I. Non-Current Assets					
a) Property, Plant and Equipment	1		4,096.78		4,628.03
b) Right of Use Asset	2		1,223.66		379.49
c) Capital Work-in-Progress	3		9.27		120.49
d) Financial Assets					
(i) Investments	4		3.96		3.96
(ii) Other financial assets	5		1,596.46		644.03
e) Deferred tax Asset (Net)	18		216.01		-
f) Other non-current assets	6		1,557.51		1,366.04
Total Non Current Assets (I)			**8,703.65**		**7,142.04**
II. Current Assets					
a) Inventories	7		11,495.25		4,967.07
b) Financial Assets					
(i) Trade receivables	8	11,778.00		3,498.43	
(ii) Cash and cash equivalents	9	492.65		37.33	
(iii) Bank balances other than (ii) above	10	1,223.02		843.76	
(iv) Loans	11	10,405.44		11,467.60	
(v) Other financial assets	12	274.92	24,174.03	188.15	16,035.27
c) Other current assets	13		1,905.42		2,494.70
Total Current Assets (II)			**37,574.70**		**23,497.04**
TOTAL ASSETS (I+II)			**46,278.35**		**30,639.08**
EQUITY AND LIABILITIES					
I. EQUITY					
a) Equity Share capital	14		4,136.10		4,136.10
b) Other Equity	15		17,660.45		12,559.05
Total Equity (I)			**21,796.55**		**16,695.15**
LIABILITIES					
II. Non-Current Liabilities					
a) Financial Liabilities					
(i) Borrowings	16	4,143.33		2,657.06	
(ii) Lease Liabilities	17	904.50	5,047.83	161.76	2,818.82
b) Deferred tax liabilities (Net)	18		-		23.84
Total Non Current Liabilities (II)			**5,047.83**		**2,842.66**
III. Current Liabilities					
a) Financial Liabilities					
(i) Borrowings	19	5,518.77		4,123.75	
(ii) Lease Liabilities	20	301.59		263.76	
(iii) Trade payables	21				
a) Total outstanding dues of Micro Enterprises and Small Enterprises		56.41		-	
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		10,325.56		5,015.88	
(iv) Other financial liabilities (other than those specified above)	22	9.18	16,211.51	95.49	9,498.88
b) Other current liabilities	23		1,365.46		402.39
c) Provisions	24		1,613.50		1,200.00
d) Current Tax Liabilities (Net)	25		243.50		-
Total Current Liabilities (III)			**19,433.97**		**11,101.27**
TOTAL EQUITY AND LIABILITIES (I+II+III)			**46,278.35**		**30,639.08**
Significant accounting policies and key accounting estimates and judgements-Annexed herewith					
Other Disclosures and notes forming part of Financial Statements	38				

Notes 1 to 38 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

Place: Manipal
Date : 05th September 2023

As per my report of even date

Abhay Anant Gupte
Chief Executive Officer

G Anil Shankar
Chief Financial Officer

Bingo Kumar Mandal
Company Secretary

Anand Kudigrama
Director
DIN: 07220100

K Govindraya S Kamath
Director
DIN: 05259687

CA Gurudas Shenoy H
Chartered Accountant
Membership No: 029204

MCT Cards & Technology Private Limited
Regd Office: Press Corner, Manipal
CIN : U72900KA2008PTC045316

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	Note No.	2022-23		2021-22	
		Rs. In Lakhs		Rs. In Lakhs	
I. INCOME					
Revenue From Operations	26		62,907.01		23,991.12
Other Income	27		1,184.77		1,484.67
Total Income (I)			64,091.78		25,475.79
II. EXPENSES					
Cost of materials consumed	28		39,063.65		12,334.32
Purchases of Stock-in-Trade	29		4,759.78		1,715.05
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	30		(998.53)		(1,215.52)
Employee benefits expense	31		3,952.09		3,180.05
Finance costs	32		1,113.10		788.65
Depreciation and amortization expense	33		1,029.02		961.18
Other expenses	34		7,741.50		6,117.34
Total Expenses (II)			56,660.61		23,881.07
III. Profit before Tax (I-II)			**7,431.17**		**1,594.72**
IV. Tax expense	35				
Current tax		2,133.81		605.99	
Deferred tax		(234.22)	1,899.59	(188.63)	417.36
V. PROFIT FOR THE YEAR (III-IV)			**5,531.58**		**1,177.36**
VI. OTHER COMPREHENSIVE INCOME	36				
(i) Items that will not be reclassified to Statement of profit and loss			(22.21)		76.78
(ii) Income tax relating to items that will not be reclassified to Statement of profit and loss			5.64		(19.32)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (V+VI)			**5,515.01**		**1,234.82**
VII. Earnings per Equity Share					
Basic/Diluted earning per share of Rs. 10 each in Rs. Ps (Fully Paid)	37		**13.37**		**2.85**
Significant accounting policies and key accounting estimates and judgements- Annexed herewith					
Other Disclosures and notes forming part of Financial Statements	38				

Notes 1 to 38 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

Place: Manipal
Date : 05th September 2023

As per my report of even date

Abhay Anant Gupte
Chief Executive Officer

G Anil Shankar
Chief Financial Officer

Binod Kumar Mandal
Company Secretary

Anand Kudigrama
Director
DIN: 07220100

K Govindraya S Kamath
Director
DIN: 05259687

UDUPI
M. No: 029204

CA Gurudas Shenoy H
Chartered Accountant
Membership No: 029204

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	2022-23		2021-22	
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit for the year		5,531.58		1,177.36
Adjustments for :				
Tax Expense	1,699.59		417.36	
Provision for doubtful debts	121.31		92.44	
Provision for Indirect Tax	300.00		300.00	
Depreciation and amortisation expenses	1,029.02		961.18	
Interest unwinding of Discount Ind AS 109	1.78		1.95	
Interest Paid	824.97		558.92	
Interest Expense Ind AS 116 Adjustment	83.01		62.48	
Interest - Financial Assets carried at Amortized Cost	(6.43)		(3.04)	
Provision for Gratuity	113.50		-	
Unrealised Exchange (Gain)/Loss	(67.51)		(6.96)	
Interest Income	(1,089.99)	3,209.25	(1,396.95)	987.38
Operating Profit before working capital changes		8,740.83		2,164.74
Adjustments for :				
(Increase)/Decrease in Trade Receivables	(8,384.28)		908.69	
(Increase)/Decrease in Inventories	(6,528.18)		(1,245.28)	
(Increase)/Decrease in Loans and Advances and Other Assets	335.31		(259.01)	
Increase/(Decrease) in Trade Payables	5,417.19		(2,961.83)	
Increase/(Decrease) in Other Liabilities	876.76	(8,283.20)	285.39	(3,272.04)
Cash (used in)/generated from operations		457.62		(1,107.30)
Direct Taxes refund/(paid) (net)		(2,051.25)		(12.35)
Net Cash (used in)/generated from operating activities (A)		(1,593.63)		(1,119.65)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment (including capital WIP)	(67.01)		(202.72)	
(Increase)/ Decrease in Term Deposits	(1,251.74)		221.30	
Intercorporate Loans Refund (Advanced)	1,062.16		1,124.19	
Interest Received	1,070.72		1,390.57	
Net Cash flow (used in)/generated from investing activities (B)		814.13		2,533.34
C. CASH FLOW FROM FINANCING ACTIVITIES				
Cash flow from borrowings from Bank	(408.37)		(184.12)	
Proceeds of Debentures issued during the year	3,500.00			
Debentures Redemption during the year	(212.12)			
Dividend on Equity Shares	(413.61)		(413.61)	
Lease Payment- Liability (Principal) Portion- Ind AS 116 Adjustment	(323.10)		(256.48)	
Lease Payment- Interest Portion- Ind AS 116 Adjustment	(83.01)		(62.48)	
Interest expense	(824.97)		(558.92)	
Net Cash flow (used in)/generated from Financing Activities (C)		1,234.82		(1,475.61)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		455.32		(61.92)
Cash & Cash Equivalents at the beginning of the year		37.33		99.25
Cash & Cash Equivalents at the end of the year		492.65		37.33

Significant accounting policies and key accounting estimates and judgements-Annexed herewith.
Other Disclosure and Notes forming part of Financial Statements - Note 38
Note 1 to 38 and 'Significant Accounting Policies and key accounting estimates and judgements' form an integral part of financial statements.

NOTE: I. Cash Flow Statement is prepared under Indirect Method as prescribed under Ind As 7.

II. Cash And Cash Equivalents do not include Bank Deposits with Maturity period beyond 3 Months, Earmarked Deposits, Deposits Kept as Margin Money.

III. Cash Flow from Operating Activities arrived at after considering the CSR Expenses incurred Rs. 43.63 lakhs (PY Rs.61.22 lakhs)

IV. Refer Note 38.16 for further disclosures in relation to Cash Flow Statement.

Place: Manipal
Date : 05th September 2023

As per my report of even date

Abhay Anant Gupte
Chief Executive Officer

G Anil Shankar
Chief Financial Officer

Binod Kumar Mandal
Company Secretary

UDUPI
M. No: 029204
Chartered Accountants

Anand Kudigrama
Director
DIN: 07220100

K Govindraya S Kamath
Director
DIN: 05259687

CA Gurudas Shenoy H
Chartered Accountant
Membership No: 029204

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. EQUITY SHARE CAPITAL

Rs. in Lakhs

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity Share Capital during the current year	Balance at the end of the current reporting period
4,136.10	-	4,136.10	-	4,136.10

(2) Previous reporting period

Balance at the beginning of the previous reporting period	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity Share Capital during the previous year	Balance at the end of the previous reporting period
4,136.10	-	4,136.10	-	4,136.10

B. OTHER EQUITY

Rs. In Lakhs

(1) Current reporting period

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debenutres Redumption Reserve	Changes in fair Value of Defined Benefit Plan - Gratuity	
Balance at the beginning of the current reporting period	-	-	-	12,542.48	-	16.57	**12,559.05**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	**12,542.48**	-	**16.57**	**12,559.05**
Total Comprehensive Income for the current year	-	-	-	5,531.58	-	(16.57)	5,515.01
Dividends declared and distributed on equity shares	-	-	-	(413.61)	-	-	(413.61)
Transfer from retained earnings	-	-	-	-	328.79	-	328.79
Transfer to Debenutres Redumption Reserve	-	-	-	(328.79)	-	-	(328.79)
Balance at the end of the current reporting period	-	-	-	**17,331.66**	**328.79**	-	**17,660.45**

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

(2) Previous reporting period

Rs. In Lakhs

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Debenutres Redumption Reserve	Changes in fair Value of Defined Benefit Plan - Gratuity	
Balance at the beginning of the previous reporting period	-	-	-	11,778.73	-	(40.89)	11,737.84
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	11,778.73	-	(40.89)	11,737.84
Total Comprehensive Income for the previous year	-	-	-	1,177.36	-	57.46	1,234.82
Dividends declared and distributed on equity shares	-	-	-	(413.61)	-	-	(413.61)
Transfer from retained earnings	-	-	-	-	-	-	-
Transfer to Debenutres Redumption Reserve	-	-	-	-	-	-	-
Balance at the end of the previous reporting period	-	-	-	12,542.48	-	16.57	12,559.05

Significant accounting policies and key accounting estimates and judgements-Annexed herewith

Other Disclosures and notes forming part of Financial Statements **Note 38**

Refer Note 14 and 15 and sub notes thereon, for futher disclosures. Also refer Note 15.04 for amount transferred to debenture redemption reserve.

Notes 1 to 38 and 'Significant accounting policies and key accounting estimates and judgements' form an integral part of the financial statements

Place: Manipal

Date : 05th September 2023

As per my report of even date

Abhay Anant Gupte
Chief Executive Officer

G Anil Shankar
Chief Financial Officer

Binod Kumar Mandal
Company Secretary

Anand Kudigrama
Director
DIN: 07220100

K Govindraya S Kamath
Director
DIN: 05259687

CA Gurudas Shenoy H
Chartered Accountant
Membership No: 029204

MCT Cards & Technology Pvt Ltd

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

NOTE 1

PROPERTY, PLANT AND EQUIPMENT

(Refer Note 1.01 to 1.05)

Particulars	GROSS BLOCK (Rs. In Lakhs)				DEPRECIATION (Rs. In Lakhs)				NET BLOCK (Rs. In Lakhs)	
	As at 31st March 2022	Additions during the year	Sale/Adjustment during the year	As at 31st March 2023	As at 31st March 2022	For the Year	Depreciation on sale/adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Land - Freehold	100.36	-	-	100.36	-	-	-	-	100.36	100.36
Buildings - Freehold	837.22	-	-	837.22	193.62	33.36	-	226.97	610.25	643.60
Plant and Equipment	7,158.79	140.67	-	7,299.47	3,379.65	621.02	-	4,000.67	3,298.80	3,779.14
Furniture and Fixtures	139.73	0.83	-	140.56	112.07	7.47	-	119.54	21.02	27.66
Vehicles	12.64	-	-	12.64	11.05	1.59	-	12.64	0.00	1.59
Office Equipment	64.32	11.57	-	75.90	51.30	8.28	-	59.58	16.31	13.02
Electrical Fittings	127.43	-	-	127.43	105.17	7.23	-	112.40	15.03	22.26
Computers	291.59	25.16	-	316.75	251.19	30.56	-	281.75	35.00	40.40
TOTAL	8,732.08	178.24	-	8,910.33	4,104.05	709.50	-	4,813.55	4,096.78	4,628.03

Amount for the immediate Previous Financial Year:- 2021-22

Particulars	GROSS BLOCK (Rs. In Lakhs)				DEPRECIATION (Rs. In Lakhs)				NET BLOCK (Rs. In Lakhs)	
	As at 31st March 2021	Additions during the year	Sale/Adjustment during the year	As at 31st March 2022	As at 31st March 2021	For the Year	Depreciation on sale/adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Land - Freehold	100.36	-	-	100.36	-	-	-	-	100.36	100.36
Buildings - Freehold	837.22	-	-	837.22	160.27	33.35	-	193.62	643.60	676.95
Plant and Equipment	7,097.97	60.82	-	7,158.79	2,768.94	610.71	-	3,379.65	3,779.14	4,329.03
Furniture and Fixtures	138.81	0.92	-	139.73	103.65	8.42	-	112.07	27.66	35.16
Vehicles	12.64	-	-	12.64	9.24	1.81	-	11.05	1.59	3.40
Office Equipment	61.88	2.44	-	64.32	42.07	9.23	-	51.30	13.02	19.81
Electrical Fittings	127.43	-	-	127.43	97.47	7.70	-	105.17	22.26	29.96
Computers	271.28	20.31	-	291.59	211.42	39.77	-	251.19	40.40	59.86
TOTAL	8,647.59	84.49	-	8,732.08	3,393.06	710.99	-	4,104.06	4,628.03	5,254.53

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

Note 1.01

As provided in Ind AS 101, an entity may continue to apply the accounting policy opted as per the previous GAAP. Accordingly, in line with the notification dated 31st March 2009 issued by the Ministry o Corporate Affairs, amending Accounting Standard 11 i.e. "Effects of Changes in Foreign Exchange Rates", the Company has chosen to exercise the option under paragraph 46 (as amended till the date of Balanc Sheet) inserted in the standard by the notification. The Company has adjusted the foreign currency exchange differences (including exchange rate differences arising after the assets being put to use) on amoun borrowed (including assets imported on deferred credit basis if any) for acquisition of fixed assets (including Capital work in Progress) to the carrying cost of fixed assets. The Company has not availed any lon term Foreign Currency Loans for the purposes other than acquisition of Capital Assets. Therefore the question of creating "Foreign Currency Monetary Translation Difference Account" does not arise. Th aforesaid options availed only in respect of borrowings in foreign currency availed before 1st day of April 2017, i.e. the date of applicability of first time adoption of Ind As.

