

Independent Auditors' Report to the Members of Kritilabs Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kritilabs Technologies Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2023, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Board of Directors for Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards(AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;



selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, Management and Board of Directors are 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion under section 143(3)(i) of the Act, on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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.

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

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



Report on Other Legal and Regulatory Requirements

1. The report does not include the statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditors' 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, since in our opinion and according to the information and explanation given to us, the said order is not applicable to the company.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) Pursuant to MCA notification dated 13th June 2017, reporting on adequacy of the internal financial controls with reference to the financial statements is exempted for this company.
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements – Refer Note 34 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023; and
 - (a) The management has represented 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(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in



any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

iv. The Company has not paid/declared any dividend during the financial year. Accordingly, reporting on compliance with the provisions of Section 123 of the Act is not applicable.

v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 regarding maintenance of audit trial is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

Since the Company is a private limited company, the provisions of Section 197 of the Act are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

S. Prasana Kumar

S. Prasana Kumar

Partner

Membership No. 212354

UDIN: 23212354BGYDWD6971



Place: Chennai

Date: 04-09-2023

Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

(Formerly known as Kritilabs Technologies LLP)

Registered office: 24A SM Consortium Dr VSI Estate Phase II Thiruvannmiyur, Chennai - 600 041, India

Balance Sheet as at March 31, 2023

(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
Equity and liabilities			
Shareholders' funds			
Share capital	3	35.07	33.25
Reserves and surplus	4	2,026.95	1,701.26
Total		2,062.02	1,734.51
Non-current liabilities			
Long-term borrowings	5	530.24	753.84
Long-term provisions	6	78.87	44.00
Total		609.11	797.84
Current liabilities			
Short-term borrowings	7	512.35	840.87
Trade payables	8	-	-
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		90.17	75.48
Other current liabilities	9	380.68	409.67
Short-term provisions	10	353.19	141.07
		1,336.39	1,467.09
Total		4,007.52	3,999.44
Assets			
Non current assets			
Property, plant and equipment & Intangible assets			
Property, plant and equipment	11 (a)	1,951.94	2,269.99
Intangible assets	11 (b)	53.71	13.25
Capital work-in-progress	11 (c)	4.40	-
Intangible assets under development	11 (d)	-	80.56
Long-term loans and advances	12	91.34	63.18
Other non-current assets	13	932.95	720.93
Deferred tax asset net	14	94.65	10.40
		3,128.99	3,158.31
Current assets			
Current Investments	15	150.84	-
Inventories	16	66.94	65.13
Trade receivables	17	560.49	490.97
Cash and other bank balances	18	49.96	254.50
Short-term loans and advances	19	50.30	30.53
		878.53	841.13
Total		4,007.52	3,999.44

Summary of significant accounting policies
See accompanying notes to the financial statements.

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As per our report of even date attached.

For PKF Sridhar and Santhanam LLP

Chartered Accountants

ICAI Firm Registration No.: 003990S/S200018

S Prasana Kumar

Partner

Membership No: 212354

Place: Chennai

Date: 04th September, 2023



For and on behalf of the Board of Directors
Kritilabs Technologies Private Limited

Maroor Varadarajan Srikrishna

Director

DIN: 05244590

Place: Chennai

Date: 04th September, 2023

Nirmala Varadarajan

Director

DIN: 08492596

Place: Chennai

Date: 04th September, 2023



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)**Registered office: 24A SM Consortium Dr VSI Estate Phase II Thiruvannamiyur, Chennai - 600 041, India***Statement of Profit and Loss for the year ended March 31, 2023***(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)*

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue			
Revenue from operations	20	3,619.16	3,220.57
Other income	21	45.30	43.29
Total income		3,664.46	3,263.86
Expenses			
Cost of services & materials consumed	22	276.22	156.98
Employee benefits expense	23	1,139.66	1,157.20
Finance costs	24	139.97	173.84
Depreciation and amortization expenses	25	693.79	571.71
Other expenses	26	966.84	887.95
Total expenses		3,216.48	2,947.68
Profit before tax		447.98	316.18
Tax expense:			
Current tax		208.00	36.36
Deferred tax		-84.25	46.58
Total tax expense		123.75	82.94
Profit for the year		324.23	233.24
Earnings per equity share	27		
- Basic (Rs.)		97.17	70.88
- Diluted (Rs.)		95.73	68.69
- Face value (Rs.)		10.00	10.00
Summary of significant accounting policies	2		

See accompanying notes to the financial statements.

As per our report of even date attached.

For PKF Sridhar and Santhanam LLP

Chartered Accountants

ICAI Firm Registration No.: 003990S/S200018

S Prasana Kumar

Partner

Membership No: 212354

Place: Chennai

Date: 04th September, 2023

**For and on behalf of the Board of Directors****Kritilabs Technologies Private Limited****Maroor Varadarajan Srikrishna**

Director

DIN: 05244590

Place: Chennai

Date: 04th September, 2023

Nirmala Varadarajan

Director

DIN: 08492596

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Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

(Formerly known as Kritilabs Technologies LLP)

Registered office: 24A SM Consortium Dr VSI Estate Phase II Thiruvannmiyur, Chennai - 600 041, India

