



## Kagrana & Associates

Chartered Accountants

304, Shalaka, Juhu Road, Santacruz (W), Mumbai - 400 054.  
Tel : 2649 4000, 2648 3000, 2646 3592 • [M] 98190 87040 • E-mail : info@kagrana.in

### INDEPENDENT AUDITOR'S REPORT

To the Members of **Dynalog (India) Limited**

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **DYNALOG (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required **except 2(c) and 2(d) below** and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its **profit**, its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

##### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Financial Statements and our auditor's 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 Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.





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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.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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





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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Cash Flow Statement dealt with by this Report are in agreement with the books of account except for
    - **Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;**
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;





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- ***Decline in the value of the investment in the 100% foreign subsidiary Semi Conductor Junction , USA and Indian Subsidiaries Dynalog Didactics Pvt. Ltd. and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, In view of the management, the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.***
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read With Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts 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.
  - iv. (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 securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
  - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including





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foreign entities ('the 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; and

- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- vi. The company has declared divided for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2023.

For **Kagrana & Associates**  
Chartered Accountants  
Firm Registration No. 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**

Partner

Membership Number: 140041

Place of Signature: Mumbai

Date: 29/08/2023

UDIN : 23140041BGUEPL4239





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### Annexure - A to the Auditors' Report

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that:**

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right of use assets.  
B. The company does not have any intangible assets.
- (b) The Property, plant and equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company holds immovable properties in its name and the title deeds of the same have been verified.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year. Accordingly the clause 3(i)(d) of the order is not applicable.
- (e) As per Information, Explanation provided by the management and to the best of our knowledge no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) As per the information and explanation given to us, the management has carried out the physical verification of inventory at the reasonable intervals during the year.
- (b) According to the information and explanation given to us, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets as disclosed in Note 26.12. In our opinion and according to information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted





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any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees and companies and made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms, limited liability partnership or any other parties.

- a) As per Information and explanation given to us, The Company has given advances to the following parties covered under section 189 of the companies Act 2013. The same being advance for the business transaction i.e. Advance for purchase/ services hence no interest is charged.

Particulars of Advances	Amount in (Rs.)
<b>Aggregate Amount granted / Provided during the year</b>	
Advance against order to Dynalog Micro System A/c (Advance for supplies)	491,962
<b>Balance outstanding as at 31<sup>st</sup> March 2023 in respect of above cases</b>	
<b>Subsidiary Companies</b>	1,40,13,033
Dynalog Didactics Pvt. Ltd.	11,92,123
Paramount Mechanics Pvt. Ltd.	4,56,20,143
Paramount Mechanics Pvt. Ltd. (advances for supplies)	
<b>Related Parties</b>	20,91,420
Elmatronic Devices Inc.	4,37,56,165
Dynalog Micro System A/c (Advance for supplies)	

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security during the year.





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- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the receipts have been regular **except in case of two wholly-owned subsidiaries here cumulative principal amount of Rs. 1.52 crores which is as per information and explanation given to us by the management are long term and strategic in nature.**
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue mount for more than ninety days in respect of loans given **except in case of two wholly-owned subsidiaries India as reported in para iii(c) above.** Further, the Company has not given any advances in the nature of loans to any party during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made and loans given. The Company has not provided security or guarantees as specified under section 186 of the Companies Act, 2013.
- v. To the best of our knowledge and belief and according to the information and explanation given to us the company has not accepted any deposit as per provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under. Further as informed to us the company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The Central Government has not prescribed the maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the activities of the company.





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- vii. (a) According to the records of the Company, the company is regular in depositing undisputed statutory dues including Custom duty, GST, Income tax, custom duty and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2023 for a period of more than six months from the day they become payable **except as stated in (b) as under.**
- (b) According to information and explanation given to us, and on the basis of checks carried out by us, The dues of LBT Cess and Sales –tax dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Sales tax Act	Vat	43,47,631	2014-15	Joint Commissioner/ Commissioner (Appeal) of Sales Tax
Local civic bodies	LBT /CESS	20,00,000	2008-16	The Notice is received from the LBT / CESS department to complete the Assessment for year 2008-09 to 2016-17. The management is preparing the submissions for the same.
Good and services Tax	GST	3,61,444	2018-19	Superintendent Officer

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to banks, financial institutions, etc. Also, the Company does not have any outstanding debentures during the year.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that





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- the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company; including representation received from the management of the Company, during the year; the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company; including representation received from the management of the Company, during the year; the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Outstanding Preference shares to IDBI Capital Market and Securities Limited at the year end remains for Rs 9,99,00,000/- which was issued by the company in FY 2021-22.
- xi. (a) According to the information and explanations given to us, 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 us, no report under sub-section (12) of section 143 of the Companies Act 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 us, no complaints were received by the company from the Whistle blower complaints.