Arising from the above the Company has not adjusted any foreign exchange gain/loss during the year and also comparative reporting year.

The total amount capitalised as aforesaid as on the date of transition to Ind AS i.e. 1st April 2016 is Rs.229.84 lakhs(which is being disclosed at net of depreciation and considered as deemed cost under the optio given under Ind AS 101). Accordingly total sum of accumulated amount (Gross Block) in respect of capitalisation as aforesaid as on 31st March 2023 is Rs.283.51 lakhs and 31st March 2022 is Rs.283.51 lakhs Accumulated depreciation in respect of aforesaid accumulated amount as on 31st March 2023 is Rs. 197.84 lakhs and as on 31st March 2022 is Rs. 167.33 lakhs. Book value of aforesaid amount (Net Block) as o 31st March 2023 is Rs. 85.67 lakhs and as on 31st March 2022 is Rs. 116.18 lakhs.

Note 1.02

The Property, Plant and Equipment of the Company are not valued, considering the cost involved therein. However, the management is of the opinion that the carrying value of the asset as aforesaid does no exceed its recoverable value. Further, the Company does not have any information whether internal or external, that indicates that "Impairment loss may have occurred". Accordingly, the question o impairment of tangible fixed assets i.e. Property, Plant and Equipment does not arise. Also refer Note 38.08 of financial statement.

Note 1.03

Charge on property, restrictive rights etc.: Disclosures with regard to charge on Property, Plant and Equipment is given vide Note 16 and 19 of Financial Statements read with sub notes thereon which may b referred to.

Note 1.04

Disclosures with regard to measurement, depreciation method, useful life etc of Property Plant & Equipment are given vide sub-note (d) of Significant Accounting Policies and Key Accounting estimates and judgements.

Note 1.05

No borrowing cost was incurred towards any qualifying asset. Hence, no borrowing cost is being capitalised during the reporting period. No portion of the property plant and equipment contain revalued portion. Also refer Note 38.15.b of financial statement.

MCT Cards & Technology Pvt Ltd

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CIN : U72900KA2008PTC045316

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

NOTE 2

RIGHT OF USE OF LEASE ASSETS

(Refer Note 2.01 and 2.02)

Particulars	GROSS BLOCK (Rs. in Lakhs)				DEPRECIATION (Rs. in Lakhs)				NET BLOCK (Rs. in Lakhs)	
	As at 31st March 2022	Additions during the year	Adjustment during the year	As at 31st March 2023	As at 31st March 2022	For the Year	Depreciation on adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
RIGHT OF USE ASSETS :										
Buildings	384.77	-	-	384.77	191.59	91.88	-	283.47	101.30	193.18
Plant and Equipment	633.46	1,163.69	-	1,797.15	447.15	227.64	-	674.79	1,122.36	186.31
TOTAL	**1,018.23**	**1,163.69**	**-**	**2,181.92**	**638.74**	**319.52**	**-**	**958.26**	**1,223.66**	**379.49**

RIGHT OF USE OF LEASE ASSETS : Amount for the immediate Previous Financial Year:- 2021-22

Particulars	GROSS BLOCK (Rs. in Lakhs)				DEPRECIATION (Rs. in Lakhs)				NET BLOCK (Rs. in Lakhs)	
	As at 31st March 2021	Additions during the year	Adjustment during the year	As at 31st March 2022	As at 31st March 2021	For the Year	Depreciation on adjustment	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Right of Use Assets:										
Buildings	516.30	94.14	225.67	384.77	316.12	101.14	225.67	191.59	193.18	200.18
Plant and Equipment	633.46	-	-	633.46	298.10	149.05	-	447.15	186.31	335.36
TOTAL	**1,149.76**	**94.14**	**225.67**	**1,018.23**	**614.22**	**250.19**	**225.67**	**638.74**	**379.49**	**535.54**

Note 2.01

The Company has stated Right of Use Assets, under seperate head. All the leases covered in the above note are attributable to operating lease. The Company has not entered into any lease transactions which are of the nature finance lease. Also refer Note 38.10 for further disclosure with regard to Ind AS 116. Adjustment as stated above, represent the leases closed/terminated during the year.

Note 2.02

Disclosures with regard to measurement, depreciation method etc of Right of Use Assets are given vide sub-note (n) of Significant Accounting Policies and Key Accounting estimates and judgements.

MCT Cards & Technology Pvt Ltd

Regd Office: Press Corner, Manipal

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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

NOTE 3

CAPITAL WORK-IN-PROGRESS

(Refer Note 3.01 and 3.02)

Particulars	As at 31st March 2022	Additions during the year	Sale/Adjustment during the year	As at 31st March 2023	As at 31st March 2022
Tangible Capital Work in Progress Plant & Equipment	120.49	7.85	119.70	8.64	120.49
Tangible Capital Work in Progress Furniture & Fixtures	-	0.63	-	0.63	-
TOTAL	**120.49**	**8.48**	**119.70**	**9.27**	120.49

Figures for the immediate previous financial years

Particulars	As at 31st March 2021	Additions during the year	Sale/Adjustment during the year	As at 31st March 2022	As at 31st March 2021
Tangible Capital Work in Progress Plant & Equipment	2.25	202.73	84.49	120.49	2.25

Note 3.01

Tangible Capital Work-in-Progress consist of Plant & Equipments and Furniture & Fixtures, under installation and not yet put to use.

There are no Capital Work-in-Progress, whose completion is overdue or is suspended or has exceeded its cost compared to its original plan. Accordingly the disclosure of projectwise schedule is not applicable.

Note 3.02

Capital Work-in progress ageing schedule

Particulars	As on 31.03.2023					As on 31.03.2022				
	Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	9.27	-	-	-	**9.27**	120.49		-	-	**120.49**
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-

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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

	As at 31st March 2023		As at 31st March 2022	
	Units	Rs. In Lakhs	Units	Rs. In Lakhs
NOTE 4				
INVESTMENTS				
(Refer Note 4.01 to 4.03)				
Unquoted Investments				
In Equity Instruments				
In Other Entities at Fair Value through OCI				
Equity Shares of Rs. 10/- each in Clean Wind Power (Manvi) Pvt Ltd	39,600	3.96	39,600	3.96
Total		**3.96**		**3.96**

Note 4.01

A. Category Wise Non Current Investment	As at 31st March 2023	As at 31st March 2022
	Rs. In Lakhs	Rs. In Lakhs
Financial assets measured at cost	-	-
Financial assets measured at Fair value through other comprehensive income	3.96	3.96
Financial asset arrived at as per Ind AS 109	-	-
Total Non Current Investment	**3.96**	**3.96**

B. Classification wise Non Current Investment	As at 31st March 2023	As at 31st March 2022
	Rs. In Lakhs	Rs. In Lakhs
Equity Instruments in		
Subsidiaries	-	-
Associates	-	-
Others	3.96	3.96
Aggregate Value of Equity Instrument	**3.96**	**3.96**

Note: 4.02

Investment as above has been made with a view to obtain power for captive consumption. As per the shareholder's agreement entered into by the aforesaid Company's Holding Company M/s Hero Wind Energy Private Limited with the Company, the aforesaid Holding Company is having the sole discretion to purchase shares at par i.e. at Rs.10 each from the Company. Accordingly fair value is taken at Rs 10 per share.

Note: 4.03

Refer note 38.13 for disclosure under section 186(4). Disclosures with regard to recognition of Financial Instruments are given vide sub-note (g) of Significant Accounting Policies and Key Accounting estimates and judgements and note 38.15 i for other disclosures.

		Rs. In Lakhs		Rs. In Lakhs
NOTE 5				
(Refer Note 5.01 and 5.02)				
OTHER FINANCIAL ASSETS - NON CURRENT				
Unsecured and considered good				
Security Deposits				
Rent Deposit				
Other than related party		109.30		29.35
Bank term deposits with more than 12 months maturity				
In Term Deposits pledged as Security for Bank Guarantee, Letter of Credit and for Tender		1,463.32		614.68
In Term Deposit (free from charge)		23.84		-
TOTAL		**1,596.46**		**644.03**

Note 5.01

Rent Deposit is disclosed at amortized cost as per Ind AS 109 "Financial Instruments"

Note 5.02

No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member.

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

	As at 31st March 2023	As at 31st March 2022
	Rs. In Lakhs	Rs. In Lakhs
NOTE 6		
OTHER NON-CURRENT ASSETS		
(Refer Note 6.01 to 6.05)		
Unsecured and Considered Good		
Capital Advances	42.04	0.43
Non-Current Tax Assets (Net of Provisions)	740.58	579.64
Security Deposits - Others	48.51	43.99
Asset in respect of Gratuity Fund (Maintained by LIC of India)	-	22.40
Indirect Taxes (Disputed)/Receivable	726.38	719.58
TOTAL	**1,557.51**	**1,366.04**

Note 6.01

Capital advances are advances given for procurement of Property, plant and equipment, to unrelated persons.

Note 6.02

Non-Current Tax Assets (including Tax deducted at source, Advance Tax Paid, tax paid on self assessment or otherwise) and provision for current Income Tax are disclosed in the Balance Sheet after setting off the same against each other. Also refer Note 38.12 for statement of movement of taxes paid. The entire portion of amount disclosed under this head pertains to earlier financial year/s.

Note 6.03

No amounts due from directors or other officers of the company either severally or jointly with any other person. Further, no amounts are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6.04

Other security deposits consists of security deposit given for electricity & telephone.

Note 6.05

Asset in respect of Gratuity Fund (as disclosed in comparative reporting year) represents the excess of Fair Value of Gratuity Plan Assets over Present Value of Gratuity Plan Obligations as at year end, as valued by an independent actuarial valuer. During the current reporting year the obligations exceed the value of the aforesaid assets. Accordingly the company has made the adequate provisions and disclosed the same in note 24.

MCT Cards & Technology Private Limited

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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

	As at 31st March 2023		As at 31st March 2022	
	Rs. In Lakhs		Rs. In Lakhs	
NOTE 7				
INVENTORIES				
(Refer Note 7.01)				
Raw Materials		7,746.61		2,297.71
Work-in-progress		2,792.93		2,049.10
Stock-in-trade (in respect of goods acquired for trading)		625.00		370.30
Stores, Spares		247.26		184.19
Process Material		70.37		50.30
Packing Material		13.08		15.47
TOTAL		**11,495.25**		**4,967.07**

Note 7.01

Refer Para II (h) of Annexure to Financial Statement 'Significant Accounting Policies, Key Accounting Estimates and Judgements' for 'Policy for valuation of inventories'.

	As at 31st March 2023		As at 31st March 2022	
NOTE 8				
TRADE RECEIVABLES - CURRENT				
(Refer Note 8.01 to 8.06)				
Unsecured and considered good				
a. Trade Receivables considered good - Secured	-		-	
b. Trade Receivables considered good - Unsecured	11,778.00		3,498.43	
c. Trade Receivables which have significant increase in Credit Risk	-		-	
d. Trade Receivables - credit impaired	616.71		495.40	
	12,394.71		3,993.83	
Less: Allowance for bad & doubtful debts	(616.71)	11,778.00	(495.40)	3,498.43
TOTAL		**11,778.00**		**3,498.43**

Note 8.01

Balance in trade receivables are subject to confirmation and reconciliation. The Company is in the process of obtaining confirmation from its customers

Note 8.02

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member.

Note 8.03

Trade Receivables considered credit impaired pertains to the receivables due from persons other than related parties.

Note 8.04

All the trade receivables as disclosed in the above notes are arising from revenue recognised in respect of contract with customers. Also refer Note 38.09 and Note 26 read with subnotes thereon, for other disclosures as required under IND AS 115-Revenue from Contract with Customers.

Note 8.05

Refer Note 38.03 for disclosures regarding credit risk.

Note 8.06

Refer Note 38.19 for Trade Receivables ageing schedule. There are no disputed trade receivables and also there are no unbilled dues.

	As at 31st March 2023		As at 31st March 2022	
NOTE 9				
CASH AND CASH EQUIVALENTS				
Balances with Banks in Current Accounts		492.62		37.33
Cash on hand		0.03		-
TOTAL		**492.65**		**37.33**
NOTE 10				
OTHER BANK BALANCES				
Fixed deposits with banks (Maturing within next 12 months)				
In Term Deposits pledged as Security for Bank Guarantee , Letter of Credit and for Tender		1,142.63		843.76
In Term Deposit (free from charge)		80.39		-
TOTAL		**1,223.02**		**843.76**

MCT Cards & Technology Private Limited
Regd Office: Press Corner, Manipal
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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

		As at 31st March 2023 Rs. In Lakhs		As at 31st March 2022 Rs. In Lakhs
NOTE 11				
LOANS - CURRENT				
(Refer Note 11.01 to 11.03)				
Unsecured and considered good				
Intercorporate Loan (other than related party)		10,405.44		11,467.60
TOTAL		10,405.44		11,467.60

Note 11.01
Others represents Inter Corporate Loan advanced for the purpose of meeting the Short Term Liquidity requirement of the borrowers. Also refer note 38.13 for disclosure under section 186(4) and note 38.08 for impairment of financial assets. The above loans are repayable on demand and there are no stipulation as to terms of repayment of principal and interest. No portion of the same includes any amount advanced to promoters, directors, Key Managerial Personnel or related parties.

Note 11.02
No Loans or advances are due from directors or other officers of the company either severally or jointly with any other person. Further, no loan or advances are due from firms or private companies in which any director is a partner, a director or a member. Also refer Note 38.15.c, 38.15.i and 38.15.j.

Note 11.03
Other disclosure as required under Schedule III to Companies Act, 2013.

a. Loan Receivables considered good - Secured		-		-
b. Loan Receivables considered good - Unsecured		10,405.44		11,467.60
c. Loan Receivables which have significant Increase in Credit Risk		-		-
d. Loan Receivables - credit impaired		-		-
Total		10,405.44		11,467.60

NOTE 12				
OTHER FINANCIAL ASSETS				
(Refer Note 12.01)				
Unsecured and Considered Good				
Rent Deposits		255.65		181.77
Interest Receivable on Bank deposit		19.27		6.38
		274.92		188.15

Note 12.01
The Rent deposit as above includes current portion of deposit (Ind AS 109 adjusted) as disclosed in Note 5.

No rent deposit are due from directors or other officers of the company either severally or jointly with any other person. Further, no rent deposit are due from firms or private companies in which any director is a partner, a director or a member.

NOTE 13				
OTHER CURRENT ASSETS				
(Refer Note 13.01 to 13.04)				
Unsecured and Considered Good				
Advances other than capital advances :				
Staff Advances		8.95		1.64
Trade Advances		317.18		1,197.68
Others :				
Prepaid Expenses		339.62		249.87
Trade Deposits		24.98		112.24
Export Incentive Receivable		0.45		51.98
GST Input Credit, GST TDS etc		1,053.95		854.68
Other Receivables		160.29		26.61
TOTAL		1,905.42		2,494.70

Note 13.01
Trade Advances includes advance to vendors in the ordinary course of business for the purchase of Raw materials, Stores and Services.

Note 13.02
Trade Deposit includes Earnest Money Deposit kept with the various authorities in connection with tender.