Cash Flow Statement for the year ended 31st March 2023

(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities:			
Profit before tax		447.98	316.18
Adjustments for:			
Depreciation and amortization		693.79	571.71
Provision for gratuity		8.56	12.30
Provision for leave encashment		30.43	5.15
Interest expense		139.97	173.84
Interest income		-35.30	-27.51
Operating profit / (loss) before working capital changes		1,285.43	1,051.67
Adjustments for changes in:			
(Increase) / decrease trade receivables		-69.52	77.42
(Increase) / decrease inventories		-1.81	37.28
(Increase) / decrease loans and advances		-47.93	45.12
Increase / (decrease) trade payables		14.69	-142.87
Increase / (decrease) other current liabilities		-28.99	51.49
Cash generated from operations		1,151.87	1,120.10
Less: Income taxes paid		-115.10	-71.11
Net cash flow from operating activities	A	1,036.77	1,048.99
Cash flows from investing activities:			
Purchase of property, plant and equipment		-340.04	-493.23
Investment in fixed deposits		-296.92	-167.74
Redemption of fixed deposits		200.00	-
Investment in current investments		-745.86	-
Redemption of current investments		595.02	-
Interest received & profit on redemption of units		35.30	27.51
Net cash flow (used) in investing activities	B	-552.50	-633.46
Cash flows from financing activities:			
Proceeds from issuance of share capital		3.28	274.60
Proceeds from borrowings		250.00	544.46
Repayments of borrowings		-802.12	-935.14
Interest paid		-139.97	-173.84
Net cash flow from / (used) in financing activities	C	-688.81	-289.92
Net increase / (decrease) in cash and cash equivalents	[A+B+C]	-204.54	125.61
Cash and cash equivalents at the beginning of the year		254.50	128.89
Cash and cash equivalents at the end of the year		49.96	254.50
Components of cash and cash equivalents			
Cash on hand		0.36	-
Balance with banks			
- on current account		49.60	64.50
- on deposit account		-	190.00
		49.96	254.50

Summary of significant accounting policies

See accompanying notes to the financial statements.

As per our report of even date attached.

For PKF Sridhar and Santhanam LLP

Chartered Accountants

ICAI Firm Registration No.: 003990S/S200018

S Prasana Kumar

Partner

Membership No: 212354

Place: Chennai

Date: 04th September, 2023

For and on behalf of the Board of Directors
Kritilabs Technologies Private Limited**Maroor Varadarajan Srikrishna**

Director

DIN: 05244590

Place: Chennai

Date: 04th September, 2023

Nirmala Varadarajan

Director

DIN: 08492596

Place: Chennai

Date: 04th September, 2023



1. Corporate Information

Kritilabs Technologies Private Limited ("the Company") is a private limited company domiciled in India was originally incorporated as LLP on May 25, 2012 and subsequently converted into private limited company on April 16, 2019 and is engaged in the business of remote asset management solutions having its registered office at Door No: 24A, SM Consortium Dr. VSI Estate Phase II, Thiruvanniyur, Chennai – 600 041.

These financial statements were approved by the Board of Directors and authorised in accordance with the resolution of the Company's Board of Directors on 04th September, 2023.

2. Summary of significant accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India and to comply with the provisions of the Companies Act, 2013 ('The Act') and the Accounting Standard specified under section 133 of the Act. All items of income and expenditure that have a material bearing on the financial statements are recognized on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, (except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standard requires a change in the accounting policy hitherto in use).

b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include useful life of property, plant and equipment, intangible assets and provision for taxes.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

(Formerly known as Kritilabs Technologies LLP)

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

(All amounts are in Indian Rupees (₹), unless otherwise stated)

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

d) Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities. Costs associated with providing various services are accrued at the time when related revenues are recognized.

e) Property, plant and equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

f) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated over their estimated useful lives using the Straight-line method, as per Schedule II of Companies Act, 2013, except for Plant and machinery – IoT devices which is based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its property, plant and equipment.



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)***Notes to the financial statements for the year ended March 31, 2023***(All amounts are in Indian Rupees (₹), unless otherwise stated)*

Asset Description	Useful life (years)
Plant and equipment - IOT devices	5
Plant and equipment - others	15
Office equipment	5
Furniture and fixtures	10
Computers	3 – 6

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.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Costs incurred towards purchase of computer software are amortised using the straight-line method over a period based on management's estimate of useful lives of such software being 3 years, or over the license period of the software, whichever is shorter.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 *Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies*.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

h) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized in the statement of profit and loss where ever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. An impairment loss is reversed in the statement of



profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i) Leases

Where the company is a lessee

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. In respect of operating lease, rentals and all other expenses are treated as revenue expenditure. Operating lease payments are recognized as expenses in the statement of profit and loss account on a straight line basis over the lease term.

Where the company is a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

j) Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

(Formerly known as Kritilabs Technologies LLP)

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

(All amounts are in Indian Rupees (₹), unless otherwise stated)

Income from services

Revenues from remote asset management contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

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

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

l) Inventory

Raw materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

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

m) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

Exchange differences arising on translation/settlement are recognised as income or as expenses in the period in which they arise.

n) Taxes on Income

Tax expenses comprise of current and deferred taxes.

Current Taxes

Provision for income tax is made on the basis of the estimated taxable income as per the provisions of Income Tax Act, 1961 and the relevant Finance Act.



Deferred tax

Deferred tax is provided in respect of all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to reverse in subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. The carrying amount of deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

o) Employee Benefits

Defined contribution plan

Provident fund and Employee State Insurance

Contributions to Provident Fund Employee State Insurance and are charged to Profit and Loss Account in the year of contribution. There are no other obligations other than such contribution payable to the respective fund / scheme.