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- xii. In our opinion and according to the information and explanations given to us, 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 us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business  
b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause (xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.





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- xx. According to the information and explanations given to us, the Company is not required to contribute any amount towards CSR as per provision of Companies Act 2013. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company.
- xxi. The company has a wholly owned subsidiary company (Semi-conductor Junction inc) registered in United states of America, and invested in the 2 Entity in the FY 2021-22 by holding majority holding and as per information and explanation given to us there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements **except for in the case of Dynalog Didactic Solutions Private limited and Paramount Mechanics Private Limited, The auditor has stated under matter of emphasis the following.**

*"We draw attention to the fact that The Company has incurred a net cash loss during the current and previous years and the company's current liability exceeds its current assets as at balance sheet date. These condition along with other matter indicate the material uncertainty that may cast significant doubt about company's ability to continue as a going concern as specified in AS-1 "Disclosure in Accounting Policies".*

*"Balances appearing to the debit or credit of debtors and trade payable are subject to confirmation."*

### For KAGRANA & ASSOCIATES

Chartered Accountants  
Firm Registration No: 115467W

  
Pritesh B Dholakia  
Partner  
Membership No: 140041  
PLACE: MUMBAI  
UDIN: 23140041BGUEPL4239  
DATE: 29/08/2023





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### **Annexure - B to the Auditors' Report**

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.





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Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)

## Kagrana & Associates

Chartered Accountants

304, Shalaka, Juhu Road, Santacruz (W), Mumbai - 400 054.  
Tel : 2649 4000, 2648 3000, 2646 3592 • (M) 98190 87040 • E-mail : info@kagrana.in

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

### For KAGRANA & ASSOCIATES

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**

Partner

Membership No: 140041

PLACE: MUMBAI

UDIN: 23140041BGUEPL4239

DATE: 29/08/2023



(Amount Rs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	13,99,17,540	13,99,17,540
(b) Reserves and surplus	2	20,87,61,796	18,83,74,213
		<b>34,86,79,336</b>	<b>32,82,91,753</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	4,99,30,975	9,03,43,519
(b) Deferred tax liabilities (Net)	4	17,49,541	29,62,225
(c) Long Term Provision	5	17,71,185	17,97,089
		<b>5,34,51,701</b>	<b>9,51,02,833</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	9,12,23,962	17,70,38,693
(b) Trade payables	7	4,93,46,510	9,68,79,292
-- MSME - 14,96,116			
-- Others - 4,78,50,394			
(c) Other current liabilities	8	5,97,57,383	3,80,27,555
(c) Short Term Provision	9	47,39,618	2,77,253
		<b>20,50,67,473</b>	<b>31,22,22,793</b>
<b>TOTAL</b>		<b>60,71,98,510</b>	<b>73,56,17,379</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	12,59,28,523	12,78,97,527
(b) Non-current investments	11	2,59,17,985	2,50,90,465
		<b>15,18,46,508</b>	<b>15,29,87,992</b>
<b>Current Assets</b>			
(a) Inventories	12	8,63,01,213	11,79,48,691
(b) Trade receivables	13	19,98,07,819	21,96,84,187
(c) Cash and Bank Balances	14	4,25,10,116	12,43,74,825
(d) Short-term loans and advances	15	12,67,32,853	12,06,21,683
		<b>45,53,52,001</b>	<b>58,26,29,387</b>
<b>TOTAL</b>		<b>60,71,98,510</b>	<b>73,56,17,379</b>
See accompanying notes to the financial statements	25 to 26		

This is the Balance Sheet referred to in our report of even date.