Note 13.03
No amounts due from directors or other officers of the company either severally or jointly with any other person. Further no amounts are due from firms or private companies in which any director is a partner, a director or a member.

Note 13.04
Other Receivables represents reimbursements towards postage expenses incurred by the company on behalf of customers which is subject to confirmation and also the items which are of small values.

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NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH 2023

	As at 31st March 2023		As at 31st March 2022	
	Rs. In Lakhs		Rs. In Lakhs	
NOTE 14				
EQUITY				
(Refer Note 14.01 to 14.05)				
Authorised Capital				
5,00,00,000 (PY 5,00,00,000) Equity shares of Rs.10/- each		5,000.00		5,000.00
		5,000.00		5,000.00
Issued, Subscribed & Paid - up				
4,13,61,000 (PY 4,13,61,000) Equity Shares of Rs 10/- each fully paid up		4,136.10		4,136.10
		4,136.10		4,136.10

Note 14.01: Reconciliation of number of shares

	As at 31st March 2023		As at 31st March 2022	
EQUITY SHARES	Number of Shares	Amount (Rs. In Lakhs)	Number of Shares	Amount (Rs. In Lakhs)
Balance as at the beginning of the year	4,13,61,000	4,136.10	4,13,61,000	4,136.10
Issued during the period	-	-	-	-
Balance as at the end of the year	4,13,61,000	4,136.10	4,13,61,000	4,136.10

Note 14.02: Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per each share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company (after distribution of all preferential amounts) in proportion to their shareholding.

Note 14.03: Details of Equity Shares of Rs. 10 each held by Holding Company

Name of the Shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Manipal Technologies Limited	3,30,80,800	79.98	3,30,80,800	79.98

Note 14.04: Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Name of the Shareholder	As at 31st March 2023		As at 31st March 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Manipal Technologies Limited	3,30,80,800	79.98	3,30,80,800	79.98
Glorywise International Limited	47,24,200	11.42	47,24,200	11.42
Chan Wanich International Company Limited	35,46,000	8.57	35,46,000	8.57

Note 14.05: Details of shares held by Promoters

Name of the Promoter	As at 31st March 2023		
	Number of Shares	Percentage	% change during the current year
Manipal Technologies Limited	3,30,80,800	79.98%	Nil

Name of the Promoter	As at 31st March 2022		
	Number of Shares	Percentage	% change during the previous year
Manipal Technologies Limited	3,30,80,800	79.98%	Nil

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	As at 31st March 2023		As at 31st March 2022	
	Rs. In Lakhs		Rs. In Lakhs	
NOTE 15				
OTHER EQUITY				
(Refer Note 15.01 to 15.04)				
Retained Earnings				
Balance at the beginning of the year	12,542.48		11,778.73	
Profit for the year	5,531.58		1,177.36	
	18,074.06		12,956.09	
Less: Amount transferred to debenture redemption reserve	328.79		-	
	17,745.27		12,956.09	
Less: Appropriations	413.61	17,331.66	413.61	12,542.48
Debenture Redmption Reserve				
Amount trasfered during the year from retained earnings	328.79	328.79	-	-
Other Comprehensive Income				
Balance at the beginning of the year	16.57		(40.89)	
Add: Movement in OCI during the year	(16.57)	-	57.46	16.57
TOTAL		17,660.45		12,559.05

Note 15.01

Appropriation as above represents the dividend (out of the profits for the year 31.03.2022) of Re. 1 (P Y Rs.1) per equity share (10% [P Y Rs.10%] of Paid-up Equity Share Capital of the Company) declared and distributed during the year, which was in compliance of Section 123 of Companies Act 2013. The aforesaid Dividend was subject to deduction of tax at source under Income Tax Act 1961.

Note 15.02

The Board of Directors have proposed final dividend of of Re. 1 per equity share (subject to deduction of tax at source under Income Tax Act 1961) i.e 10% of Paid-up equity Share Capital of the Company, to be approved by the Company in the forthcoming Annual General Meeting. The resolution of proposed dividend, if passed by the Company in the Annual General Meeting, will result in cash outflow of Rs.413.61 lakhs and as a result, the retained earnings will be further reduced by Rs.413.61 lakhs. (P Y: During the comparative year, the Board has proposed the final dividend at Re 1 per equity share i.e at 10% of Paid-up Equity Capital of the Company, at its meeting held subsequent to the adoption of financial statement and the resolution to declare dividend was passed in the Annual General Meeting held last year. The details are given in note 15.01 above). This note may be considered as the disclosure with regard to events occuring after the Balance Sheet Date.

Note 15.03

Other Comprehensive Income attributable to "Defined Benefit Plan" of employee i.e. Gratuity Fund maintained by Life Insurance Corporation of India.

Note 15.04

As per the provisions of Companies Act 2013 read with rules thereon, the companies issuing debentures on private placement basis, are required to maintain the Debenture Redemption Reserve at least to the extent of 10% of value of debentures issued and outstanding as on the date of Balance Sheet. . The total debentures issued and oustanding in the books of the Company as on the date of Balance Sheet is Rs. 3277.88 lakhs- (PY Rs Nil lakhs) (refer Note No. 16) and accordingly the company has transfered 10% of the outstanding debentures as on the date of balancesheet rs 327.79 Lakhs (PY Rs Nil Lakhs) to Debenture Redemption Reserve from retained earnigs.

NOTE 16	NON CURRENT		CURRENT	
BORROWINGS	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
	Rs. In Lakhs		Rs. In Lakhs	
(Refer Note 16.01 and 16.02)				
Debentures:				
Debentures (Issued as Secured, but security not yet created)	2,015.16	-	1,272.72	-
Term Loans from Banks (Rupee Loans) (Secured)	2,128.17	2,657.06	530.66	455.54
TOTAL	4,143.33	2,657.06	1,803.38	455.54

Note 16.01 : Secured Loan

A. The Company has availed a Term Loan (Rupee) from a Bank which has an outstanding balance of Rs. 1,863.61 Lakhs as on 31st March 2023(Rs. 2,211.64 Lakhs as on 31st March 2022). The effective rate of contractual interest as on 31.03.2023 is 10.3% (31.03.2022-8.90%). The loan is repayable in 36 structured quarterly instalments starting from March 2018 with the last instalment falling due in June 2027. The loan has been secured by way of Exclusive charge by way of I. Equitable mortgage/leasehold land if any and other immovable asset II. Hypothecation of the machinery/equipment/other movable asset (other than current assets and the securities/ vehicles) offered to the lender under vehicle loans. III. Hypothecation/assignment of capex contract and assignment of insurance of all the moveable and immovable fixed asset etc.

B. The Company has availed two Term Loans (Rupee) from a Bank which has an outstanding balance of Rs.795.22 Lakhs as on 31st March 2023 (Rs.900.96 Lakhs as on 31st March 2022). The effective rate of contractual interest as on 31.03.2023 is 10% (31.03.2022-9.10%). The loan is repayable in 36 equal monthly instalments. Both the Term loans have been secured by way of Exclusive charge by way of (a) I. Equitable mortgage/leasehold land and other immovable asset II. Hypothecation of the machinery/equipment/other movable asset (other than current assets and the securities/ vehicles offered to the lender under vehicle loans. III. Hypothecation/assignment of capex contract and assignment of insurance of all the moveable and immovable fixed asset etc. (b) Hypothecation of goods/receivables covered under LC. The Repayment of Term Loan I Starts from March 2018 and the repayment of Term Loan II starts from December 2018.

The Loans stated in A and B above are not guranteed by any person or company or Intitution.

C. During the year the Company has issued 350 Number of Debentures of Rs. 10 lakhs each valued at Rs.3500 lakhs to M/s True North Credit Opportunities Fund (disclosed against the head "Debentures" in this Note No. 16). The rate of interest payable on the debentures is 16.5% per annum (payable every month), which in the opinion of the company is equal to the prevaling market price. The debentures are redeemable in 33 monthly instalments. The Company has appointed M/s IDBI Trusteeship services Limited as Debenture trustees and executed the debenture trust deed with them . The debentures are secured by unconditional and irrevocable corporate guarantee from the parent company M/s Manipal technologies Limited. As per the terms of the issue the debentures are also secured by i) Non disposal undertaking and negative lien over 51% (fifty one percent) shareholding of the Company held by the Corporate Guarantor (on a fully diuted basis) pursuant to a non disposal undertaking to be entered amongst Corporate Guarantor, the Company and Debenture Trustee and the power of attorney to be executed in relation thereto ii) a subservient charge by way of hypothecation over all assets of the Company in favor of the Debenture Trustee pursuant to a deed of hypothecation to be executed between the Company and the Debenture Trustee, and the power of attorney to be executed in relation thereto; demand promissory note to be issued by the Company iii) other such securities, as may be required by the Debenture Holders.

However the Company has not yet created the security as above, the Company has not yet obtained the approval from the Bankers, who have lent amount to the Company and the parent Company. Accordingly the question of registratoin of charge with the Registrat of Companies does not arise as of now. The Company will take steps to register the charge, as soon as the documents creating the security are being executed. The debenture holder is also have got the rights to demand any other additonal security, other than above. However no such rights excersided by the debenture holder as on date. Considering all above, the debentures are as on date are backed up only by the corporate guarantee executed by the parent company and not by any tangible securities. Further the the allottee of the debenture is a registered with SEBI as an Alternate Investment Fund vide No. IN/AIF2/21-22/0925. Accordingly the acceptance of aforesaid debentures is not a deposit also in accordance with rule 2(c) (xviii) of Companies (Acceptance of Deposit Rules) 2014.

The debentures are scheduled to be redeemed in 33 monthly installments of Rs. 106.06 lakhs each commencing from 28th February 2023 to 31st October 2025, payable on the last date of every month from 28th February 2023 to 31st October 2025. Accordingly the Company has redeemed Rs.212.12 lakhs during the year i.e 106.16 lakhs on 28th February 2023 and 106.16 lakhs on 31st March 2023. The amount redeemable on or before the next Balance Sheet Date (falling within 12 months from the current balance sheet date) disclosed as Current Liabilities, in Note: 19 i.e Rs.106.12 lakhs for 12 months amounting in aggregating Rs.1272.72 lakhs. The Company has created debenture redemption reserve as required under the Companies Act 2013 read with rules thereunder and disclosed the same vide note: 15 read with note 15.04.

D. The debentures as stated above (aggregate amount Rs.3287.88 lakhs both current and non current portion), are guaranteed by the parent company M/s Manipal Technologies Limited. Term Loan from Banks are not guarantted by any person or Institution. No Loans are guaranteed by directors of the Company. (Previous Year: Rs. Nil). .

E. The company has not commited any default for repayment of principle and interest in respect of any of its borrowings. Therefore the question of declaring the company as wilful defaulter by any bank or financial institutions does not arise.

Note 16.02

The Current Portion of the above, represents the amount repayable on or before the next 12 months i.e. 31st March of next financial year and the same is being disclosed under Note 19 as Current Maturities of Long Term Debt.

NOTE 17				
LEASE LIABILITIES (NON CURRENT)				
Lease Liabilities - Ind AS 116 Adjustment (Refer Note 38.10)		904.50		161.76
		904.50		**161.76**

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	As at 31st March 2023		As at 31st March 2022	
	Rs. In Lakhs		Rs. In Lakhs	
NOTE 18				
DEFERRED TAX LIABILITY (ASSET) - NET				
(Refer Note 18.01 and 18.02)				
Deferred Tax Liability/ (Asset) in relation to:				
Property, Plant & Equipment (timing difference on depreciation)	406.69		482.40	
Ind AS 109 adjustment	1.28	407.97	1.73	484.13
Financial Assets	(155.21)		(124.68)	
Provisions	(377.52)		(302.02)	
Timing differences on account of disallowances under Income Tax Act	(52.17)		(26.00)	
Ind AS 116 adjustment	(10.51)		(13.23)	
Employee Benefit Plans	(28.57)	(623.98)	5.64	(460.29)
TOTAL		(216.01)		23.84

Note 18.01

As per Ind AS 12 "Income Taxes", Deferred tax assets and liabilities shall be recognised for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. Accordingly, the company has recognised Rs.234.22 lakhs (PY Recognised Rs.188.63 lakhs (Income) to statement of Profit and Loss as Deferred Tax Adjustment and Charged Rs.5.64 lakhs Recognised (PY Rs.19.32 lakhs Charged) to other comprehensive income.

Note 18.02

The movement of deferred tax adjustment and reconciliation thereof with accounting profit are disclosed vide Note 38.12 to the Financial Statements.

	As at 31st March 2023		As at 31st March 2022	
NOTE 19				
BORROWINGS - CURRENT				
(Refer Note 19.01 and 19.02)				
Secured				
(i) Loans Payable on Demand from Banks				
Rupee Loans		3,715.39		3,668.21
(ii) Current Maturities of Long Term Debt				
In respect of debentures (issued as secured, by security not yet created)	1,272.72		-	
In respect of secured term loans from Banks	530.66	1,803.38	455.54	455.54
TOTAL		5,518.77		4,123.75

Note 19.01

A. The Company has availed a Cash credit facility from a Bank (Rupee) which has an outstanding balance of Rs.1750.66 Lakhs as on 31st March 2023 (Rs.848.70 lakhs as on 31st March 2022) and been secured by way of a) Hypothecation of all current assets including inventory, book debts and other current assets. b) Assignment of all the insurance over all the current assets. c) Demand Promissory Note and any other security customary for transaction of this nature. d) Hypothecation of goods /receivables covered under LC. The effective rate of contractual interest as on 31st March 2023 is 10.0% (31.03.2022-11.0%). (Limit-Rs.3500 Lakhs).

B. The Company has availed a cash credit facility from a Bank (Rupee) which has an outstanding balance of Rs.539.29 Lakhs as on 31st March 2023 (Rs.1,501.17 Lakhs as on 31st March 2022) and been secured by way of i) Charge over entire current assets of the company, both present and future. The effective rate of contractual interest as on 31st March 2023 is 10.0% (31.03.2022-10.0%). (Limit-Rs.3000 lakhs)

C. The Company has availed a cash credit facility from a Bank (Rupee) which has an outstanding balance of Rs.1,425.44 Lakhs as on 31st March 2023 (Rs.1,318.34 Lakhs as on 31st March 2022) and been secured by way of i) Charge over entire current assets of the company, both present and future. The effective rate of contractual interest as on 31st March 2022 is 8.5% (31.03.2021-8.5%). (Limit-Rs.1,500 lakhs)

All the above loans were not guaranteed by any person or company or institution.

D. The company has not commited any default for repayment of principle and interest in respect of any of its borrowings. Therefore the question of declaring the company as wilful defaulter by any bank or financial institutions does not arise.

Note 19.02

The relevant details (i.e. security offered, terms of repayment, rate of interest, guarantees obtained etc) in respect of current maturity of Long Term Debt are given under Note 16 read with sub notes therein.

NOTE 20				
LEASE LIABILITIES				
Lease Liabilities - Ind AS 116 adjustment (Refer Note 38.10)		301.59		263.76
TOTAL		301.59		263.76

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	As at 31st March 2023		As at 31st March 2022	
NOTE 21				
TRADE PAYABLES - CURRENT				
(Refer Note 21.01 to 21.03)				
For Goods & Services				
i. Total outstanding dues of Micro Enterprises and Small Enterprises	56.41		-	
ii. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10,325.56		5,015.88	
		10,381.97		5,015.88
TOTAL		10,381.97		5,015.88

Note 21.01
Balances held under trade payables as above are subject to confirmation and reconciliation. The Company is in the process of obtaining confirmation from its vendors.
Note 21.02
The outstanding dues to Micro and Small Enterprises as on the date of Balance Sheet is disclosed in the above note. During the year, the Company has repaid the dues of such enterprises on or before the appointed date, except in the cases wherein the dues are disputed and therefore the question of payment of interest to such enterprises does not arise. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. Also refer Note 38.17b for MSME Disclosures.