Defined benefit plan

Gratuity

The liability towards Gratuity of the Company is unfunded. The Company accrues liability for gratuity on actuarial basis using projected unit credit method as at every financial year end.

Compensated absences

Accrued value of compensated absences is provided based on the actuarial valuation as at every financial year end.

p) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value (except in case of decommissioning, restoration and similar liabilities that are recognised as cost of Property, Plant and Equipment) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when the Company has a possible obligation and it is probable that an outflow of resources embodying economic benefits may not be required to settle the obligation or where reliable estimate of the obligation cannot be made.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A contingent asset is neither recognised nor disclosed in the financial statements.

q) Segment reporting

The Company's primary segment is identified as business segment based on nature of products and services which are subject to similar risks and returns and secondary segment is identified based on geographical location of the



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

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

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customers as per Accounting Standard-17. The Company is principally engaged in single business segment viz remote asset management solutions.

r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Cash flow statement

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



Note

No.

3 Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Authorised				
Equity shares of Rs.10 each	5,00,000	50.00	5,00,000	50.00
Preference shares of Rs.10 each	1,00,000	10.00	1,00,000	10.00
	6,00,000	60.00	6,00,000	60.00
Issued				
Equity shares of Rs.10 each	3,45,713	34.57	3,27,503	32.75
Compulsory Convertible preference shares of Rs.10 each	5,030	0.50	5,030	0.50
	3,50,743	35.07	3,32,533	33.25
Subscribed and fully paid up				
Equity shares of Rs.10 each	3,45,713	34.57	3,27,503	32.75
Compulsory Convertible preference shares of Rs.10 each	5,030	0.50	5,030	0.50
	3,50,743	35.07	3,32,533	33.25

a Movement in the Equity Share capital during the year.

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Shares outstanding at the beginning of the period	3,27,503	32.75	3,21,763	32.18
Issued during the year	18,210	1.82	5,740	0.57
Shares outstanding at the end of the period	3,45,713	34.57	3,27,503	32.75

b Movement in Compulsory Convertible Preference Share capital during the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Shares outstanding at the beginning of the period	5,030	0.50	5,030	0.50
Issued during the year	-	-	-	-
Shares outstanding at the end of the period	5,030	0.50	5,030	0.50

c Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company shall declare and pay dividends in Indian rupees. The dividend proposed by the Board of Directors shall be subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend which can be approved by the Board of Directors.

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

d Terms and rights attached to preference shares

The Company has only one class of Compulsorily Convertible Preference Shares ('CCPS') having a face value of Rs. 10 per share. The Company CCPS shall rank senior to all classes of Shares, with respect to dividend distribution of proceeds upon a liquidation event with respect to the Company. The CCPS shall be converted into ordinary shares in the ratio of 1:1 on or before 23rd April 2040 and shall have voting rights as per the provisions of the Companies Act 2013.

e Details of Ordinary shareholders holding more than 5 percent in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Maroor Varadarajan Srikrishna	1,79,025	51.78%	1,79,025	53.84%
Lalgudi Natarajan Rajaram	1,20,000	34.71%	1,20,000	36.09%

f Details of Compulsorily Convertible Preference Shareholders(CCPS) as at end of the year

Name of the CCPS holder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% of total CCPS	No. of Shares	% of total CCPS
Pontaq Nominees Limited	5,030	100.00%		100.00%



Note

No.

g Details of Ordinary Shares held by promoters at the end of the year

Name of the Promotor	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% against total number of shares	No. of Shares	% against total number of shares
Maroor Varadarajan Srikrishna	1,79,025	51.78%	1,79,025	53.84%
Lalgudi Natarajan Rajaram	1,20,000	34.71%	1,20,000	36.09%

h Details of shares issued for consideration other than cash

Particulars	FY 2022-23	FY 2021-22	FY 2020-21	FY 2019-20
No of shares	28	1,468	-	-
Consideration for the shares issued	1.46	76.70	-	-

i As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

j No shares were allotted as fully paid up by way of bonus issues and no shares were bought back since incorporation of the Company. The Company has issued 1,396 ordinary equity shares @ Rs 5,225 per share towards the conversion of 7,303 CCDs during the previous year (Refer note no 5) on 17th January 2022. In addition, the Company has issued 28 (1,468 previous year) ordinary equity shares without payment being received in cash to professionals who has rendered professional services to the Company during the current financial year.

4 Reserves and surplus

As at
March 31, 2023

As at
March 31, 2022

Securities premium

Balance at the beginning of the year	1,105.65	806.31
Additions during the year	1.46	299.34
Deductions during the year	-	-
Balance at the end of the year	1,107.11	1,105.65

Surplus /(Deficit) in Statement of Profit and Loss

Balance at the beginning of the year	316.81	83.57
Transfer from statement of profit and loss	324.23	233.24
Balance at the end of the year	641.04	316.81

Share options outstanding account *

278.79	278.79
2,026.95	1,701.26

* 5346 share options were granted & vested to employees and the same can be exercised upon the event as per the Kritilabs' - Employee stock option scheme 2020.