For Kagrana & Associates

Chartered Accountants  
 Firm Registration No: 115467W

*P. B. Dholakia*  
 Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated: **29 AUG 2023**

UDIN:

**23140041BGUEPL4239**



For and on behalf of board of directors of  
 Dynalog (India) Limited

*Akshay Adhalrao*  
 Akshay Adhalrao  
 Managing Director  
 DIN:00314926

*Madhuri Adhalrao*

Madhuri Adhalrao  
 Director & CFO  
 DIN: 00315018

*Jyotsna Kashid*  
 Jyotsna Kashid  
 Company Secretary  
 Membership No :A27310

**29 AUG 2023**

**DYNALOG INDIA LIMITED**

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

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2023	March 31, 2022
Revenue from Operations	16	87,19,03,189	70,33,49,665
Other Income	17	90,05,221	82,53,460
<b>Total Revenue</b>		<b>88,09,08,410</b>	<b>71,16,03,125</b>
Purchase	18	53,04,17,030	43,62,68,349
Change in Inventory	19	3,16,47,478	2,10,58,023
Direct Expenses	20	3,60,29,867	3,35,43,571
Employee Benefit Expenses	21	12,40,63,589	9,76,68,034
Finance Costs	22	2,23,14,340	2,46,01,182
Depreciation and Amortization Expense	10	87,15,690	86,54,293
Other Expenses	23	6,92,57,933	5,22,73,383
Selling & Distribution Expenses	24	2,97,30,791	2,82,56,817
<b>Total Expenses</b>		<b>85,21,76,717</b>	<b>70,23,23,651</b>
<b>Profit Before Tax</b>		<b>2,87,31,692</b>	<b>92,79,473</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2022-23		(85,65,000)	
- Income tax Provision for FY 2021-22			(30,10,000)
- Income tax P&L Provision (Short) FY 2020-21		(7,43,640)	
- Income tax P&L Provision (Short) FY 2021-22		(2,38,254)	
(2) Deferred Tax (liabilities)/Assets		12,12,684	(27,37,754)
<b>Profit for the year carried forward to Surplus</b>		<b>2,03,97,483</b>	<b>35,31,719</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		5.10	0.88
(2) Diluted		1.46	0.88
<b>See accompanying notes to the financial statements</b>	25 to 26		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**

Partner

Membership No. : 140041

Place : Mumbai

Dated: **29 AUG 2023**

UDIN: **23140041BGUEPL4239**



**For and on behalf of board of directors of Dynalog (India) Limited**

*Akshay Adhalrao*

**Akshay Adhalrao**

Managing Director

DIN:00314926

*Madhuri Adhalrao*

**Madhuri Adhalrao**

Director & CFO

DIN: 00315018

*Jyotsna Kashid*

**Jyotsna Kashid**

Company Secretary

Membership No : A27310

**29 AUG 2023**

DYNALOG INDIA LIMITED  
 Cash Flow Statement for the Year Ended March 31, 2022  
 CIN: U32109MH1985PLC036338  
 Email: [madhuri@dynalogindia.com](mailto:madhuri@dynalogindia.com)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	2,87,31,692	92,79,473
Adjustments for :		
Depreciation	87,15,690	86,54,293
Foreign exchange profit or loss	66,25,114	19,59,043
Loss on sale of Investment	1,53,653	-
Long Term Provision	(25,904)	17,97,089
Interest Income	(90,05,221)	(82,53,460)
Interest Expenses	2,23,14,340	2,46,01,182
<b>Operating Profits Before Working Capital Changes :</b>	<b>5,75,09,364</b>	<b>3,80,37,620</b>
(Increase) / Decrease in Inventories	3,16,47,478	2,10,58,023
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	1,98,76,369	(6,33,57,978)
(Increase) / Decrease in Loans & Advances (including current and non current)	(61,64,843)	69,84,663
Increase / (Decrease) in Trade Payables & Other Current Liabilities	(3,24,37,968)	(13,04,429)
<b>Cash Generated from Operations</b>	<b>7,04,30,401</b>	<b>14,17,900</b>
Direct Taxes Paid (net of refund)	50,84,529	57,01,702
<b>Net Cash Flow from / (used) Operating Activities:</b>	<b>6,53,45,871</b>	<b>(42,83,803)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(67,46,686)	(44,84,898)
Purchase of Investments	(9,27,500)	(28,000)
<b>Net Cash Flow from / (used) in Investment Activities :</b>	<b>(76,74,186)</b>	<b>-45,12,898</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital		9,99,17,540
Security Premium		82,438
Increase / (Decrease) in Secured Loan (Short term and long term)	(12,62,27,275)	2,63,64,755
Interest Received	90,05,221	82,53,460
Finance Expenses	(2,23,14,340)	(2,46,01,182)
<b>Net Cash Flow from / (used) in Financing Activities :</b>	<b>(13,95,36,393)</b>	<b>11,00,17,011</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents :</b>	<b>(8,18,64,708)</b>	<b>10,12,20,310</b>
Cash & Cash Equivalents at Opening	12,43,74,825	2,31,54,514
Cash & Cash Equivalents at Closing	4,25,10,116	12,43,74,825
<b>Net Increase/(Decrease) in Cash and Cash Equivalents :</b>	<b>(8,18,64,709)</b>	<b>10,12,20,310</b>
(For closing Cash and Cash Equivalents and others Refer Note 14)		