Note 21.03
Refer Note 38.20 for Trade Payables ageing schedule and disputed dues. There are no unbilled payables.

NOTE 22				
OTHER FINANCIAL LIABILITIES - CURRENT				
(Refer Note 22.01)				
Creditors for Capital Expenditure		9.18		95.49
TOTAL		9.18		95.49

Note 22.01
There are no dues to Micro and Small Enterprises at any time during the reporting period, in respect of creditors for capital expenditure. Accordingly, the question of making further disclosure in this connection does not arise.

NOTE 23				
OTHER CURRENT LIABILITIES				
(Refer Note 23.01 and 23.02)				
Advances other than Capital Advances:				
Contract Liabilities: Advance received from Customers		892.66		84.74
Others :				
Employee Benefits Payable		368.92		280.39
Statutory dues		102.01		36.42
Other Payables		1.87		0.84
TOTAL		1,365.46		402.39

Note 23.01
Other payables represents dues to employees, in respect of the expenses incurred by them in the ordinary course of business.
Note 23.02
All the amounts disclosed as "Advance received from Customers" are outstanding for the period, less than 12 months.

NOTE 24				
PROVISIONS - CURRENT				
(Refer Note 24.01 and 24.02)				
Provision for Indirect Taxes		1,500.00		1,200.00
Provision for Gratuity		113.50		-
		1,613.50		1,200.00

Note 24.01
Also refer Note 38.01 to the Financial Statements for disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".
Note 24.02
Provision for Gratuity represents the excess of Present Value of Gratuity Plan Obligations over Fair Value of Gratuity Plan Assets as on the reporting date, as valued by an independent actuarial valuer.

NOTE 25				
Current Tax Liabilities (Net)				
Provision for Income tax for the current financial year (net of tax paid)		243.50		-
		243.50		-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	2022-23 Rs. in Lakhs	2021-22 Rs. in Lakhs
NOTE 26		
REVENUE FROM OPERATIONS		
(Refer Note 26.01)		
Sale of Products	57,206.11	19,272.81
Sale of Services	5,684.52	4,636.51
Other Operating Revenues- Duty Drawback	16.38	81.80
TOTAL	62,907.01	23,991.12

Note 26.01

Disclosures as required under Ind AS 115:

The Company during the year, has undertaken an assessment of whether it is principal or agent in its transactions for sale of products and services, on the indicators specified under Ind AS 115. Based on such assessment, the Company is of the view that it is a principal involving sale of products and services and has disclosed the revenue for the reporting as well as comparative year, but at net of Goods and Service Tax, rebates and discounts.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year reporting year by type of products/services, geographical regions and by activity undertaken. The Company believe that this disaggregation best depicts how the nature, amount and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. The details are given below:

Sales On the basis of type of products/services:

Particulars	2022-23 (Rs. in Lakhs)	2021-22 (Rs. in Lakhs)
Cards- Both Manufactured and traded	52,962.60	18,272.61
Personalisation of Cards	5,463.27	4,973.72
Kiosk- Service	221.25	48.93
Kiosk- Traded	3,760.70	537.44
Integrated Transport Management System	499.19	158.42
Total	62,907.01	23,991.12

Sales On the basis of type of activity undertaken:

Particulars	2022-23 (Rs. in Lakhs)	2021-22 (Rs. in Lakhs)
Manufacturing	50,207.14	17,229.28
Services	5,684.52	5,030.23
Trade Sale	7,015.35	1,731.61
Total	62,907.01	23,991.12

Sales On the basis of Geographical Region:

Particulars	2022-23 (Rs. in Lakhs)	2021-22 (Rs. in Lakhs)
India	62,138.72	22,477.39
Export Sales	768.29	1,513.73
Total	62,907.01	23,991.12

Countrywide details (in the cases of amounts attributable to foreign countries) not given in the above table, since the amount involved therein is not material.

The Company is of the opinion that the disclosures with regard to disaggregation of revenue, as stated in above three number of tables, is sufficient disclosure as required under Ind AS 115.

The provisions of Ind AS 108 i.e. 'Operating Segment' is not applicable for the Company, except for disclosing the details of major customers, for the reason as given in Note 38.02. Accordingly the question of disclosing the relationship between disclosures as above with the disclosure under Ind AS 108 does not arise.

Revenue from Operations as above are disclosed net of Rebate & Discount Rs.118.94 lakhs (P Y Rs. 57.27 lakhs). All of the aforesaid rebate and discount pertains to operating income. These rebates and discounts are the actual amounts, allowed in the ordinary course of business. Revenue from operations as above are also disclosed net of Warranty obligations Rs.Nil (P Y Rs.15.90lakhs). This obligation relates to sale of Kiosk. Accordingly gross revenue before Rebate & Discount & Warranty Obligations is Rs. 63,025.94 lakhs (P Y Rs. 24,064.29 lakhs).

Refer Note 38.09 for other disclosures under Ind AS 115.

Particulars	2022-23 Rs. in Lakhs	2021-22 Rs. in Lakhs
NOTE 27		
OTHER INCOME		
Interest Income	1,089.99	1,396.95
Interest- Financial Assets carried at Amortised Cost -Ind AS 109	6.43	3.04
Aggregate of Interest Income	1,096.42	1,399.99
Difference in Exchange Rate Gain	71.95	59.04
Insurance Claims Received	5.63	19.74
Amount no longer payable	10.77	5.90
	1,184.77	1,484.67

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Particulars	2022-23 Rs. In Lakhs		2021-22 Rs. In Lakhs	
NOTE 28				
COST OF MATERIALS CONSUMED				
(Refer Note 28.01)				
Opening Stock		2,297.71		2,344.95
Add: Purchase Cost		44,512.55		12,287.08
		46,810.26		14,632.03
Less: Closing Stock		7,746.61		2,297.71
TOTAL		39,063.65		12,334.32
Note 28.01				
Purchase Cost as above includes Freight inward Rs.711.03 lakhs (P Y Rs.133.60 lakhs). Purchases disclosed net of discount received Rs.104.50 lakhs (P Y.Rs. 81.26 lakhs)				
NOTE 29				
PURCHASES OF STOCK-IN-TRADE		4,759.78		1,715.05
NOTE 30				
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS				
Opening :				
Work-in-Progress	2,049.10		846.10	
Stock-in-Trade	370.30	2,419.40	357.78	1,203.88
Less: Closing :				
Work-in-Progress	2,792.93		2,049.10	
Stock-in-Trade	625.00	3,417.93	370.30	2,419.40
TOTAL		(998.53)		(1,215.52)
NOTE 31				
EMPLOYEE BENEFITS EXPENSE				
(Refer Note 31.01)				
Salaries , Wages and Bonus		3,652.74		2,990.74
Contribution to Provident and Other Funds		272.75		174.93
Staff Welfare Expenses		26.60		14.38
TOTAL		3,952.09		3,180.05
Note 31.01				
Details of Employee Benefits Expense as required by Ind AS 19 is given in Note 38.04				
NOTE 32				
FINANCE COSTS				
Interest paid to:				
i. Banks on				
Term Loan		266.34		299.27
Working Capital Loan		346.52		259.65
ii. Others on				
Interest - Unwinding of Discount Ind AS 109		1.78		1.95
Interest Paid on Debentures		212.11		-
Interest Expenses- Ind AS 116 Adjustment (Refer Note 38.10)		83.01		62.48
Aggregate of Interest Expenditure		909.76		623.35
Other borrowing Cost:				
Bank & Other Charges		203.34		165.30
TOTAL		1,113.10		788.65
NOTE 33				
DEPRECIATION AND AMORTIZATION EXPENSE				
- Own Assets		709.50		710.99
- Right of Use Assets- Ind AS 116 (Refer Note 38.10)		319.52		250.19
		1,029.02		961.18

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	2022-23 Rs. In Lakhs		2021-22 Rs. In Lakhs	
NOTE 34				
OTHER EXPENSES				
(Refer Note 34.01 and 34.02)				
OPERATIONAL EXPENSES				
Spares and Stores		561.74		805.03
Process Materials		274.32		220.90
Lease rent charges of Machinery		79.30		-
Lease rent charges of Premises		142.06		102.81
Fire & Other Insurance		103.58		96.43
Subscription & Membership - Operations		164.01		118.02
Freight Inward		95.30		31.91
Labour Charges Paid		1,403.77		797.93
Click Charges Paid		721.84		570.57
Power & Lighting		334.18		351.45
Security Service charges		93.60		66.89
Taxes License & Fees		5.73		3.89
Service Charges Paid		1,242.30		657.43
Repairs & Maintenance :				
Building	18.36		14.07	
Machinery	156.29		154.06	
Computers	164.92		98.40	
Other	267.87	607.44	126.44	392.97
TOTAL (A)		5,829.17		4,216.23
SELLING & ADMINISTRATION EXPENSES				
Freight Outward		561.67		891.62
Travelling Expenses		218.55		80.51
Sales Promotion		140.63		14.38
Commission paid		0.35		14.92
Packing Expenses		126.78		84.91
TOTAL (B)		1,047.98		1,086.34
OTHER EXPENSES				
Postage & Telephone	38.27		19.08	
Professional Charges	115.39		207.46	
Webhosting/Software Charges	91.26		86.06	
Sitting Fees to Directors	0.20		1.40	
Indirect Taxes	423.76		313.27	
Provision for Bad and Doubtful Debts	121.31		92.44	
Printing & Stationery	11.89		7.62	
Other Rent	6.98		4.77	
CSR Expenses	43.63		61.22	
Miscellaneous Expenses	0.04	852.73	6.09	799.41
Payments to Auditor for:				
Statutory Audit	10.00		9.25	
Taxation Matters	1.08		4.89	
Other Services	0.54	11.62	1.22	15.36
TOTAL (C)		864.35		814.77
TOTAL (A+B+C)		7,741.50		6,117.34

Note 34.01

Refer Note 38.10 for disclosures as required under Ind AS 116 - Leases in respect of Factory/Godown/Machine/Office Rent.

Note 34.02

Freight Inward incurred on Spares and Stores Rs. 13.63 Lakhs (P Y Rs. 3.68 Lakhs), Process Materials Rs. 18.49 Lakhs (P Y Rs. 2.55 Lakhs) and Packing Expenses Rs. 0.37 Lakhs (P Y Rs. 0.42 Lakhs) included in the respective aforesaid expenses, in the above Note. Amount disclosed separately as Freight Inward in the above note, represents amount incurred for purchases of traded goods and other purposes, other than on raw materials, spares and stores, process materials and packing expenses.

MCT Cards & Technology Private Limited

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	2022-23		2021-22	
	Rs. In Lakhs		Rs. In Lakhs	
NOTE 35				
TAX EXPENSE				
(Refer Note 35.01)				
Income Tax recognised in the statement of Profit and Loss				
Current Tax		2,133.81		605.99
Deferred Tax:				
Other Adjustments	(234.22)	(234.22)	(188.63)	(188.63)
TOTAL		1,899.59		417.36

Note 35.01

The movement of deferred tax adjustment and reconciliation of current/deferred taxes with accounting profit are disclosed vide Note 38.12.

Particulars	2022-23		2021-22	
NOTE 36				
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Re-measurements of the defined benefit plans- Gratuity		(22.21)		76.78
Income tax relating to items that will not be reclassified to Statement of profit and loss		5.64		(19.32)
TOTAL		(16.57)		57.46
NOTE 37				
EARNINGS PER EQUITY SHARE				
Net Profit attributable to Equity Shareholder (Before Other Comprehensive Income)		5,531.58		1,177.36
Weighted Average number of Equity Shares		4,13,61,000		4,13,61,000
Basic/Diluted earning per share of Rs. 10 each in Rs. Ps (Fully Paid)		13.37		2.85
Face value of share Rs 10 each fully paid				

MCT CARDS AND TECHNOLOGY PRIVATE LIMITED

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

ANNEXURE TO FINANCIAL STATEMENTS FOR THE YEAR 2022-23

SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

I. Corporate Information:

The Company was incorporated as a private limited company under the Companies Act. The Registered office of the Company is at Manipal (State: Karnataka). The Company has a manufacturing unit in Manipal and also a card personalization centre at Mumbai. Company provides end-to-end solutions with regard to the Cards including banking & other loyalty cards, which includes : manufacture of cards, card personalization, and supply of collaterals including Digital Banking Kiosks, fulfilment activities, and dispatch of the cards. The Company is a subsidiary of M/s Manipal Technologies Limited, a public limited Company and accordingly considered as the public limited company under Companies Act 2013.

II. Significant Accounting Policies:

a. Basis of Preparation and Presentation of Financial Statements

Statement of Compliance

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Indian Accounting Standards are prescribed under Section 133 of the Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended till date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements are called Ind AS financial statements.

The Company's financial statements are presented in Indian Rupees, which is also its functional currency. All the values are rounded off to the nearest lakh with two decimals except where otherwise stated.

These financial statements have been prepared on accrual basis under the historical cost convention except for (a) Certain Financial Assets and Liabilities and (b) Defined Employee Benefit Plan Assets, which have been measured at their fair values.

These financial statements have been approved for issue by the Board of Directors at their meeting held on 05th September 2023, at Manipal, Karnataka.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss have been prepared and presented in the format prescribed in Division II of Schedule III to Companies Act, 2013 after including therein the heads, to the extent applicable to the Company. The Statement of Cash Flows has been prepared as per the requirements of Ind AS 7 'Statement of Cash Flows'. The disclosures as prescribed in Division II of Schedule III to the Companies Act, 2013 have been presented by way of notes forming part of the financial statements along with other disclosures required under Ind AS. The disclosures both under Schedule III to Companies Act 2013 and Ind AS are being made to the extent applicable to the Company.

b. Use of Estimates

The preparation of the Company's financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods.

Critical Accounting Estimates

Depreciation/Amortisation and useful lives of Property, Plant and Equipment/Intangible Assets and Decommissioning Liability

Property, Plant and Equipment/Intangible Assets if any is depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on Company's historical experience with similar assets and after taking into account the anticipated technological changes. In case of significant changes in the estimates in future, the depreciation/amortisation shall be revised accordingly. The Company has not made any policy with regard to decommissioning liability for the reasons specified in clause (d) below.

Allowance of bad and doubtful debts on trade receivables/Advances

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. Judgements are required in assessing the recoverability of other advances including other receivables and determining whether a provision against those advances/receivables is required. Factors considered include relations with 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.

Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances and these judgements are subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take into account changing facts and circumstances.

Employee Benefit Obligations

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Allowance for Inventory

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete/non-moving inventory items.

Deferred Tax Assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if estimates of projected future taxable income or if tax regulations undergo a change.

Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the greater of the asset's fair value (or Cash Generating Unit's (CGU's) fair value) less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Impairment of Financial Assets

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

c. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

d. Property, Plant & Equipment

Freehold land is carried at historical cost. All other items of 'Property, Plant and Equipment' are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items such as purchase price, freight, duties and levies. Such cost includes the cost of replacing parts of the 'Property, Plant and Equipment' and the borrowing cost till the date of installation of qualifying asset and any attributable cost of bringing the asset to its working condition for its intended use, including exchange differences. Further the company has opted to continue capitalising the exchange differences arising from translation of foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP in accordance with the option given under Ind AS 101 "First-time adoption of Indian Accounting Standards" which is restricted to foreign currency liabilities incurred prior to the commencement of first Ind AS reporting period. Expenses incurred on start-up, commissioning of the project including expenditure incurred on test runs and experimental production in respect of new unit if any, are also capitalised.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

An item of 'Property, Plant and Equipment' and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized. Further, when each major inspection is performed, its cost is recognised in the carrying amount of the item of 'Property, Plant and Equipment' as a replacement if the recognition criteria are satisfied. Machinery spares which are specific to a particular item of 'Property, Plant and Equipment' and whose use is expected to be irregular are capitalized as 'Property, Plant and Equipment'.

Spare parts are capitalized when they meet the definition of 'Property, Plant and Equipment' i.e., when the Company intends to use these for more than a period of 12 months. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital Work-in-Progress'. As per the technical opinion obtained by the Company, the Property, Plant & Equipment held by the Company does not involve decommissioning cost and the cost of removal of such assets is not material considering the size of the Company. Considering this aspect, the Company has not made any policies for capitalizing the decommissioning cost.

Depreciation on 'Property, Plant & Equipment' generally is provided on the Straight Line Method over the useful lives of the assets and residual value in terms of Schedule II of the Companies Act, 2013 Depreciation for the assets purchased/sold during the period is proportionately charged. Building constructed on the lease hold land if any, is depreciated over the period of lease or the useful life in terms of Schedule II of the Companies Act 2013, whichever expires earlier. Leasehold land if any, is amortized over the period of the lease. Improvements to buildings are amortized over the period of remaining useful life of the building. The residual values, useful lives and methods of depreciation of 'Property, Plant and Equipment' are reviewed at each financial year end and adjusted prospectively, if appropriate and under such circumstances the appropriate disclosure is being made in the notes to accounts. However the Assets of the nature Office Equipment,Furniture & Fixture, Electric Fittings and Computers, each valued at Rs.5,000 or below, fully depreciated in the year of acquisition, on the basis of technical advice.

Policy with regard to depreciation of assets taken on lease i.e. Right of Use Assets disclosed under sub note n below.

For transition to Ind AS, the Company has elected to continue with carrying value of its Property, Plant & Equipment recognised as on 1st April, 2016 (transition date) measured as per the previous GAAP as the deemed cost of the Property Plant and Equipment on the date of transition to Ind AS.

e. Intangible Assets and Amortization

The Company has not made any policy on Intangible Assets, Research Costs etc, since the Company does not own such assets and or has not incurred such expenses till the date of the financial statement. Any expenses incurred on purchase/acquisition/maintenance of software charged off to revenue.

f. Taxes on Income

Income tax expense for the period comprises of current and deferred income tax. Income Tax expense is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case tax is also recognised in other comprehensive income or in equity, as appropriate. Current Income Tax, for current and prior periods is recognised in the Statement of Profit and loss at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. The Company recognizes a deferred tax asset arising from unused tax losses or tax credit only to the extent that it is probable that sufficient future taxable profits will be available against which unused tax losses or tax credits can be utilized by the entity. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax assets and liabilities are presented in the Balance Sheet after setting off the same against each other.

Advance Income Tax paid (including tax deducted at source, tax paid on self-assessment or otherwise) and provision for Current Income Tax are presented in the Balance Sheet after setting off the same against each other.

g. Financial Instruments

1. Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities if any, when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at Fair Value on initial recognition, except for trade receivable which is initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Subsequent Measurement

a) Non Derivative Financial Instruments

Financial Assets carried at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset other than equity investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity investments, the subsequent changes in the fair value are recognised in other comprehensive income.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination if any which is subsequently measured at a fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Other Equity Investments

All other equity investments if any, are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Financial Guarantee Contracts

The Company has neither given nor obtained any financial guarantee to any other person and therefore has not framed any policy on the same.

b) Derivative Financial Instruments

The company does not hold such instruments and accordingly has not framed any policy with regard to the same.

3. Derecognition of Financial Instruments

The Company derecognises a financial asset when the contractual rights to cash flows from the financial asset expire or when it transfer the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or when it expires.

4. Fair Value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never be actually realised.

For financial assets and liabilities maturing within one year from the reporting date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

h. Inventories

Stock of Raw Materials, Work-in-Progress, Trading materials, Stores, Spares, Process Materials & Packing Materials are valued at lower of cost or net realisable value adopting weighted average method. Cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost also includes expenses incurred towards wages and other related items. Spare parts which do not meet definition of Property Plant and Equipment, i.e. when the company intends to use these during the period of 12 months or less, are being considered as Inventory.

Under the Weighted Average cost formula, as followed by the Company, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of the period and the cost of similar items purchased as and when each additional shipment is received or as and when each additional lot is produced.

i. Revenue Recognition:

a. Revenue from Contract with Customers:

The Company derives revenues primarily from Sale of Products and services.

Revenue is measured based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services and excludes amounts collected on behalf of third parties. Revenue is recognized upon transfer of control of promised products or services to customers. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The revenue is recognised when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the products/services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Products/Services added that are not distinct are accounted for on a cumulative catchup basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional products/services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services. Revenue is disclosed net of Goods and Service Tax in the statement of profit and loss.

Revenues in excess of invoicing if any, are classified as contract assets (which the Company refer as unbilled revenue) while invoicing in excess of revenues if any, are classified as contract liabilities (which the Company refer to as unearned revenues)

The Company accounts for rebates/discounts to customers as a reduction of revenue based on the underlying performance obligation that corresponds to the progress by the customer towards earning the rebate/discount. The company accounts for the liability based on its estimates of future timely receipts of the billed and unbilled revenue. If it is probable that the criteria for rebate/discount will not be met , or if the amount thereof cannot be estimated reliably , then rebate/discount is not recognised until the payment is probable and amount can be estimated reliably. Such rebates/discounts are accounted as the reduction from the revenue. The Company is also required to provide warranty on sale of kiosk, without any further income. Accordingly the Company has arrived at the warranty obligations on a systematic basis and reduced the revenue to that extent.

Deferred contract costs if any, are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

b Interest Income:

Interest Income from a financial asset is recognized using the effective interest method. Interest on refund of Income Tax and insurance claims accounted in the year of receipt.

C Other Income:

Lease income is recognised in the manner mentioned in sub note n below. Bad debts recovered considered as income, in the year, the same is being recovered. Income by way of Difference in Exchange rate recognised in the manner mentioned in sub note j below.

j. Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated using exchange rates in effect at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss, except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 (First Ind AS reporting period) where they relate to acquisition/construction of fixed assets purchased from outside India or foreign currency loans taken against depreciable assets, are adjusted to the carrying cost of such fixed assets.

Non-monetary items that are denominated in a foreign currency and measured at historical cost are not retranslated at the end of each reporting period. They are reported using the exchange rate in force on the date of transaction. Non-monetary items that are denominated in a foreign currency and measured at fair value are reported at the exchange rates prevalent on the date when the fair value was determined. The exchange gain or loss on non-monetary items is treated in line with the recognition of the overall gain or loss on such non-monetary item i.e. translation or settlement differences on non-monetary items whose gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss respectively.

k. Employee Benefits

Short-term employee benefits

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

Post-employment benefits

Defined Contribution Plans

Provident fund scheme, employee state insurance scheme and employee pension scheme are the Company's defined contribution plans. The contribution paid or payable under the scheme is recognised during the period in which the employee renders the related service.

Defined Benefit Plans

The Company provides for Gratuity, a defined benefit plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment with the Company.

The Company's contribution towards gratuity is invested in a Group Gratuity Policy with the Life Insurance Corporation of India. Deficit/Surplus of present value of obligations (under Gratuity policy) over the fair value of Gratuity plan assets is recognised in the Balance Sheet as an asset or liability. The same is determined based on an independent actuarial valuation using the Projected Unit Cost Method. Gains and losses through remeasurement of the net gratuity liability/(asset) are recognised in Other Comprehensive Income and are reflected in Other Equity and the same are not eligible to be reclassified subsequently to Profit or Loss. Premium expense incurred to keep in effect such a group gratuity policy is recognised in the Statement of Profit and Loss as employee benefit expense in the year such premium falls due.

The company has not framed any policy as regards leave encashment, since the same is not given as long term employee benefit. There are no other employee benefits.

l. Share Capital and Share Premium, Dividend Distribution to Equity Shareholders:

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

m. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

n. Lease Transactions

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company's lease asset (taken on long term basis) classes wholly consist of operating leases for Buildings and Machineries. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets if any. For these short term and leases of low value assets if any, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets

Right of Use asset (ROU Asset) have been separately presented in the Balance Sheet as a part of Property, Plant and Equipment. Corresponding lease liabilities are being disclosed as other financial liabilities either as current or non current depending on the period of reversal. and lease payments have been classified as financing cash flows.

As Lessor:

Leases are classified as Finance Lease or Operating Lease, in the manner stated above.

Lease income is recognised in the Statement of Profit and Loss on straight-line basis over the lease term unless there is another systematic basis which is more representative of the time pattern of the lease. Revenue from lease rental is disclosed net of indirect taxes, if any.

o. Borrowing Cost

Borrowing cost includes interest expense calculated using the effective interest method, finance expenses in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest cost.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are capitalised/ inventoried as a part of cost of such asset till such time the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expenses in the period in which they are incurred.

p. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events & 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When the unavoidable costs of meeting obligations under a contract, exceed the economic benefits expected to be received under such contract (onerous contract), then the present obligation under the contract is recognised and measured as a provision.

Contingent liability is disclosed in the notes to accounts when in case of a present obligation arising from past events, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the same is not possible.

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

q. Impairment of Assets

1. Financial Assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. However the Company has adopted the same from the comparative reporting period and not as on the date of transition date, for the reason that the management is of the opinion that no such impairment required as on the date of transition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) during the period is recognised as income/expense in the Statement of Profit and Loss.

2. Non-Financial Assets including Intangible assets and Property, Plant and Equipment

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:
- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

r. Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss after tax (before considering other comprehensive income) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share, if any, is computed by dividing the net profit or loss for the year as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

s. Statement of Cash Flows

Cash flows are reported using the indirect method in accordance with Ind AS 7 "Statement of Cash Flows", whereby profit for the year is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

t. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank (in current accounts) and term deposits maturing within 3 months from the date of deposit. Term deposits maturing beyond 3 months, earmarked balances with banks and deposits held as margin money or security against borrowings etc. have not been considered as Cash and Cash Equivalents.

u Event occurring after the balance sheet date

Dividend if any pertaining to the financial year but declared after the balance sheet date are not recognised as a liability and same being disclosed in the notes to accounts under Note 13 under the head other equity.

v Operating Cycle for current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Based on the nature of activities of the company, the company has determined its operating cycle as 12 months.

w New and amended Ind AS effective as on April 1, 2021 and Annual improvements thereof and also which are applicable from next financial year.

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However no such notifications issued, which are applicable to the Company or which are having material effect on the Company.

X Regrouping of Previous Year's figures

The Company has the policy of regrouping certain figures for the purpose of better presentation and/or to comply with the amended Indian Accounting Standards and/or Schedule III to Companies Act 2013, if any.

MCT CARDS AND TECHNOLOGY PRIVATE LIMITED

Regd Office: Press Corner, Manipal

CIN : U72900KA2008PTC045316

NOTE 38

Other Disclosures and Notes forming part of Financial Statements for the year 2022-23

1 Disclosure pursuant to Ind AS 37 "Provisions, Contingent Liabilities & Contingent Assets"

A. Movement in Provisions

(Rs. In Lakhs)

Sr. No.	Particulars	2022-23	2021-22
1	Balance as at 1st April	1,200.00	900.00
2	Additional provision during the year	413.50	300.00
3	Provision used/reversed during the year	-	-
	Balance as at 31st March (1+2-3)	**1,613.50**	**1,200.00**

The provisions for expenses as at 1st April 2022 Rs.1,200 lakhs and additional provision of Rs. 300 lakhs (in respect of disputed liabilities as stated in sub note D below) and Rs 113.50 Lakhs (In respect of Defined Benefit Plan - Gratuity) is being made during the year. Accordingly the provision as on the reporting date is Rs. 1,613.50 lakhs.

B. Contingent Liabilities

a. Claims against the company not acknowledged as debt

(Rs. In Lakhs)

Particulars	2022-23	2021-22
i. Letter of Credit	1,563.45	864.42
ii. Bank Guarantee	5,167.34	3,823.19

b. Other money for which the company is contingently liable Rs. NIL (PY Rs. NIL)

C. Commitments

a. Uncalled liability on shares and other investments partly paid Rs. NIL (PY Rs. NIL)

b. Other commitments Rs. NIL (PY Rs. NIL)

D. Disputed Tax/ Duty Demands pending in appeal and other obligations as on 31st March 2023

a. The Deputy Commissioner of Commercial Taxes has demanded Value Added Tax of Rs 6.06 lakhs for the year 2012-13. The aforesaid authority has also levied interest under section 36 & 37 of Rs 2.75 lakhs and penalty under section 72(2) of Rs 0.61 lakhs. The Company is of the opinion that the demand is likely to be deleted in appeals made before The Joint Commissioner of the Commercial Taxes, Mangalore and accordingly no provision is considered.

b. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2011-12 has demanded Value Added Tax of Rs 6.67 lakhs under KVAT, 2003 and Rs. 13.53 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in Sales Tax Revision Petition filed before the Hon'ble High Court of Karnataka and accordingly no provision is considered.

c. Order number MLR-EXCUS-000-COM-MS-0039-15-16 dt. 18.04.2016 from the Office of the Commissioner of Central Excise & Service Tax for the period July 2010 to Sept 2014 has been received demanding excise duty of Rs.146.48 lakhs and penalty of Rs.146.53 lakhs. The company is of the opinion that the demand is likely to be deleted in appeals made before CESTAT Bangalore and accordingly no provision is considered.

d. Order number MLR-EXCUS-000-UDDN-ADC-KDK-54-16-17 dt. 23.11.2016 from the Additional Commissioner of Central Excise & Service Tax for the period October 2014 to Aug 2015 has been received demanding excise duty of Rs.17.83 lakhs and penalty of Rs.1.78 lakhs. The company is of the opinion that the demand is likely to be deleted in appeals made before the CESTAT Bangalore and accordingly no provision is considered.

e. Order in Original Number: MLR-EXCUS-000-COM-MS-15/2018-19 dated 29th October 2018 passed by the Commissioner of Central Excise, Mangalore for the period from the year ending 31st March 2012 to 31st March 2016, has been received demanding central excise amount of Rs. 5171.70 lakhs and penalty of Rs. 5171.75 lakhs. The Company is of the opinion that the demand is likely to be deleted in appeals made before the CESTAT Bangalore and no provision is considered.

f. Order in Original Number: MLR-EXCUS-000-UDN-ADC-IA-001-18-19 dated 6th April 2018 passed by the Additional Commissioner of Central Excise, Mangalore for the period from September 2015 to June 2017 has been received demanding central excise amount of Rs. 77.71 lakhs and penalty of Rs. 7.82 lakhs. The Company is of the opinion that the demand is likely to be deleted in appeals made before CESTAT,Bangalore and no provision is considered.

g. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2013-14 has demanded Value Added Tax of Rs 3.80 lakhs under KVAT, 2003 and Rs. 102.17 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in appeals made before The Karnataka Appellate Tribunal, Bengaluru and accordingly no provision is considered.

h. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2014-15 has demanded Value Added Tax of Rs 7.80 lakhs under KVAT, 2003 and Rs. 47.99 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in Sales Tax Revision Petition filed before the Hon'ble High Court of Karnataka and accordingly no provision is considered.

i. Order in Original Number: MLR-EXCUS-000-COM-IA-12-19-20 dated 11th January 2020 passed by the Commissioner of Central Excise, Mangalore for the period April 2016 to June2017 , has been received demanding central excise duty amount of Rs. 2495.33 lakhs plus interest and penalty of Rs. 249.58 lakhs. The Company is of the opinion that the demand is likely to be deleted in appeals made before the CESTAT Bangalore and no provision is considered.

j. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2015-16 has demanded Value Added Tax of Rs 3.94 lakhs under KVAT, 2003 and Rs. 31.27 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in appeals made before The Karnataka Appellate Tribunal, Bangalore and accordingly no provision is considered.

k. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2016-17 has demanded Value Added Tax of Rs.8.08 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in appeals made before The Joint Commissioner Appeals, Mangalore and accordingly no provision is considered.

l. The Deputy Commissioner of Commercial Taxes - Audit Wing for the financial year 2017-18 (upto June 2017) has demanded Value Added Tax of Rs. 2.24 lakhs under CST Act, 1956 including interest and penalty. The Company is of the opinion that the demand is likely to be deleted in appeals made before The Joint Commissioner Appeals, Mangalore and accordingly no provision is considered.

m. Order in Original Number: BLR-CUSTM-CTY-COM-02-19-20 dated 10th May 2019 passed by the Commissioner of Customs, Bangalore demanding Custom duty of Rs 272.13 lakhs including penalty . The Company is of the opinion that the demand is likely to be deleted in appeals made before the CESTAT Bangalore and no provision is considered.