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Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)***Notes to the financial statements for the year ended March 31, 2023***(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)*

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
5	Long-term borrowings		
	Secured		
	Term loan from banks *	662.69	1,039.52
	Unsecured		
	Term loan from banks #	-	19.29
	Term loan from financial institutions ^	5.67	44.74
	External commercial borrowings **	82.18	75.81
	Loan from directors &	58.76	157.45
	Compulsorily convertible debentures ##	73.23	73.23
	Less: Current maturity of long term borrowings (refer note 7)	(352.29)	(656.20)
		<u>530.24</u>	<u>753.84</u>
	*Term loan from Banks are secured against all assets of the Company and are repayable in 30 months with the interest rate ranging 8.65% to 10.96% per annum.		
	#Term loan from Banks are unsecured and are repayable in a period of 24 to 46 months with the interest rate ranging from 8% to 19% per annum.		
	^Term loan from financial institutions are unsecured and are repayable in a period of 24 to 40 months with the interest rate ranging from 14% to 22% per annum.		
	**The Company has availed ECB to the extent of USD 100,000 and repayable in 3 years. The interest rate is 6 months USD LIBOR + 450 bps. The company has transferred the ECB loan from HSBC bank to HDFC bank due to change in the RBI regulation and the interest till 31st March 2023 has been paid during the current financial year.		
	&The loans from directors are interest free and are repayable after 1 year subject to available cash flows in the Company.		
	##The Company has issued 7,323 Compulsory Convertible Debentures ('CCD') of face value Rs.1000 per CCD issued on 17th February, 2021 with a coupon rate of 12% per annum and the same can be converted into equity shares on or before 17th December, 2023.		
6	Long-term provisions		
	Provision for employee benefits		
	Provision for compensated absences	40.47	14.44
	Provision for gratuity	38.40	29.56
		<u>78.87</u>	<u>44.00</u>
7	Short-term borrowings		
	Demand loans from banks *	25.66	25.66
	Cash credit from banks	134.40	159.01
	Current maturity of long term borrowings (refer note 5)	352.29	656.20
	Inter-corporate deposits #	-	-
		<u>512.35</u>	<u>840.87</u>

* The Company has availed working capital demand loans from HDFC bank with an interest rate @ 10% p.a. which are repayable on demand.



Note No.	Particulars	As at March 31, 2023	As at March 31, 2022			
8	Trade payables					
	Total outstanding dues of micro and small enterprises	-	-			
	Total outstanding dues of creditors other than micro and small enterprises	90.17	75.48			
		<u>90.17</u>	<u>75.48</u>			
	Trade payables ageing Schedule					
	As at March 31, 2023					
	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	MSME					-
	Others	77.28	12.89			90.17
	Disputed dues - MSME					-
	Disputed dues - others					-
		<u>77.28</u>	<u>12.89</u>	<u>-</u>	<u>-</u>	<u>90.17</u>
	As at March 31, 2022					
	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	MSME	-	-	-	-	-
	Others	75.45	0.03	-	-	75.48
	Disputed dues - MSME	-	-	-	-	-
	Disputed dues - others	-	-	-	-	-
		<u>75.45</u>	<u>0.03</u>	<u>-</u>	<u>-</u>	<u>75.48</u>
	As there is no due dates specified in the contracts with the suppliers, ageing computed based on the date of the transaction.					
9	Other current liabilities					
	Employee compensation payable	82.72				87.85
	Payable to directors	146.16				165.97
	Interest accrued on borrowings (due)	8.31				12.94
	Liability for other expenses	39.09				46.50
	Refundable Security deposits from customers	31.34				-
	Advances from customers	-				0.97
	Statutory liabilities	73.06				95.44
		<u>380.68</u>				<u>409.67</u>
10	Short-term provisions					
	Provision for employee benefits					
	Provision for compensated absences	6.76				2.36
	Provision for gratuity	0.56				0.84
	Others					
	Provision for income tax	345.87				137.87
		<u>353.19</u>				<u>141.07</u>



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)

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

(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)

11 Property, plant and equipment & Intangible assets

11 (a) Property, plant and equipment

	Plant and equipment - IOT devices	Plant and equipment - others	Office equipments	Furniture and fixtures	Computer	Total
Cost or valuation						
As at April 01, 2021	2,655.03	16.07	3.69	2.14	23.51	2,700.44
Additions	634.82	0.35	1.36	1.69	9.05	647.27
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	3,289.85	16.42	5.05	3.83	32.56	3,347.71
Additions	295.28	13.91	4.01	0.57	21.87	335.64
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	3,585.13	30.33	9.06	4.40	54.43	3,683.35
Accumulated depreciation						
As at April 01, 2021	499.53	4.72	0.64	0.57	13.81	519.27
Depreciation charge	549.08	1.58	0.41	0.25	7.13	558.45
Reversal on disposal	-	-	-	-	-	-
Balance as at March 31, 2022	1,048.61	6.30	1.05	0.82	20.94	1,077.72
Depreciation charge	641.67	1.45	1.16	0.37	9.04	653.69
Reversal on disposal	-	-	-	-	-	-
Balance as at March 31, 2023	1,690.28	7.75	2.21	1.19	29.98	1,731.41
Net Block						
Balance as at March 31, 2022	2,241.24	10.12	4.00	3.01	11.62	2,269.99
Balance as at March 31, 2023	1,894.85	22.58	6.85	3.21	24.45	1,951.94

11 (c) Capital work-in-progress

	Plant and equipment - IOT devices	Others	Total
Particulars			
As at April 01, 2022	-	-	-
Additions	4.40	-	4.40
Capitalised	-	-	-
Balance as at March 31, 2023	4.40	-	4.40

Capital work-in-progress ageing schedule

	As at March 31, 2023	As at March 31, 2022
Particulars		
Projects temporarily suspended	-	-
Projects in Progress	-	-
Less than 1 yr.	4.40	-
1-2 yrs.	-	-
2-3 yrs.	-	-
More than 3 yrs.	-	-
Total	4.40	-