As per our report of even date

Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W

P. B. Dholakia  
 Partner

Membership No. : 140041

Place : Mumbai

Dated:

UDIN:

29 AUG 2023  
 23140041BGUEPL4239



For and on behalf of board of directors of  
 Dynalog (India) Limited

Akshay Adhalrao  
 Managing Director  
 DIN:00314926

Jyotsna Kashid  
 Company Secretary  
 Membership No :A27310

Handwritten signature of Madhuri Adhalrao

Madhuri Adhalrao  
 Director & CFO  
 DIN: 00315018

29 AUG 2023

**DYNALOG INDIA LIMITED**  
**Annexures to the Balance Sheet**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
40,02,000 Equity Shares of Rs. 10 each	4,00,20,000	4,00,20,000
18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	18,00,00,000	18,00,00,000
	<b>22,00,20,000</b>	<b>22,00,20,000</b>
<b>Issued Capital</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	4,00,17,540	4,00,17,540
17,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	17,99,00,000	17,99,00,000
	<b>21,99,17,540</b>	<b>21,99,17,540</b>
<b>Subscribed and Paid up</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	4,00,17,540	4,00,17,540
9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	9,99,00,000	9,99,00,000
	<b>13,99,17,540</b>	<b>13,99,17,540</b>

(1.1) The Company has two class of shares referred to as equity shares & Optionable convertible preference shares, having a par value of Rs.10/- and Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) - Pursuant to the approval of Board of Director in its meeting held on dated 12/02/2022 and approval of the shareholders in Extraordinary General Meeting held on dated 10/03/2022, authorised capital was increased to passing special resolution dated:10/03/2022 the face value of equity shares of Rs.10 per share for 40,02,000 and Preference shares of Rs. 100 each for 18,00,000 were authorised, and subsequently Additional 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund were issued.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2023 and March 31, 2022 is set below:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Number of Equity shares at the beginning	40,01,754	40,00,000
Add/less: Equity Shares issued/ buyback / redeemed during the year		1,754
Number of shares at the end	<b>40,01,754</b>	<b>40,01,754</b>

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2023 and March 31, 2022 is set below:-

Particulars	As at	
	March 31, 2023	March 31, 2022
Number of Preference shares at the beginning	-	-
Add: Optionally Preference Shares issued during the year	9,99,000	9,99,000
Number of shares at the end	<b>9,99,000</b>	<b>9,99,000</b>

In Previous year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

Terms / rights attached to preference shares:

The Company has only one class of Optionally Convertible Preference Shares having a issued value of 100 per share. In the event of liquidation the following condition will prevail as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

a) Subject to the terms of SSHA, the Company and/ or the Promoters may, subject to Applicable Law and prior written consent of Investor buyback or purchase (as applicable) the OCPS held by the Investor, during the period on or before 48 (forty-eight) months and on or before 60 (sixty) months of the Transaction Date, at a price which shall provide the Investor an IRR of 20% (twenty percent) (annualized) and on such terms and conditions as may be determined by the Investor.

b) If the OCPS are not purchased by the Company and/ or Promoters on or prior to 60 (sixty) months of the Transaction Date in terms of point 2.1 SSHA, then the Investor shall, at its sole discretion, have a right (but not an obligation) to convert, the OCPS held by the Investor along with the accumulated dividend (as applicable), if any, into fully paid up Equity Shares as per agreed term SSHA.