The Company has no other contingent liabilities as on 31st March 2023.

2 Disclosure pursuant to Ind AS 108 "Operating Segment" (Rs. In Lakhs)

The Company operates under a single reportable geographical segment. The Company is also operating under one business segment i.e. "Supply of Cards with Personalization and other related activities", which comprises of Manufacture/Purchase of Cards followed by Card Personalization and supply of digital banking kiosks etc Hence, disclosures pertaining to segment reporting as required by Ind AS 108 is not applicable to it. However, the Company has 2 (PY: 4) external customer the revenues from transactions with whom amount to more than 10% of the Company's revenue from operations . The details are as follows: **(Rs. in Lakhs)**

Particulars	FY 2022-23	FY 2021-22
1	8260.84(13.12%)	3,287.26 (13.76%)
2	7330.46(11.64%)	2,949.95 (12.35%)
3	NA	2,489.63 (10.42%)
4	NA	2,436.56 (10.20%)

3 Disclosures pursuant to Ind AS 107 "Financial Instruments : Disclosures"

Capital Management

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's management reviews it's capital structure considering the cost of capital, the risks associated with each class of capital and the need to maintain adequate liquidity to meet its financial obligations when they become due.

Financial Risk Management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity risk and credit risk which may impact the fair value of its financial instruments. The company adheres to a robust Financial management framework to address these risks.

Market Risk:

Market risk is the risk of loss in future earnings that may result from a change in the value of a financial instrument. The value of a Financial instrument may change as a result of changes in interest rates, foreign currency rates or other market changes. The group manages the market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management.

a. Interest Rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk:

(Rs. In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Floating rate borrowings	2,658.83	3,112.60

Interest rate sensitivity

(Rs. In Lakhs)

Particulars	2022-23	2021-22
25 bps increase - decrease in profit	6.52	8.35
25 bps decrease - increase in profit	6.52	8.35

b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The particulars of unhedged foreign currency exposure are furnished below:

(Rs In Lakhs)

Particulars	Currency	As on 31st March 2023			As on 31st March 2022		
		Amount in Foreign Currency (in Lakhs)	Exchange Rate	Amount in INR	Amount in Foreign Currency (in Lakhs)	Exchange Rate	Amount in INR
Trade Payables	USD	36.37	82.17	2,988.74	11.66	75.79	883.43
	GBP	0.36	101.65	36.38	0.19	84.22	15.70
	EUR	0.05	89.44	4.05	-	99.46	-
Advance from Customer	USD	1.51	82.17	124.23	-	-	-
Trade Receivables	USD	0.92	82.17	75.20	1.43	75.79	108.19
Trade Advance	USD	1.20	82.17	98.82	2.93	75.79	221.75
	GBP	0.16	101.65	15.76	0.35	84.22	29.79
	EUR	0.12	89.44	10.74	0.04	99.46	4.36

Foreign currency sensitivity: Increase /(decrease) of profit in Statement of Profit & Loss

(Rs. In Lakhs)

Particulars	2022-23	2021-22
1% increase in foreign exchange rate	(29.53)	(5.35)
1% decrease in foreign exchange rate	29.53	5.35

Credit Risk

Credit risk is the risk that counterparty will not be able to meet its obligations under a financial instrument leading to a financial loss. The maximum exposure to credit risk in respect of the financial assets at the reporting date is the carrying value of such assets recorded in the financial statements net of any allowance for losses.

Financial Assets for which loss allowance is measured using 12 month Expected Credit loss

(Rs. In Lakhs)

Particulars	As on 31st March 2023	As on 31st March 2022
Investments - Non Current	3.96	3.96
Other Financial Assets - Non current	1,596.46	644.03
Loans - Current	10,405.44	11,467.60
Cash & Bank balances	1,715.67	881.09
Other Financial Assets - Current	274.92	188.15
TOTAL	13,996.45	13,184.83

Financial Assets for which loss allowance is measured using Lifetime Expected Credit loss

The Company's trade receivables consists of a large and diverse base customers including State owned Companies, Large Private Corporates and Public sector enterprises and Banks. Hence the Company is not exposed to concentration and credit risk.

The ageing analysis of trade receivables (before impairment) as of the reporting date (considered from the date they are due for payment) is as follows:

(Rs. In Lakhs)

Due for	As on 31st March 2023	As on 31st March 2022
Less Than 180 days	11,789.54	3,378.87
180 - 365 Days	257.43	140.68
More than 365 Days	347.74	474.28
Total Trade Receivable	12,394.71	3,993.83

Loss allowances is measured under life time expected credit loss method, after assessing in general, the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions than has been taken to mitigate the risk of non payment. Therefore company has provided the estimated amount as loss allowance sufficient to cover the risk of non recoverability from Trade receivables. However no such allowance made in respect of receivables from related parties for the reason that there are no risk of non payment in those cases.

The following table summarizes the change in the loss allowance measured using life time expected credit loss model:

(Rs. In Lakhs)

Particulars	31st March 2023	31st March 2022
(i) Balance as at beginning of the year	495.40	402.96
(ii) Allowance for doubtful debts based on Expected Credit Loss (ECL)	121.31	92.44
(iii) Balance at end of the year	616.71	495.40

Liquidity Risk

Liquidity Risk refers to the risk that the Company cannot meet its financial obligations on time. The objective of the liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for timely settlement of the obligations.

The Company has obtained fund and non-fund based working capital lines and also term loans from various banks. The Company's treasury department monitors the liquidity, funding as well as settlements of these obligations, in addition to settlement of all other external liabilities. The treasury department monitors its risk of shortage of funds on a regular basis to ensure continuity of funding. In addition, the management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity Profile of financial liabilities

(Rs. In Lakhs)

As at 31st March 2023				
Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (both short term and long term)	5,518.77	4,143.33	-	9,662.10
Trade Payables - Current	10,381.97	-	-	10,381.97
Other Financial Liabilities - Current & Non-Current (other than lease liabilities)	9.18	-	-	9.18
Lease Liabilities (Discounted) IND AS 116	301.59	904.50	-	1,206.09
TOTAL	**16,211.51**	**5,047.83**	-	**21,259.34**

(Rs. In Lakhs)

As at 31st March 2022				
Particulars	Less than 1 Year	1 to 5 Years	More than 5 Years	Total
Borrowings (both short term and long term)	4,123.75	2,432.80	224.26	6,780.81
Trade Payables - Current	5,015.88	-	-	5,015.88
Other Financial Liabilities - Current & Non-Current (other than lease liabilities)	95.49	-	-	95.49
Lease Liabilities (Discounted) IND AS 116	263.76	161.76		425.52
TOTAL	**9,498.88**	**2,594.56**	**224.26**	**12,317.70**

Refer Note 38.10 for lease payables for the future period/s, without discounting.

Fair Value Measurement Hierarchy

(Rs. In Lakhs)

Particulars	As at 31st March 2023			As at 31st March 2022		
	Carrying Amount	Level 1	Level 2	Carrying Amount	Level 1	Level 2
Financial Assets						
At Amortised Cost						
Trade Receivables	11,778.00	-	-	3,498.43	-	-
Cash and Bank Balances	1,715.67	-	-	881.09	-	-
Loans	10,405.44	-	-	11,467.60	-	-
Other Financial Assets	274.92	-	-	188.15	-	-
At FVTOCI						
Investments	3.96	-	3.96	3.96	-	3.96
Financial Liabilities						
At Amortised Cost						
Borrowings	9,662.10	-	-	6,780.81	-	-
Trade Payables	10,381.97	-	-	5,015.88	-	-
Other Financial Liabilities	1,215.27	-	-	521.01	-	-
At FVTPL						
Other Financial Liabilities	-	-	-	-	-	-
At FVTOCI						
Other Financial Liabilities	-	-	-	-	-	-

4 Disclosures relating to employee benefits as per Ind AS 19 "Employee Benefits"

A) Brief description of the plans:

The Company has two schemes for Long-Term Benefits: Provident Fund and Gratuity. In case of Funded Schemes, the funds are administered through Appropriate Authorities. The Company's Defined Contribution Plan is Employees' Provident Fund (under the provisions of Employee Provident Fund and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to the said fund. The Company is also contributing towards Employee State Insurance Plan as per statutory requirements, wherein the Company has no further obligation beyond making the contributions. The Company's Defined Benefit Plan is Gratuity. The Company is not providing leave encashment as a long term employee benefit.

B) Charge to the Statement of Profit and Loss on account of contributions:

Particulars	(Rs. In Lakhs) 2022-23	(Rs. In Lakhs) 2021-22
Company's contribution to		
i. Provident Fund	108.36	85.95
ii. Employee State Insurance Plan	23.53	18.07

C) Gratuity - The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. This fund is being maintained by Life Insurance Corporation of India. The disclosures as required under Ind AS 19 is made below, on the basis of report obtained from an Independent Actuary.

(Rs. In Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	131.11	140.63
Interest Cost	8.66	9.84
Current service cost	14.40	13.72
Past service cost	-	-
Remeasurements - Net actuarial (gains)/ losses	148.50	(24.87)
Benefits paid	(14.74)	(8.21)
Present value of obligation as at the end of the year	**287.95**	**131.11**
b) Plan assets at the beginning of the year	153.51	86.25
Interest income	11.09	8.43
Contribution by employer	24.70	69.44
Benefit paid	(14.74)	(8.21)
Return on plan assets (incl. interest income)	(0.13)	(2.40)
Fair value of the plan assets at the end of the year	**174.45**	**153.51**
c) Expenses recognised in the Statement of Profit and Loss		
Interest cost	8.66	9.84
Current service cost	14.40	13.72
Past service cost	-	-
Total	**23.06**	**23.56**
d) Remeasurement gains/ (losses) recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(33.18)	70.75
Return on plan assets (excluding interest income)	10.97	6.03
Total	**(22.21)**	**76.78**
e) Amount recognised in the Balance Sheet		
Present Value of Funded Defined Benefit obligation	287.95	131.11
Fair value of plan assets	174.45	153.51
Net funded Asset	**(113.50)**	**22.40**
f) Actuarial assumptions		
Discount rate	7.25%	7.00%
Salary escalation rate - over a long-term	7.25%	3.50%
Mortality rate	Indian assured lives mortality (2006-08) (Ultimate)	Indian assured lives mortality (2006-08) (Ultimate)

The attrition rate is 3% for the year ended 31st March, 2023 (3% for the year ended 31st March, 2022).
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
The employees of the Company are assumed to retire at the age of 60 years.
The expected contribution payable to the plan next year is Rs.41.67 Lakhs.(PY Rs.17.87)

g) Quantities sensitivity analysis for significant assumption is as below:

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
	1% increase	
i. Discount rate	252.25	116.63
ii. Salary escalation rate - over a long term	328.14	148.59
iii. Attrition rate	286.27	136.90
	1% decrease	
i. Discount rate	331.39	148.60
ii. Salary escalation rate - over a long term	253.80	116.47
iii. Attrition rate	289.98	124.46

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

h) Maturity analysis of defined benefit obligation (i.e Payouts)

The defined benefit obligation shall mature after 31st March, 2023 as follows

(Rs. In Lakhs)

Particulars	Undiscounted values
For the year 1	9.93
For the Year 2	12.23
For the Year 3	9.55
For the Year 4	13.55
For the Year 5	22.54
Next 5 years Pay out i.e 6-10 years	76.27
Payouts above 10 years	828.81
Total Expected Payments	**972.88**

5 **Non-Current and Current Assets**

In the opinion of the Board of Directors, the assets listed under the heads Non-Current Assets & Current Assets (other than Tangible & Intangible Assets and Investments) as stated in note 5 to 13 in the Balance Sheet, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

6 Disclosure of Related Parties/Related Party Transactions pursuant to Ind AS 24 "Related Party Disclosures"

(a) List of Related Parties and its Status of Transactions

Sr No.	Name of the Related Party	Nature of relationship	Whether Related Party transaction entered during the year (Yes/No)
1	Manipal Technologies Limited	Holding Company	Yes
2	Manipal Business Solutions Private Limited	Subsidiary of the Holding Company	Yes
3	Manipal Utility Packaging Solutions Private Limited	Subsidiary of the Holding Company	Yes
4	Manipal Logistics Private Limited	Subsidiary of the Holding Company	No
5	Manipal Digital Holdings GmbH, Germany	Subsidiary of the Holding Company	No
6	Manipal Holdings Limited UAE	Subsidiary of the Holding Company	No
7	Sahibandhu Fintech Services Private Limited	Subsidiary of the Holding Company	No
8	Medianfabrik Gmbh	Wholly owned subsidiary of Sl No. 5	No
9	MHL Holdings International, Mauritius	Subsidiary of Sl No 6	No
10	Manipal International Printing Press Limited, Kenya	Subsidiary of Sl No 9	No
11	Manipal International Press Limited, Nigeria	Subsidiary of Sl No 9	No
13	TGS Card Solutions, Mexico	Associate of the Holding Company	No
14	Manipal Thomas Greg Press Private Limited	Associate of the Holding Company	No
15	Manipal Media Network Limited	Other Related Parties	Yes
16	Manipal Energy & Infratech Limited	Other Related Parties	No
17	Primacy Industries Private Limited	Other Related Parties	Yes
18	Abhay Anant Gupte, Chief Executive Officer	Key Managerial Personnel	No
19	Binod Mandal, Company Secretary	Key Managerial Personnel	No
20	Gopinathan Anil Shankar,Chief Financial Officer	Key Managerial Personnel	No

The summary of Related Party Transactions is given below.