11 (b) Intangible assets

	Computer Software	Product intangibles	Total
As at April 01, 2022	39.77	-	39.77
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2022	39.77	-	39.77
Additions	-	80.56	80.56
Disposals	-	-	-
Balance as at March 31, 2023	39.77	80.56	120.33
Accumulated depreciation			
As at April 01, 2022	13.26	-	13.26
Depreciation charge	13.26	-	13.26
Reversal on disposal	-	-	-
Balance as at March 31, 2022	26.52	-	26.52
Depreciation charge	13.25	26.85	40.10
Reversal on disposal	-	-	-
Balance as at March 31, 2023	39.77	26.85	66.62
Net Block			
Balance as at March 31, 2022	13.25	-	13.25
Balance as at March 31, 2023	-	53.71	53.71

11 (d) Intangible assets under development

	Particulars	Product - AIS Smart IT	Total
As at April 01, 2022	-	80.56	80.56
Additions	-	-	-
Capitalised	-	-80.56	-80.56
Balance as at March 31, 2023	-	-	-

Intangible assets under development - ageing schedule

	As at March 31, 2023	As at March 31, 2022
Particulars		
Projects temporarily suspended	-	-
Projects in Progress	-	-
Less than 1 yr.	-	-
1-2 yrs.	-	-
2-3 yrs.	-	20.65
More than 3 yrs.	-	59.91
Total	-	80.56



Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
12	Long term loans and advances		
	(Unsecured, considered good unless stated otherwise)		
	Security deposits	91.34	63.18
		91.34	63.18
13	Other non-current assets		
	(Unsecured, considered good unless stated otherwise)		
	Income tax assets (net)	207.61	92.51
	Deposits with original maturity more than 12 months*	725.34	605.98
	Interest accrued on fixed deposits	-	22.44
		932.95	720.93
	*Held for guarantee with bank		
14	Deferred tax asset [Net]		
	Deferred tax asset (net)	94.65	10.40
		94.65	10.40
15	Current Investments		
	(Lower of Cost and net realisable value)		
	Units in mutual funds	150.84	-
		150.84	-
16	Inventories		
	(Lower of Cost and net realisable value)		
	Raw materials and components	60.91	40.44
	Work in progress	2.80	2.03
	Finished goods *	3.23	22.66
		66.94	65.13
	* Finished goods comprise of Locks, controllers, GPS, GSM etc.,		
17	Trade receivables		
	Unsecured, considered good	560.49	490.97
	Unsecured, considered doubtful	-	-
		560.49	490.97

Ageing of trade receivables:

	As at March 31, 2023				Total
	Less than 6 months	6 months- 1 yr.	1-2 yrs.	More than 2 yrs.	
(i) Undisputed Trade receivables – considered good	556.98	3.38	0.13	-	560.49
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
	556.98	3.38	0.13	-	560.49



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All amounts are in lakh Indian Rupees (₹), unless otherwise stated)						
Note No.	Particulars	As at March 31, 2023			As at March 31, 2022	
	Ageing of trade receivables:					
		As at March 31, 2022				
		Less than 6 months	6 months- 1 yr.	1-2 yrs.	More than 2 yrs.	Total
	(i) Undisputed Trade receivables – considered good	445.70	2.70	42.57	-	490.97
	(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-
	(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
		445.70	2.70	42.57	-	490.97

As there is no due dates specified in the contracts with the customers, ageing computed based on the date of the transaction.

18 Cash and cash equivalents

Balances with banks:

- In current accounts

49.60 64.50

- In Fixed Deposit

- 190.00

Cash on hand

0.36 -

49.96 254.50**19 Short term loans and advances**

Rental deposits

23.60 21.71

Advance to ESOP Trust

2.03 -

Advance to suppliers

8.21 4.96

Employee advances

2.75 3.86

Prepaid expenses

13.71 -

50.30 30.53*(This space has been intentionally left blank)*

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Note No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
20	Revenue from operations		
	Sale of services - domestic	4,270.62	3,800.27
	Sale of products - domestic	-	-
		4,270.62	3,800.27
	Less: GST	651.46	579.70
		3,619.16	3,220.57
21	Other income		
	Interest income	30.34	27.51
	Creditors no longer payable	-	15.38
	Profit on sale of investments	4.96	-
	Reward receipt	10.00	-
	Other income	-	0.40
		45.30	43.29
22	Cost of services & materials consumed		
	Inventory at the beginning of the year	65.13	102.41
	Add: Purchases	537.99	408.96
	Less: Consumed for manufacturing leased IOT devices (refer note:28)	-259.96	-375.73
	Less: Inventory at the end of the year	-66.94	-65.13
		276.22	70.51
	Add: Expenses relating to joint development (refer note:33)	-	86.47
		276.22	156.98
23	Employee benefits expense		
	Salaries, wages and bonus (refer note:28)	900.19	681.78
	Directors remuneration	63.00	63.00
	Employee stock option	-	278.79
	Contribution to provident and other funds (refer note:28)	83.76	71.93
	Gratuity	8.56	12.30
	Compensated absences	32.43	5.15
	Staff welfare expenses	51.72	44.24
		1,139.66	1,157.20
24	Finance costs		
	Interest on borrowings (refer note:28)	126.79	151.54
	Interest on others	5.41	1.90
	Bank charges	7.77	20.40
		139.97	173.84
25	Depreciation and amortisation expense		
	Depreciation on Property, plant and equipment (Refer note 11 (a))	653.69	558.45
	Amortisation of intangible assets (Refer note 11 (b))	40.10	13.26
		693.79	571.71
26	Other expenses		
	Rent (refer note:28)	55.44	51.82
	Legal and professional charges (refer note:28)	379.70	364.66
	Power and fuel	9.22	10.27
	Rates and taxes	0.56	1.26
	Repairs and maintenance - office equipments	28.29	31.34
	Travelling and conveyance expenses (refer note:28)	59.18	46.01
	Communication and postage	369.78	334.31
	Auditors remuneration*	7.40	7.40
	Irrecoverable receivables written off	38.04	22.80
	Net loss on Exchange fluctuation	6.42	2.60
	Miscellaneous expenses (refer note:28)	12.81	14.47
		966.84	887.95