(1.5) Shares held by each shareholder holding more than 5% shares

Name of Shareholders	As at	
	March 31, 2023	March 31, 2022
	% of Total Shares	Number of Shares
Mr. Shivaji Adhalrao	44.59	17,84,398
Shivaji Adhalrao HUF	26.53	10,61,704
Kalpna Adhalrao	21.80	8,72,488
Apurva Adhalrao	6.63	2,65,426



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(1.6) Shares held by each Promoter holding more than 5% shares			
Name of Promoter	% of Total Shares	As at	As at
		March 31, 2023	March 31, 2022
		Number of Shares	Number of Shares
Shivaji Adhalrao	44.59	17,84,398	17,84,398
Shivaji Adhalrao HUF	26.53	10,61,704	10,61,704
Kalpna Adhalrao	21.80	8,72,488	8,72,488
Apurva Adhalrao	6.63	2,65,426	2,65,426
<b>Note 2: Reserves and Surplus</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>(a) Securities Premium</b>			
As per last Balance Sheet		82,438	-
Add: Addition during the year		-	82,438
		82,438	82,438
<b>(b) Retained Earning</b>			
Add: Addition during the year		18,82,91,775	18,47,60,083
Less: Preference Dividend Payable		2,03,97,483	35,31,719
		(9,900)	(27)
		20,86,79,358	18,82,91,775
		20,87,61,796	18,83,74,213
Notes:			
a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.			
<b>Note 3: Long-Term Borrowings</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>Secured Loans</b>			
- Term Loan from Bank		4,96,84,091	6,20,27,005
- From Financial Institution		-	1,81,95,868
<b>Unsecured Loan</b>			
- From Directors		2,46,884	1,01,20,646
		4,99,30,975	9,03,43,519
(Note : for Details refer Note 26.12 of Notes to accounts)			
Working capital facilities are secured by :-			
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts.			
(ii) Second pari passu charge with following properties as listed in the note no. 26.10			
(iii) Personal gurantee of all the Directors and Promoters of the company .			
<b>Note 4: Deferred Tax Liabilities/(Assets) (Net)</b>			
		As at	As at
		March 31, 2023	March 31, 2022
Deferred Tax Liability/(Assets)		17,49,541	29,62,225
		17,49,541	29,62,225
<b>Note 5: Long Term Provision</b>			
		As at	As at
		March 31, 2023	March 31, 2022
Provision for Employee Benefit		17,71,185	17,97,089
		17,71,185	17,97,089
Liability is determined based on the independent valuer has calculated the said liability based on the information provided by the management at the year end by K A Pandit and associates (Privileged Leave Liability report)			
<b>Note 6: Short-Term Borrowings</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>Secured</b>			
- Cash Credit banks		2,91,21,967	9,93,02,514
- Others		6,21,01,996	7,77,36,179
		9,12,23,962	17,70,38,693
Working capital Loan :Working capital facilities are secured by :-			
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts.			
(ii) Second pari passu charge with following properties as listed in the note no. 26.12			
(iii) Personal gurantee of All the Directors of the company			



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Note 7: Trade Payables		As at March 31, 2023	As at March 31, 2022
Sundry Creditors			
- MSME		14,96,116	
a) Less than 1 year			
- Other Creditors		2,14,17,730	6,66,19,283
a) Less than 1 year		2,11,995	6,99,767
b) 1-2 yrs		-	-
c) 2-3 yrs		2,62,20,669	2,95,60,241
d) More than 3 yrs			
		<b>4,93,46,510</b>	<b>9,68,79,292</b>
Note : Sundry creditors includes balance with related parties refer Note.26.13			
Note 8: Other Current Liabilities		As at March 31, 2023	As at March 31, 2022
Other Payables			
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)		1,27,02,302	87,77,442
- Advance Received From Customers		1,89,66,095	1,86,52,066
- Security Deposits		32,94,501	31,94,500
- Other Current Liability		2,47,94,485	74,03,547
		<b>5,97,57,383</b>	<b>3,80,27,555</b>
Note: a) Security Deposits received are against Renting of immovable property			
Note 9: Short Term Provision		As at March 31, 2023	As at March 31, 2022
Short Term provision			
- Income Tax Provision [Net of TDS Receivable and Self assessment tax of Rs.38,25,382/-, Previous Year Rs.72,32,746/-]		47,39,618	2,77,253
		<b>47,39,618</b>	<b>2,77,253</b>
Note 11: Non-Current Investments		As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments (Unquoted) In Subsidiary Company			
NIL (Previous Year 9,998) fully paid Equity paid of RS.10/- each of Dynalog Technology Private Limited (DTPL) written off during the year.		-	99,980
Semiconductor Junction Inc. USA (Unquoted value of present Investments is Rs 60,77,025/- based on certified copy received from the Subsidiary company as on 31.3.23.)		2,35,63,785	2,35,63,785
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Dynalog Didactic Solutions Private Limited (Unquoted value of present Investments is Rs (235,16,629)/- based on certified copy received from the Management as on 31.3.23. & P.Y Value is RS(2,33,23,376/-))		99,000	99,000
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Shares of Paramount Mechanics Pvt Ltd. (Unquoted value of present Investments is Rs (456,43,277) /- based on certified copy received from the Subsidiary company as on 31.3.23. & P.Y Value is RS(4,40,99,392/-))		99,000	99,000
Investment in Equity Instruments ( Unquoted )			
Cosmos Bank Shares		20,58,700	11,58,700
Sharad Sahakari Bank Shares		50,000	50,000
Bhairavnath Bank Share		27,500	-
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares		20,000	20,000
		<b>2,59,17,985</b>	<b>2,50,90,465</b>
Notes: 1) Company's investments in subsidiary is aggregating Rs. 23,761,785/- (P.Y. Rs. 23,861,765/- ). In view of the management, the investments are long term and strategic in nature, no provision is considered necessary for any impairment if any.			