(Rs. In Lakhs)

Sl No.	Particulars	Holding		Fellow Subsidiaries		KMP and their Relatives		Other Related Parties		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	A. Volume of Transactions:										
A1	Services Provided (Sale of Cards & Printing Charges)	101.85	442.75	9.39	119.40	-	-	-	-	111.24	562.15
A2	Services Received (Printing Charges & Rent paid)	896.92	839.73	0.05	0.85	-	-	1.15	1.24	898.12	841.82
A3	Sale of Materials	32.59	38.09	0.30	59.75	-	-	-	-	32.89	97.84
A4	Purchase of Materials	2,753.55	1,018.83	317.78	80.13	-	-	-	-	3,071.33	1,098.96
A5	Dividend distributed	330.81	330.81	-	-	-	-	-	-	330.81	330.81
A6	Salary and Other expenses recovered at Cost (Common expenses charged to Statement of Profit & Loss)	1,745.06	1,505.83	-	-	-	-	-	-	1,745.06	1,565.83
A7	Salary and other allowances	-	-	-	-	-	-	-	-	-	-
A8	Purchase of Scrips	-	-	30.53	-			20.67	44.13	51.20	44.13
	B. Balances at the end of the year:										
B1	Amount Receivable at the end of the year	56.50	424.95	3.57	27.65	-	-	0.05	-	60.12	452.60
B2	Amount Payable at the end of the year	4,754.18	2,134.14	284.60	39.11	-	-	0.17	0.29	5,038.95	2,173.54
B3	Security Deposit Receivable/(Payable) (Net)	175.00	175.00	-	-	-	-	-	-	175.00	175.00
	C. Other disclosures:										
C1	Other Payments to Directors	-	-	-	-	-	-	0.20	1.40	0.20	1.40
	D. Guarantee taken for Debentures										
D1	Guarantee taken for Debentures	3,287.88	-	-	-	-	-			3,287.88	-

(b) Disclosure of Related Party Transactions

(Rs. In Lakhs)

Sr No.	Nature of Transactions/Parties	2022-23	2021-22
A1	**Services Provided:**		
	Sale of Cards & Printing Charges		
	Manipal Technologies Limited	101.85	442.75
	Manipal Business Solutions Private Limited	9.39	119.40
		111.24	562.15
A2	**Services Received:**		
	Printing Charges & Rent paid		
	Manipal Technologies Limited	896.92	839.73
	Manipal Energy & Infratech Limited	0.91	1.00
	Manipal Business Solutions Private Limited	-	0.80
	Manipal Media Network Limited	0.24	0.24
	Manipal Utility Packaging Solutions Private Limited	0.05	0.05
		898.12	841.82
A3	**Sale of Materials:**		
	Manipal Business Solutions Private Limited	-	59.75
	Manipal Technologies Limited	32.59	38.09
	Manipal Utility Packaging Solutions Private Limited	0.30	-
		32.89	97.84
A4	**Purchase of Materials:**		
	Manipal Technologies Limited	2,753.55	1,018.83
	Manipal Utility Packaging Solutions Private Limited	317.78	80.13
		3,071.33	1,098.96
A5	**Dividend distributed :**		
	Manipal Technologies Limited	330.81	330.81
		330.81	330.81
A6	**Salary and Other Expenses charged at cost (common expenses charged to Statement**		
	Manipal Technologies Limited	1,745.06	1,565.83
		1,745.06	1,565.83
A8	**Purchase of Scrips**		
	Manipal Media Network Limited	2.73	-
	Primacy Industries Private Limited	17.94	44.13
	Manipal Utility Packaging Solutions Private Limited	30.53	-
		51.20	44.13
B1	**Amount Receivable at the end of the year:**		
	Manipal Technologies Limited	56.50	424.95
	Manipal Utility Packaging Solutions Private Limited	3.55	3.54
	Manipal Business Solutions Private Limited	0.02	24.11
	Manipal Energy & Infratech Limited	0.05	-
		60.12	452.60
B2	**Amount Payable at the end of the year:**		
	Manipal Technologies Limited	4,754.18	2,134.14
	Manipal Utility Packaging Solutions Private Limited	283.83	39.08
	Manipal Energy & Infratech Limited	-	-
	Manipal Business Solutions Private Limited	0.77	0.03
	Manipal Media Network Limited	0.01	0.14
	Primacy Industries Private Limited	0.16	0.15
		5,038.95	2,173.54
B3	**Security Deposit Receivable/(Payable)**		
	Manipal Technologies Limited (net)	175.00	175.00
		175.00	175.00

C1	**Other Payments to Directors:** Sitting Fees to Independent/non executive directors	0.20	1.40
		0.20	**1.40**
D1	**Guarantee Taken for Debentures as at the year end** Manipal Technologies Limited	3,287.88	-
		3,287.88	**-**

[c] Additional Information

The amounts given above represent actual related party transactions. Notional adjustments made on account of compliance with Ind AS have not been included above.

Related Party Transactions given above are as identified by the Management.

Commitments with related parties: As at year end March 31, 2023, there is no commitment outstanding with any of the related parties.

The remuneration to KMPs do not include provisions for gratuity as separate actuarial valuation are not available.

The transaction from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

7 **Disclosure with regard to expenses incurred towards Corporate Social Responsibility as required by Section 135 of Companies Act, 2013**

Rs. in Lakhs

Particulars	Current Year	Previous year
Amount required to be spent by the company during the year	43.63	59.77
Amount of Expenditure Incurred relating to the year	43.63	59.77
Amount of Expenditure in respect of the earlier years	-	1.45
Total Amount of Expenditure incurred	43.63	61.22
Short fall at end of the year	Nil	Nil
Total of Previous Years Short fall	Nil	Nil
Reason for Short fall	NA	NA
Nature of CSR Activities	Refer Note Below	Refer Note Below
Detaails of Related Party Transaction	Nil	Nil
Provisions with respect of contractual Obligation	Nil	Nil

Note: The Company has contributed to Trust, which is recognised under Section 80G and also registered with MCA under CSR-1 and accordingly the aforesaid contribution is considered as CSR Activity.

8 **Impairment of Assets**

A. Non financial Assets including Property, Plant and Equipment & Intangible Assets

The management of the company is of the opinion that carrying value of assets does not exceed its recoverable value. Further the Company does not have any information whether internal or external, that indicate that impairment loss may have occurred. Further the major portion of the additions made to tangible and intangible assets were done during recent past. Considering all these aspects, the company has not impaired any of the non financial assets. This note is to be read along with note 1.02.

B. Financial Assets

Trade receivables are impaired under Life Time Expected Credit Loss Method and the details are given vide note. 38.03 above. The Company is of the opinion the amount so impaired is adequate and no further impairment is required as on the date of the Balance Sheet. Other financial assets consists mainly of Security Deposits- Rent and Cash & Bank balances. The Company does not have any information whether internal or external, that indicate that impairment loss may have occurred. Accordingly the company has not impaired any of the those financial assets

As on the date of Balance Sheet the Company has advanced a sum of Rs 10,405.44 lakhs (PY 11,467.60 lakhs) to M/s Questpro Consultancy Services Private Limited as Inter Corporate Loan. The aforesaid amount of Loan sourced from the accumulated profit. During the current reporting year, the Company has earned the income of Rs 986.49 lakhs(PY 1,209.12 lakhs) on the aforesaid Loan. The aforesaid Loan is disclosed vide note 11.03 of financial statement as "considered good", after considering net worth, profitability and business prospects of the borrower company and also considering the fact that the amount advanced as on the date of Balance Sheet reduced to Rs.10,405.44 lakhs from Rs.11467.60 lakhs and also that the Company has diversified its activities into Trading.

9 **Disclosures required by Ind AS115 "Revenue from Contract with Customers"**

The disclosure with regard to Operating Revenue as disaggregate revenue information given vide Note 26 read with subnotes thereon. The disclosure with regard to revenue from contract with customers disclosed in the same note. The disclosure in this note is to be read with disclosures made as required under Ind AS 115 vide Note 8 & subnotes thereon and Note 26 and subnotes thereon.

There are no unbilled revenues and accordingly there are no contract assets. Further there are no contract liabilities, since the amount invoiced does not exceed the revenue . However there are contract liabilities of the nature advance from customers.

Accordingly the receivables arising from recognition of revenues represent trade receivables, which is a right to consideration that is unconditional upon passage of Revenue. Such trade receivables are presented net of impairment if any, in the Balance Sheet vide Note 8 read with subnotes therein. The whole of the impairment losses as aforesaid, is pertaining to trade receivables arising from contract with customers.

There are no revenues recognised, which are arising from opening unearned revenue as of April 1, 2022.

Other Disclosures:

Opening and Closing Balance of Receivables from contract with customers: Disclosed in Note 8 of Balance Sheet.

Opening and Closing Balance of Contract Assets from contract with customers : Rs. Nil.

Opening and Closing Balance of Contract Liabilities from contract with customers (in the nature of unearned revenue): Rs. Nil.

Opening and Closing Balance of Contract Liabilities from contract with customers (in the nature of Advance from Customers): Rs. 84.74 lakhs and Rs. 892.66 lakhs respectively.

Revenue recognised during the year that was included in the Contract Liability balance at the beginning of the year: Rs. Nil. However the whole of advance received from customers Rs.84.74 lakhs (PY Rs. 33.27 lakhs) adjusted during the year toward revenue at the time of recognition of revenue.

Revenue recognised during the year from performance obligations satisfied (fully or partially) in previous year/s: Rs. Nil

Costs (including incremental cost) incurred to obtain or fulfil the contract with customer which are required to be amortised for more than one year (i.e. capitalised) : Rs. Nil

Existence of significant financial component in the transaction price determined with the contract with customer: Rs. Nil

Disclosure with regard to performance obligations, allocation of transaction price to the remaining performance obligations, Significant Judgements in the application of standard, timing of satisfaction of performance obligations, determining the transaction price and the amounts allocated to performance obgligation:

The Company is in the business of manufacturing/trading in the Cards and Kiosk. The Company is also undertaking the Card Personalisation Activities. The whole of the aforesaid activities is customer specific and based on the orders received from the customers. The Company is recognising the revenue at a specific date, i.e. on the date of transfer of control, i.e. as soon as the goods are identified and ready for dispatch. The invoice is being generated on the date of transfer of control. Thus the company is satisfying the performance obligations on the same date, i.e. on the date of generation of invoice. The services rendered by the Company is also related to Goods i.e. Cards. Revenue is being recognised and performance obligations are being satisfied in the similar manner as aforesaid. The transaction price with customer is being determined by mutual consent and accordingly being allocated fully on the date of transfer of control as aforesaid to the transfer of goods or services as the case may be. There is no question of splitting of transaction price to goods and services.

There are no obligations for returns, refunds and any other similar purposes. The Company has duly provided for warranty obligations on kiosks and reduced the same from the revenue.

As explained above, the transfer of control, the satisfaction of performance obligation and generation of invoice happens at the same time and accordingly there are no 'unsatisfied' or 'partially unsatisfied' performance obligations Accordingly the question of disclosing the allocation of transaction price to 'unsatisfied or partially unsatisfied performance obligation' does not arise.

The consideration from contracts with customers is included in transaction price.

The other disclosures as required under Ind AS 115 are not applicable to the Company.

10 **Disclosures pursuant to Ind AS 116 "Leases"**

The Company as a lessee:

Depreciation charge for right of use assets by class of underlying asset: Refer Note 2 read with note 33 of Financial Statement

Interest expense on lease liabilities : Refer Note 32 of Financial Statement under the head "Interest Expense-Ind AS 116 adjustment"

Expense relating to short term leases accounted for applying recognition exemptions: Refer Note 34 under the head "Lease rent Charges Machinery", "Lease rent charges of Premises" and "Other Rent".

Expenses relating to leases of low value assets accounting for applying recognition exemptions: There are no such leases.

Expenses relating variable lease payments not included in the measurement of lease liabilities: There are no such cases.

Income from subleasing of right to use assets: There are no such cases.

Total cash outflow for leases Rs. in lakhs

In respect of leases covered under Ind AS 116-Long Term Leases:	2022-23		2021-22	
Lease Liability portion	323.08		256.48	
Interest Portion	83.01	406.09	62.48	318.96

Cash outflows in respect of short term leases, as stated above: Cash outflow in respect of such leases within next 12 months is Rs 25.96 lakhs.(PY Rs.26.39 lakhs)

Additions to Right to use assets and Carrying amount right of use assets at the end of the reporting period by class of underlying asset : Refer Note 2 of Financial Statement.

Maturity Analysis of Lease Liabilities applying Ind AS 107: Refer Note 38.03 of Financial Statement.

Year wise break up of future Lease Rent Payables (covered under Ind AS 116) undiscounted. Rs in lakhs

Rs. in lakhs

Payable during next	Building Lease Rent	Machinery Lease Rent	Total
1st year	116.44	289.65	406.09
2nd year	97.89	325.17	423.06
3rd year	30.04	277.17	307.21
4th year	-	276.03	276.03
5th year or more	-	263.55	263.55
Total	244.37	1,431.57	1,675.94

Nature of leasing activities: The Company has taken the Building on lease, which has been used in the ordinary course of business. The Company has also taken on lease the Building and Machinery on short term basis for the business purposes.

Other disclosures are required under Ind AS 116 not applicable to the Company.

The Company as a lessor:

The company has not given any assets on lease. Therefore the question of making further disclosure in this connection does not arise.

11 Disclosures pursuant to Ind AS 1 "Presentation of Financial Statements"

Based on the nature of activities, the Company has determined, its operating cycle to be 12 months. Hence, all assets and liabilities, disclosed as current assets or as current liabilities are expected to be recovered or settled in not more than 12 months after the reporting period. Disclosure required by Ind AS 1, " Presentation of Financial Statements", as regards, current assets and current liabilities is as follows :

Current Assets expected to be recovered within 12 months from the reporting date :

(Rs. In Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
Inventories	7	11,495.25	4,967.07
Trade Receivables	8	11,778.00	3,498.43
Cash and Cash Equivalents	9	492.65	37.33
Bank Balances other than Cash and Cash Equivalents	10	1,223.02	843.76
Loans	11	10,405.44	11,467.60
Other financial assets	12	274.92	188.15
Other Current Assets	13	1,905.42	2,494.70

Current Liabilities expected to be settled within 12 months from the reporting date :

(Rs. In Lakhs)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
Borrowings	19	5,518.78	4,123.75
Lease Liabilty	20	301.59	263.76
Other financial liabilities (other than those specified above)	22	9.18	95.49
Trade payables	21	10,381.97	5,015.88
Other Current Liabilities	23	1,365.46	402.39
Provisions	24	1,613.50	1,200.00
Current Tax Liabilities (Net)	25	243.50	-

12 Disclosures pursuant to Ind AS 12 "Income Taxes" (Rs. In Lakhs)

(A) Major components of tax expense/(income):

(Rs. In Lakhs)

Sr no.	Particulars	2022-23	2021-22
(a)	**Profit or Loss Section:**		
	(i) Current Income Tax		
	Current Income Tax expense	2,141.29	602.80
	Income Tax Provision earlier year (no longer required)	(7.48)	3.19
		2,133.81	605.99
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	(234.22)	(188.63)
		(234.22)	(188.63)
	Income Tax Expense reported in Profit or Loss [(i)+(ii)]	**1,899.59**	**417.36**
(b)	**Other Comprehensive Income (OCI) Section:**		
	(i) Items not to be reclassified to profit or loss in subsequent periods		
	Deferred Tax (expense)/income	5.64	-
	On remeasurement of defined benefit plans	-	(19.32)
		5.64	(19.32)
	(ii) Items to be reclassified to profit or loss in subsequent periods	-	-
		-	-
	Income Tax Expense reported in Other Comprehensive Income [(i)+(ii)]	**5.64**	**(19.32)**
(c)	**Retained Earnings(Other Equity):**		
	Current Income Tax	-	-
	Deferred Tax	-	-
	Income Tax Expense reported in Retained Earnings (Other Equity)	-	-