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(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)

Note No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Auditors remuneration*		
	- Statutory audit	7.00	7.00
	- Tax audit	0.40	0.40
	- GST audit	-	-
	- Other services	-	-
		7.40	7.40

27 Earnings per share (EPS)

Profit for the year	324.23	233.24
Weighted average equity shares outstanding (nos.)	3,33,680.05	3,29,068.27
Basic earnings per share (Rs.)	97.17	70.88
Weighted average equity shares outstanding (nos.)	3,38,710.05	3,39,552.27
Diluted earnings per share (Rs.)	95.73	68.69
Nominal value of equity share (Rs.)	10.00	10.00

The weighted average number of equity shares for the purposes of basic and diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic and diluted earnings per share as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	3,33,680.05	3,29,068.27
Adjustment:		
Compulsory Convertible preference shares ("CCPS") *	5,030.00	5,030.00
ESOP not issued #	-	5,454.00
Weighted average number of equity shares used in the calculation of diluted earnings per share	3,38,710.05	3,39,552.27

Note: *While considering the Compulsory Convertible Debentures("CCDs") the EPS becomes Anti- dilutive, Hence it has not been considered as per AS 20 "Earnings Per Share".

While considering the ESOPs, there is no adjustment required for ESOP during the current year as the company has issued the shares to ESOP trust.

28 Capitalization of expenditure

Cost of materials consumed (refer note:22)	259.96	375.73
Salaries, wages and bonus (refer note:23)	19.15	37.06
Contribution to provident and other funds (refer note:23)	2.27	18.84
Legal and professional charges (refer note:26)	4.33	14.68
Rent (refer note:26)	11.97	10.54
Travelling and conveyance expenses (refer note:26)	-	11.38
Miscellaneous expenses (refer note:26)	1.99	1.17
Finance cost (refer note:24)	-	11.39
	299.67	480.78

During the year, the Company has capitalized the above expenses of revenue nature to the cost of property, plant and equipment - IOT devices / Capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

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Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)***Notes to the financial statements for the year ended March 31, 2023***(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)*

Note No.	Particulars
----------	-------------

29 Related party disclosure

a.	Name of the related party and nature of relationship	
	Name of the related party	Relationship
	Maroor Varadarajan Srikrishna	Director
	Lalgudi Natarajan Rajaram	Director
	Nirmala Varadarajan	Director

	Particulars	March 31, 2023	March 31, 2022
b.	Transactions with related parties		
	Loans obtained from directors		
	Maroor Varadarajan Srikrishna	-	62.60
	Lalgudi Natarajan Rajaram	-	-
	Repayments of loans to directors		
	Maroor Varadarajan Srikrishna	98.70	139.46
	Lalgudi Natarajan Rajaram	-	16.46
	Director's remuneration		
	Maroor Varadarajan Srikrishna	33.00	33.00
	Lalgudi Natarajan Rajaram	24.00	24.00
	Nirmala Varadarajan	6.00	6.00
c.	Amount due to / from related parties		
	Payable to Directors (incl. remuneration)		
	Maroor Varadarajan Srikrishna	82.06	87.32
	Lalgudi Natarajan Rajaram	53.30	60.22
	Nirmala Varadarajan	10.80	18.43
	Loans Payable		
	Maroor Varadarajan Srikrishna	57.76	156.25
	Lalgudi Natarajan Rajaram	1.20	1.20

30 Segment Reporting

The Company operates in a single operating segment, viz. "remote asset management solution" which is the only reportable business segment and in only one geographic segment as per "Accounting Standard-17". Since the Company's entire business is remote asset management solution, the Chief operating decision maker review the financial statement as one segment for making operating and financial decision accordingly, there are no other primary segment. Thus, the segment revenue, segment results, total carrying value of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of depreciation and amortisation during the year are all as reflected in the financial statement as at and for the year ended March 31, 2023.



Note No.	Particulars
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31 Employee benefits obligation

Defined benefit plan

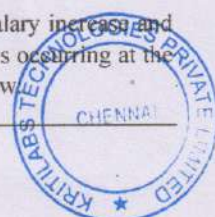
(a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20 lakhs. The scheme is unfunded and accordingly the disclosures relating to plan assets are not provided. The entity has computed its value of defined obligation based on projected units credit (PUC). Experience adjustments has been disclosed based on the information available in the actuarial valuation report

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet.