Handwritten signatures and initials in blue ink, including a large signature and several smaller initials.

		As at March 31, 2023	As at March 31, 2022
<b>Note 12: Inventories</b>			
<b>Closing Stock</b>			
a) Raw Material		5,67,17,770	2,46,27,988
b) Finished Goods		2,91,81,735	3,82,88,040
b) WIP ( Within 1 Yrs)		4,01,708	5,50,32,663
(As quantified, valued and certified by the Management)		<b>8,63,01,213</b>	<b>11,79,48,691</b>
<b>Note 13: Trade Receivables</b>			
		As at March 31, 2023	As at March 31, 2022
<b>Trade receivables – considered good</b>			
- Less than 6 months		16,89,28,780	17,17,38,267
- 6 months - 1 year		6,48,827	23,31,318
- 1-2 years		1,18,37,206	3,18,97,874
- 2-3 years		1,83,93,006	1,37,16,728
		<b>19,98,07,819</b>	<b>21,96,84,187</b>
Note Trade Receivable Includes Trade receivable from related parties refer notes no. 26.13			
<b>Note 14: Cash and Bank Balances</b>			
		As at March 31, 2023	As at March 31, 2022
<b>Cash and Cash Equivalent</b>			
Balance with Banks		2,31,61,808	10,03,70,431
Cash on Hand		5,64,463	11,66,667
<b>Others</b>			
Balance with Banks		1,87,83,845	2,28,37,725
- Margin Money Deposit			
		<b>4,25,10,116</b>	<b>12,43,74,824</b>
Fixed deposits With Bank represent margin money against various facility availed.			
<b>Note 15: Short-Term Loans, Advances &amp; Other Current Assets</b>			
		As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>			
- Advance to Supplier		42,73,655	34,55,166
- Advance to Supplier to Related Party		8,93,76,309	8,56,78,779
- Loans and Advances to Employees		5,96,479	3,32,570
- Loans and Advances to Related Party		1,83,73,576	1,82,14,626
- Loans and Advances to Others		2,32,000	9,53,181
- Advance Recoverable in cash or kind		16,30,593	14,24,237
- Security Deposits		1,22,50,242	1,05,63,126
		<b>12,67,32,853</b>	<b>12,06,21,683</b>



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**DYNALOG INDIA LIMITED**  
Annexures to the Profit and Loss Statement

(Amount Rs)