(B) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate applicable in India:

(Rs. In Lakhs)

Sr no.	Particulars	2022-23	2021-22
(a)	**Profit before Tax**	7,431.16	1,594.72
(b)	Corporate tax rate as per Income Tax Act 1961	25.168%	25.168%
(c)	**Tax on Accounting Profit (a*b)**	**1,870.27**	**401.36**
(d)	(i) Tax on income exempt from tax:	-	-
	(ii) Tax on items not tax deductible:	378.49	383.51
	(iii) Tax on items which are tax deductible	(107.47)	(182.07)
	Total effect of tax adjustments [(i) to (iii)]	**271.02**	**201.44**
(e)	Current Tax expense recognised during the year (c as adjusted by d)	2,141.29	602.80
	Income Tax Provision earlier year (no longer required)	(7.48)	3.19
	Deferred Tax expense Charged (recognised) during the year	(234.22)	(188.63)
	Total tax expense recognised during the year	**1,899.59**	**417.36**
(f)	**Effective tax rate (e/a)**	**25.563%**	**26.171%**

(C) Components of deferred tax (assets) and liabilities recognised in Balance Sheet and Statement of Profit or Loss:

(Rs. In Lakhs)

Sr no.	Particulars	Balance Sheet		Statement of Profit or Loss	
		As at 31-03-2023	As at 31-03-2022	2022-23	2021-22
(a)	Difference between book depreciation and tax depreciation	406.69	482.40	75.72	65.70
(b)	Employees' Defined Benefit Plan	(28.57)	5.64	28.57	-
(c)	Ind AS 109	1.28	1.73	0.45	0.49
(d)	Ind AS 116	(10.51)	(13.23)	(2.72)	(2.32)
(e)	Financial Assets	(155.21)	(124.68)	30.53	23.26
(f)	Disallowances - Timing Difference	(52.17)	(26.00)	26.17	26.00
(g)	Other Provision	(377.52)	(302.02)	75.50	75.50
	Deferred tax (expenses)/income			234.22	188.63
	Net deferred tax (assets)/liabilities	(216.01)	23.84		

Changes in Deferred Tax adjustment on employee's defined benefit Plan Recognised in Other Comprehensive Income Rs. 5,64 lakhs. (P Y Rs.19.32 lakhs Charged)

(D) Reconciliation of deferred tax (assets)/liabilities:

(Rs. In Lakhs)

Sr no.	Particulars	2022-23	2021-22
(a)	Opening balance as at April 1	23.84	193.15
(b)	Tax (income)/expense during the period recognised in:		
	(i) statement of Profit and Loss in Profit or Loss section	(234.22)	(188.63)
	(ii) statement of Profit and Loss in OCI section	(5.64)	19.32
	(iii) retained earnings	-	-
(c)	Closing Balance as at March 31	(216.01)	23.84

(E) Tax adjustments made directly to Equity

There are no adjustments pertaining to current and deferred tax adjustment directly charged or credited directly to Equity other than below :

(F) Reconciliation of Income Tax Paid

(Rs. In Lakhs)

Sr.no.	Particulars	As at 31st March 2023	As at 31st March 2022
(a)	At the beginning of the year (Paid or Provision)	579.64	1,173.28
(b)	Charge for the year	(2,141.29)	(602.80)
(c)	Income Tax Provision no longer required	7.48	(3.19)
(d)	Tax Paid (net of refund received/Adjustment) during the year	2,051.25	12.35
(e)	At the end of the year (Net of provision) (*)	497.08	579.64
	(*) Income Tax refundable (refer Note 6)	740.58	579.64
	Less: Current Tax Provisions (refer note 25)	(243.50)	-
	Amount net of provisions (as per (f) above)	497.08	579.64

13 Disclosures pursuant to Section 186 (4) of the Companies Act, 2013

(Rs. In Lakhs)

Sr. No.	Nature of the Transaction	Purpose	As at 31st March 2023	As at 31st March 2022
(A)	Loans and Advances Given			
	To Companies			
	Questpro consultancy services Private Limited	Working Capital and Short term funding	10,405.44	11,467.60
	(Maximum Balance Outstanding during the year with interest: Rs.11,467.60 lakhs (P Y Rs. 13,620.11 lakhs))			
	TOTAL AS PER BALANCE SHEET (Note 11)		10,405.44	11,467.60
(B)	Guarantees issued and securities given:	-	Nil	
(C)	Investments	To obtain power	Refer Note 4 with subnotes thereon to Financial Statements	

14	Disclosures pertaining to pending litigations
	The Company does not have any other pending litigations which would impact its financial position except Excise Duty and Value Added Tax demands as stated in Note 38.01. The Company is of the opinion that the same will not have any adverse effect on the financial position of the Company.

15 a. The Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2023.

b. The title deeds of all the immovable propeties owned by the Company are in the name of the Company. Further in case of lease hold properties, the lease agreements are duly executed in the name of the Company.

c. The Company has not granted any Loans or Advances in the nature of loans to promotors, directors, Key Managerial personnel and related parties (as defined under Companies Act 2013) at any time during year or at any time during the compartive year.

d. The Company has borrowings from Banks and Financial Institutions on the basis of security of current assets, as disclosed in Note 16 and 19 to Balance Sheet. The Company has regularly filed the statement of current assets, every quarter (along with other periodical returns/statements/documents). The informaton in relation to trade receivables in the aforesaid return/statement as on the last date of first 3 quarters of the financial year, was duly supported/substituted by "Certificate on agewise distribution of Book Debts and Trade Receivables". The statement/returns/other related documents (including the Certificates as aforesaid) if any, of current assets filed every quarter to Banks and Financial Institutions are in agreement with the books of accounts and there are no material discrepancies.

e. The Company has not entered into any transactions with the Companies struck off under section 248 of Companies Act 2013 either during the year or during comparative year.

f. The Company has created/satisfied the Charge by registering the same with Registrar of Companies within the statutory period, wherever required.

g. There are no unused amounts in the Borrowings from Banks and Financial Institutions, wherein the amount was borrowed for the specific purpose and accordingly the Company has utilised the proceeds of such borrowings only for the pupose/s it was borrowed.

h. No proceedings pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made thereunder. There are no transactions not recorded in the books of accounts, which necessiated the surrender or disclosure of income during the year in income tax assessments under Income Tax Act 1961. The Company has not traded and or invested in Crypto Currency or Virtual Currency during the financial year. Accordingly the question of making any disclosure in respect of aforesaid aspects does not arise.

i. The management of the company hereby represents that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity, including foreign entity, 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.

j. The management has also hereby represents that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities, 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.

16 Further Disclosure as required under Ind AS 7 (Statement of Cash Flows) with regard to financing activities

Current Year:

(Rs. In Lakhs)

Particulars	Opening balance as on 1st April, 2022	Cashflows	Non cash transactions-Processing Charges	Closing balance as on 31st March, 2023
Debentures	-	3,287.88	-	3,287.88
Term loans from banks	3,112.60	(455.55)	1.78	2,658.83
Short term loans from banks	3,668.21	47.18	-	3,715.39
Total (relating to borrowings)	**6,780.81**	**2,879.51**	**1.78**	**9,662.10**
Dividend on Equity Shares	-	(413.61)	-	-
Interest on Borrowings	-	(824.97)	-	-
Lease Payment- Liability (Principal) Portion- Ind AS 116 Adjustment	-	(323.08)	-	-
Lease Payment- Interest Portion- Ind AS 116 Adjustment	-	(83.01)	-	-
Total Cash outflow (net) on account of Financing Activities		**1,234.84**		

Previous Year:

(Rs. In Lakhs)

Particulars	Opening balance as on 1st April, 2021	Cashflows	Non cash transactions-Processing Charges	Closing balance as on 31st March, 2022
Term loans from banks	3,530.38	(419.73)	1.95	3,112.60
Short term loans from banks	3,432.60	235.61	-	3,668.21
Total (relating to borrowings)	**6,962.98**	**(184.12)**	**1.95**	**6,780.81**
Dividend on Equity Shares	-	(413.61)	-	-
Tax on Dividend	-	-	-	-
Interest on Borrowings	-	(558.92)	-	-
Lease Payment- Liability (Principal) Portion- Ind AS 116 Adjustment	-	(256.48)	-	-
Lease Payment- Interest Portion- Ind AS 116 Adjustment	-	(62.48)	-	-
Total Cash outflow (net) on account of Financing Activities		**(1,475.61)**		

17a Business outlook on account of Coronavirus (Covid-19)

The outbreak of Coronavirus (Covid-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. However due to the effective vaccination programme intiated by the Govt, the negative effect of the pendamic is almost eliminated. Accordingly the activities of the company is not effected during the current financial year.

17b Disclosure relating to Micro,Small and Medium Enterprises under para FA to "General Instruction to Preparation of Balance Sheet"of Schedule III of the Companies Act 2013 Given herein below: (also refer note a below)

(Rs.In Lakhs)

Particulars	2022-23	2021-22
The Principal amount remaining unpaid as at the end of the financial year beyond stipulated time	6.52	-
The amount of Interest due on the amount unpaid as above as at the end of the financial year	-	-
The amount of Penal interest paid by the buyer in terms of Section 16 of the Micro , Small and Medium Enterprises Development Act, 2006 (27 of 2006),along with amount of the payment made to the supplier beyond the appointed day during the financial year	-	-
The Amount of penal interest Accrued and Remaining unpaid for the financial year 2020-21	-	-
Penal interest amount consider for disallowance under Section 23 of Micro,Small and Medium Enterprises Development Act 2006	-	-

Note a: The due as above are not being settled, due to dispute in the quality/quantity of materials. Accordingly no interest is payable on the above dues.

18. RATIO ANALYSIS

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows (read with Note 1 to 11, a to h and i & ii below)

Sl No	Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Explanation for Variation
1	Current Ratio	Current Assets	Current Liabilities	1.93	2.12	-8.65	Not applicable
2	Debt-Equity Ratio	Total Long Term Debt [1]	Shareholder's Equity	0.44	0.41	9.14	Not applicable
3	Debt-Service Coverage Ratio	Earnings available for debt services[2]	Debt Service[3]	10.21	4.01	154.69	Note a below
4	Return on Equity Ratio (ROE)	Net Profits after Tax	Average Shareholder's Equity	0.29	0.08	282.20	Note b below
5	Inventory Turnover Ratio	Cost of goods sold[4]	Average Inventory[5]	5.20	2.95	76.37	Note c below
6	Trade Receivables Turnover Ratio	Net Credit Sales[6]	Average Accounts Receivables[7]	8.23	5.98	37.69	Note d below
7	Trade Payables Turnover Ratio	Net Credit Purchases[8]	Average Trade Payables	7.42	3.08	140.81	Note e below
8	Net Capital Turnover Ratio	Net Sales[9]	Working Capital	4.12	2.06	100.01	Note f below
9	Net Profit Ratio	Profit after Tax	Net Sales[9]	0.09	0.05	75.87	Note g below
10	Return on Capital Employed (ROCE)	Profit before Interest and Taxes	Capital Employed[10]	0.26	0.09	186.96	Note h below
11	Return on Investment (ROI)[11]	NA	NA	-	-	-	Not applicable

Note

1. For debt equity ratio, debt consist of both long term and short term borrowings
2. Earnings available for debt service consist of Net profit after tax plus non cash operating expenses like depreciation, Ind AS adjustments, Interest on long term borrowings adjusted with Profit/Loss on disposal of Property Plant &
3. Debt service includes interest plus principal repayments for the current year
4. Cost of goods sold consist of Cost of materials consumed, Purchase of Stock- in Trade and changes in Work-in progress and stock-in trade
5. For average Inventory, average of opening and closing inventory of Raw material, Stock-in Trade and Work-in progress considered
6. Revenue from operation is considered for Net credit sales
7. For average accounts receivable, trade receivable after provision for doubtful debts considered
8. Net credit purchase consists of purchase of raw materials, stock-in trade, Stores, spares & Process materials and packing materials
9. Net Sales represents Revenue from Operations
10. Capital employed consists of Tangible Networth, long term and short term borrowings plus or minus deferred tax liability/asset.
11. The Investment made by the Company is very negligible and no income earned on investment. Accordingly the disclosure requirement of aforesaid ratio is not applicable.

The reason for variance of more than 25% has been given below.

a.Increased due to increase in total earnings during the year.
b. Increased due to increase in net profit for the year.
c.Higher production and sales during the period.
d. Increase in Cedit Sales during the year is in a higher proportion than increase in Trade Receivables.
e. Higher quantity of purchases in the year resulted in increase in variation in trade payable turnover ratio.
f.Revenue growth along with improvement in working capital has resulted in an increase.
g.Increase in total revenue is proportionately higher than increase in total expenses for the year, resulting in higher Net Profits.
h.Increase in revenue for the year led to increase in Return on Capital Employed Ratio.

Other Notes:

i. Ratios as above are being disclosed as Number of Times and the variance is being disclosed in terms of percentage
ii. Reason for variation is being given, where the percentage of variance is 25% or more. The Company has arrived at the ratios as above, considering the nature of activities that being carried on by the Company.

19. Trade receivable ageing schedule (before considering the provision for impairment)

Current reporting period

Amount in lakhs

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 Receivable Consider Good	11,601.06	170.14	6.79	-	-	11,778.00
(ii) Undisputed Trade ReceiVables Which have Significant Risk						
(iii) Undisputed Trade Receivables – credit impaired	188.48	87.29	6.79	10.09	324.06	616.71
(iv) Disputed Trade Receivable Consider Good						
(v) Disputed Trade ReceiVables Which have Significant Risk						
(vi) Disputed Trade Receivables – credit impaired						

Previous reporting period

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 Receivable Consider Good	3,377.20	105.51	15.72	-	-	3,498.43
(ii) Undisputed Trade ReceiVables Which have Significant Risk						
(iii) Undisputed Trade Receivables – credit impaired	1.67	35.17	15.72	341.51	101.33	495.40
(iv) Disputed Trade Receivable Consider Good						
(v) Disputed Trade ReceiVables Which have Significant Risk						
(vi) Disputed Trade Receivables – credit impaired						

Note: The Company has made due provision for "Trade Receivables-Credit Impaired)

For the purposes of disclosure as above (for both the years), the date of transaction is considered as "Due day of Payment" where there is no due date of payment.

20. Trade payable ageing schedule

Current reporting period

Amount in lakhs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	49.88	-	-	-	**49.88**
(ii) Others	9,871.89	158.65	164.73	130.29	**10,325.56**
(iii) Disputed dues - MSME	6.52	-	-	-	**6.52**
(iv) Disputed dues - Others	-	-	-	-	-

Previous reporting period

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
(i) MSME	-	-	-	-	-
(ii) Others	4,680.04	164.90	160.01	10.93	**5,015.88**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note: For the purposes of disclosure as above (for both the years), the date of transaction is considered as "Due day of Payment" where there is no due date of payment.

21 The Company does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

22 There were no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

Place: Manipal
Date : 05th September 2023

As per my report of even date

Abhay Anant Gupte
Chief Executive Officer

G Anil Shankar
Chief Financial Officer

Binod Kumar Mandal
Company Secretary

Anand Kudigrama
Director
DIN: 07220100

K Govindraya S Kamath
Director
DIN: 05259687

CA Gurudas Shenoy H
Chartered Accountant
Membership No: 029204

CA GURUDAS SHENOY H
UDUPI
M. No: 029204
Chartered Accountant