A.	Changes in defined benefit obligation ('DBO')	For the year ended March 31, 2023	For the year ended March 31, 2022
	Present value of obligation at beginning of the year	30.39	18.09
	Current service cost	16.87	14.64
	Interest cost	2.30	1.31
	Actuarial (gain) / loss	(10.61)	(3.65)
	Benefits paid	-	-
	Present value of obligation at end of the year	38.95	30.39
B.	Net (asset)/liability recognised in the balance sheet as at year end	As at March 31, 2023	As at March 31, 2022
	Present value of obligation at end of the year	38.95	30.39
	Fair value of plan assets	-	-
	Unrecognised past service cost	-	-
	Net (asset)/liability in the balance sheet	38.95	30.39
C.	Expenses recognised in the statement of profit and loss	For the year ended March 31, 2023	For the year ended March 31, 2022
	Current service cost	16.87	14.64
	Interest cost	2.30	1.31
	Actuarial (gain)/loss recognised in the period	-10.61	-3.65
	Total expenses recognised in the profit and loss statement for the year	8.56	12.30
D.	Assumptions and experience adjustments for the purpose of actuarial valuation	For the year ended March 31, 2023	For the year ended March 31, 2022
	Actuarial assumptions		
	Mortality table	IALM(2012-14)Ult	IALM(2012-14)Ult
	Discount rate	7.52%	7.56%
	Salary escalation rate	7.00%	7.00%
	Attrition rate	10.00%	10.00%
	Expected average remaining service	30.57	30.84
	Retirement Age	60.00	60.00
	Net defined benefit obligation		
	Defined benefit obligation	38.95	30.39
	Plan assets	-	-
	Surplus / (deficit)	(38.95)	(30.39)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below.



Note No.	Particulars	Impact on defined benefit obligation	
E.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Discount rate		
	- 1% increase (+100 BP)	34.71	26.65
	- 1% decrease (-100 BP)	44.11	35.01
(ii)	Salary growth rate		
	- 1% increase (+100 BP)	43.98	34.85
	- 1% decrease (-100 BP)	34.76	26.71
(iii)	Attrition rate		
	- 1% increase (+100 BP)	38.20	29.68
	- 1% decrease (-100 BP)	39.73	31.11

(b) Short term compensated absences

The assumptions used for computing the short term accumulated compensated absences on actuarial basis are as follows:

A.	Actuarial assumptions	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Discount rate	7.53%	7.56%
2	Salary escalation rate	7.00%	7.00%

B.	Change in present value of obligation during the year	For the year ended March 31, 2023	For the year ended March 31, 2022
	Present value of obligation at beginning of the year	16.80	11.65
	Current service cost	27.76	11.87
	Interest cost	1.19	0.84
	Actuarial (gain)/loss	3.47	-7.56
	Benefits paid	-2.00	-
	Present value of obligation at end of the year	47.22	16.80

C.	Net (asset) / liability recognised in the balance sheet as at year end	As at March 31, 2023	As at March 31, 2022
	Present value of obligation at end of the year	47.22	16.80
	Fair value of plan assets at end of the year	-	-
	Net (asset) / liability in the balance sheet	47.22	16.80

D.	Expenses recognised in the statement of profit and loss	For the year ended March 31, 2023	For the year ended March 31, 2022
	Current service cost	27.76	11.87
	Interest cost	1.19	0.84
	Actuarial (gain) / loss recognised in the period	3.47	-7.56
	Expected return on plan assets	-	-
	Total expenses recognised in the profit and loss account for the year	32.42	5.15

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors

(c) Contributions to defined contribution plan:

During the year, the Company recognized Rs. 66.86 lakhs (March 31, 2022 - Rs. 57.89 lakhs) to Provident Fund under defined contribution plan and Rs. 16.75 lakhs (March 31, 2022 - Rs. 14.04 lakhs) for contributions to Employee State Insurance scheme in the Statement of profit & loss. In addition to the above, the Company had capitalised an amount of Rs. 1.54 lakhs (March 31, 2022 - Rs. 17.94 lakhs) of Provident Fund under defined contribution plan and Rs.0.73 lakhs (March 31, 2022 - Rs. 0.90 lakhs) of contribution to Employee State Insurance scheme.



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)***Notes to the financial statements for the year ended March 31, 2023***(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)***Note No. Particulars****32 Leases**

The Company is operating its business in the rent premises and the same is under operating lease. Lease rentals paid and during the year to the financial statement on operating leases taken by the company aggregate to Rs. 67.41 lakhs (previous year Rs 62.36 lakhs). The future expected minimum lease payments under operating lease are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	35.56	60.30
More than one year but not more than 5 years	-	35.56
Later than 5 years	-	-

- 33 During the previous years, the Company has received funds as part of a joint programme for asset development meant for deploying into the business of the Company. In the previous year, as per the terms of the arrangement with joint partners, the Company has repaid these funds along with agreed share in the profits generated from such jointly developed assets. The management contends that these funds are in the nature of quasi equity joint venture funding and not borrowings.

34 Capital and other commitments

a. Estimated amount of contracts to be executed on capital account and not provided for (net of advances) is Nil (March 31, 2022: Nil). Other commitments are cancellable at the option of the Company and hence not disclosed.

b. The Company has a contractual obligation on account of the sale of devices with the dealer to buyback devices in case of occurrence of specific set of events. The probability of occurrence of such event is unlikely.

35 Litigations and claims**(a) Note 1:**

- Matters wherein management has concluded the Company's liability to be probable have accordingly been provided for in the books.
- Matters wherein management has concluded the Company's liability to be possible have accordingly been disclosed under Note 34 (b) Contingent liabilities below.
- Matters wherein management is confident of succeeding in these litigations and have concluded the Company's liability to be remote. This is based on the relevant facts of judicial precedents and as advised by legal counsel which involves various legal proceedings and claims, in different stages of process.