	As at March 31, 2023	As at March 31, 2022
<b>Note 16: Revenue From Operations</b>		
Local Sales	86,62,34,520	69,47,26,261
Service Sales	56,68,668	86,23,404
	<b>87,19,03,189</b>	<b>70,33,49,665</b>
<b>Note 17: Other Incomes</b>		
<b>Interest Income</b>		
- From Banks towards Fixed Deposits	15,19,126	12,23,426
- From MSME party towards Late payment	14,222	-
- From Saving Bank Interest	4,471	-
- From Security Deposits	12,162	-
Income (Others)	2,34,894	2,35,000
<b>Other Non-Operating Income</b>		
- Other Income (Rent)	71,24,400	67,95,034
- Dividend Income	95,946	-
	<b>90,05,221</b>	<b>82,53,460</b>
<b>Note 18 : Cost of Material Consumed</b>		
<b>Purchase of Traded Goods</b>		
Import Purchase	40,78,85,969	34,59,26,007
Local Purchase	12,25,31,062	9,03,42,342
	<b>53,04,17,030</b>	<b>43,62,68,349</b>
<b>Note 19 : Change in Inventory</b>		
Opening Stock	11,79,48,691	13,90,06,714
Closing Stock	(8,63,01,213)	(11,79,48,691)
	<b>3,16,47,478</b>	<b>2,10,58,023</b>
<b>Note 20 : Direct Expenses</b>		
Clearing & forwarding charges	9,91,755	22,12,953
Freight charges	1,48,45,165	1,28,36,789
Custom Duty	1,95,16,567	1,83,60,359
Other Charges	6,76,380	1,33,470
	<b>3,60,29,867</b>	<b>3,35,43,571</b>
<b>Note 21: Employee Benefit Expenses</b>		
Salaries and Wages	9,47,17,348	8,59,70,714
Bonus	5,68,628	6,93,335
Performance Bonus	1,07,10,000	35,01,013
Leave Encashment	11,80,412	20,47,904
Staff Welfare Expenses	24,72,319	10,51,742
Contribution to P.F. and other funds	34,06,999	30,87,781
Late Payment of PF (FY 2018 to 2020)	-	1,61,574
Labour Welfare Fund	4,176	7,284
Contribution to Gratuity Fund	98,34,186	9,00,000
Medical Reimbursement	1,86,423	-
Director Seating Fees	3,60,000	-
Recruitment Charges	1,75,314	-
Diwali Gift	4,47,785	2,46,687
	<b>12,40,63,589</b>	<b>9,76,68,034</b>



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Note 22: Finance Costs	As at	As at
	March 31, 2023	March 31, 2022
Interest Expense	1,87,39,092	1,95,98,491
Interest on Central Tax	1,91,385	5,83,162
Interest on Late payment of GST	-	45,010
Interest on Late payment of TDS	18,546	42,541
Interest on Late payment of PF	52,093	1,89,069
Interest on Late payment of Custom Duty	41,968	-
Other Bank charges	32,71,255	41,42,908
	<b>2,23,14,340</b>	<b>2,46,01,182</b>

Note 23: Other Expenses	As at	As at
	March 31, 2023	March 31, 2022
Power and Fuel	58,67,297	50,52,705
Rent	1,24,86,505	96,57,780
Insurance	28,45,350	23,46,498
Rates and taxes (excluding taxes on income)	5,66,822	4,89,597
Auditors' Remuneration		
- For Audit fees	3,00,000	3,00,000
Legal and Professional Charges	24,54,748	28,17,131
Communication Expenses	8,43,837	8,12,530
Repairs & Maintenance	21,54,666	38,85,526
Conveyance	32,51,590	48,12,524
Software Charges	21,85,931	28,68,996
Printing & Stationery	10,13,713	8,77,771
Office Expenses	20,34,853	19,50,967
Consultancy Charges	94,00,691	52,85,028
Membership & Subscription	7,21,905	2,34,388
Security Guard Expenses	11,13,000	12,03,306
Conference/ Exhibition Charges	34,48,291	4,37,325
Brokerage Charges	-	28,000
Medical Reimbursement	-	2,50,064
Postage & Courier	10,070	17,419
Registration Charges	2,75,862	13,68,913
Traveling Expenses - Local & Foreign	75,36,456	39,97,514
Loss on sale of Investment	1,53,653	-
Hire Charges for Computers and Laptops	3,06,382	
DONATION	3,00,000	
Sundry Balance W/off	4,616	
Society Maintenance	12,75,283	
Prior Period Expense	-	1,95,127
Sales Tax Dues Paid	11,21,051	6,10,154
Stamp Duty	84,936	3,61,000
Net loss on foreign currency transaction	66,25,114	19,59,043
Miscellaneous expense	8,75,310	4,54,077
	<b>6,92,57,933</b>	<b>5,22,73,383</b>