(b) Note 2: Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Guarantees given by the Bank	270.19	262.20

The company has provided bank guarantees worth Rs. 270.19 lakhs towards the performance guarantee to M/s Indian Oil Corporation Limited for a tenure of 36 months.

36 Imported and indigenous raw materials, components and spare parts consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Imported	70.50	-
Imported % to total	13%	0%
Indigenous	465.68	532.71
Indigenous % to total	87%	100%
Total (refer note:22)	536.18	532.71
Total %	100%	100%

37 Expenditure in foreign currency (accrual basis)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional charges	7.42	18.44
Interest on Compulsorily Convertible Debentures	10.34	21.03
Interest on external commercial borrowings	13.29	3.82
Total	31.05	43.29



Kritilabs Technologies Private Limited - (CIN : U74999TN2019PTC128763)*(Formerly known as Kritilabs Technologies LLP)***Notes to the financial statements for the year ended March 31, 2023***(All amounts are in lakh Indian Rupees (₹), unless otherwise stated)***Note No. Particulars****38 Earnings in foreign exchange**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Export of services	-	-
Total	-	-

39 Value of imports calculated on CIF basis

The Company has imported goods worth Rs. 84.50 lakhs in the current year. (March 31, 2022 : Rs. Nil).

40 Unhedged foreign currency exposures

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount in foreign currency	Rs in lakhs	Amount in foreign currency	Rs in lakhs
ECB Loan (USD)	1,00,000	82.18	1,05,037	79.63

The Company has not entered into any derivative contracts to hedge the risk of forex rate fluctuations during the year.

41 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has identified the vendors based on the registration certification shared by the suppliers.

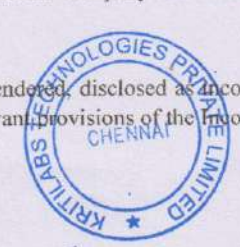
Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to micro and small enterprises	Nil	Nil
Interest due on above	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed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

42 Relationship with strike off companies

The company's search based on publicly available database on struck off companies did not reveal any transactions with such companies.

43 Other disclosures

- The Company has not been declared as willful defaulter by any bank or financial institution and there is no charge pending to be registered with the Registrar of the Companies
- 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(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The borrowings from banks and financial institutions have been used for the purposes for which it was taken at the balance sheet date.
- The Company does not have any Benami property, where any proceeding has been initiated or pending against the company and benami property.
- The Company does not traded or invested in Crypto currency or virtual currency during the financial period.
- The Company does not have any transaction which is not recorded in the books of account that has been surrendered, disclosed as income during the year in the tax assessments under the income tax act, 1961 (such as, search or survey or any of the relevant provisions of the Income tax Act, 1961.)



Note No.	Particulars	44 Ratios		Numerator	Denominator	FY 2022-23	FY 2021-22	% of Change	Reasons for variance
		% / times							
	Current Ratio	Times	Current Assets	Current Liabilities		0.66	0.57	14.86	Increase in current assets has resulted in the decreased Current Ratio.
	Debt Equity Ratio	Times	Total Debt	Total Shareholders equity		0.51	0.92	-45.01	Repayment of the loans has resulted in the improved Debt Equity Ratios.
	Debt Service coverage ratio	Times	PBT- Interest on term loan, working capital, interest on finance lease & interest on CCB + Depreciation	Interest+Principal		1.62	1.56	3.86	Increase in EBITDA & repayment of the loan during the current financial year has increased the Debt Service coverage ratio.
	Return on Equity Ratio	Percentage	PAT	Average Shareholders Equity		17.08%	17.39%	-1.78	Average shareholders equity has increased and the same resulted in the slight decrease in the return on Equity.
	Inventory Turnover Ratio	Times	COGS	Average Inventory		4.18	1.87	125.21	Increase in the material consumed has resulted in the increase of the inventory turnover.
	Trade Receivables turnover ratio	Times	Net revenue	Average trade receivables		6.88	6.08	13.22	Increase in revenue has resulted in the increase of receivable turnover.
	Trade payables turnover ratio	Times	Purchases	Average trade payables		6.50	2.78	133.35	Increase in purchases with reduction in average trade payables has resulted in the increase of payable turnover.
	Net capital turnover ratio	Times	Net revenue	Average working capital		-6.68	-4.17	60.07	Increase in revenue has resulted in the increase of net capital ratio.
	Net profit ratio	Percentage	PAT	Net revenue		8.96%	7.24%	23.70	Increase in operations has resulted in the increase of net profit ratio.
	Return on Capital employed	Percentage	EBIT	Capital employed		19.27%	15.15%	27.24	Increase in EBIT has resulted in the increase of return of capital employed ratio.
	Return on investment #	Percentage	PAT	Capital employed		NA	NA	NA	

As the Company is primarily engaged in manufacturing sector, the return on investment ratio is not applicable to the Company.

45 Previous year figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

For PKF Sridhar and Santhanam LLP

Chartered Accountants
ICAI Firm Registration No.: 0039905/S200018



S. Prasanna Kumar
Partner
Membership No.: 212354
Place: Chennai
Date: 04th September, 2023

For and on behalf of the Board of Directors
Kritilabs Technologies Private Limited

Maroor Varadarajan Srikrishna
Director
DIN: 05244590
Place: Chennai
Date: 04th September, 2023



Nirmala Varadarajan
Director
DIN: 08492596
Place: Chennai
Date: 04th September, 2023