Note 24: Selling and Distribution Expenses	As at	As at
	March 31, 2023	March 31, 2022
Business Promotion	22,64,768	42,24,030
Diwali Gift	26,860	2,84,716
Advertisement Expenses	29,71,244	6,24,446
Late Delivery Charges	1,18,17,138	1,61,03,519
Tender Fees	32,00,596	9,82,176
Commission paid	49,75,105	19,97,675
Freight Charges ( Sales)	44,75,080	40,40,255
	<b>2,97,30,791</b>	<b>2,82,56,817</b>



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**SYNALOG INDIA LIMITED**  
**Annexures to the Balance Sheet as at March 31, 2023**

**Note 10 :- Property, Plant & Equipment & Intangible asset**

Particulars	Gross Block			Depreciation/ Amortization			Net Block			
	Cost as at April 1, 2022	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2023	Upto April 1, 2022	For the period	Deletion/ Adjustment	Upto March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>Property, Plant &amp; Equipment</b>										
Furniture	4,53,00,643	4,500	-	4,53,05,143	2,90,38,754	12,38,005		3,02,76,759	1,50,28,384	1,62,61,889
Office Equipment (Bangalore)	2,32,49,243	83,758	-	2,33,33,001	1,42,11,947	8,65,843		1,50,77,790	82,55,211	90,37,296
Computers	5,07,522	7,000		5,14,522	4,82,146	743		4,82,889	31,633	25,376
Motor Car	1,80,36,294	2,27,047		1,82,63,341	1,53,45,579	2,52,946		1,55,98,525	26,64,816	26,90,715
Electrical Fitting	3,96,46,575	57,81,146		4,54,27,721	2,25,02,006	46,82,183		2,71,84,189	1,82,43,532	1,71,44,569
Electrical Fitting (Bangalore)	86,54,444	12,321		86,66,765	55,88,651	13,35,211		69,23,862	17,42,903	30,65,793
Plant and Machinery	10,92,325	1,90,100		12,82,425	4,24,589	1,41,164		5,65,753	7,16,672	6,67,736
Factory Premises (Vikhroli)	38,11,691			38,11,691	19,83,803	22,159		20,05,962	18,05,729	18,27,888
Office Premises (Bangalore)	2,65,91,785			2,65,91,785	2,03,81,011	1,25,401		2,05,06,412	60,85,373	62,10,774
Factory Premises (Pune)	6,27,55,229			6,27,55,229	75,62,694	-		75,62,694	5,51,92,535	5,51,92,535
Mobile	1,57,72,956	4,40,814		1,57,72,956	-	-		-	1,57,72,956	1,57,72,956
<b>Current Year</b>	<b>24,54,18,707</b>	<b>67,46,686</b>	<b>-</b>	<b>25,21,65,394</b>	<b>11,75,21,180</b>	<b>87,15,690</b>	<b>-</b>	<b>12,62,36,870</b>	<b>12,59,28,523</b>	<b>12,78,97,527</b>
<b>Previous Year</b>	<b>24,09,33,809</b>	<b>44,84,898</b>	<b>-</b>	<b>24,54,18,707</b>	<b>10,88,66,887</b>	<b>86,54,293</b>	<b>-</b>	<b>11,75,21,180</b>	<b>12,78,97,527</b>	<b>13,20,66,922</b>

Note 10.1 : Office premises at Bangalore and at Pune are not subject to depreciation as premises are given on rent



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**Dynalog India Limited**

**Notes to Financial Statements for the Year ended 31 March 2023**

**Note No. 25 Significant accounting policies for the year ended 31st March, 2023**

**25.1 Company Overview**

Dynalog (India) Limited is Public Limited Company incorporated under the provision of Companies Act, 2013. The Company is engage design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products. The Company has its Subsidiary at Dynalog Didactics Private Limited, India; Paramount Mechanics private limited, India; and Semi-Conductor Junction, United States of America

25.2 The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Company has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue.

**25.3 Inventory**

Inventory is valued at cost or realizable value whichever is lower.

**25.4 Revenue Recognition**

Revenue, Income are recognized on the accrual basis

a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.

b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

**25.5 Fixed Asset**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

**25.6 Depreciation**

a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.

b) Depreciation on addition to Fixed Assets has been charged proportionately from the date of purchase or put to use.

c) Impairments of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

**25.7 Foreign Currency Transaction**

a) Initial recognition:

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

b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

c) Exchange differences:

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.



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**25.8 Employee Retirement Benefit**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.

**25.9 Taxes on Income**

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

**25.10 Contingent Liabilities and Provison**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.



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26.1 None of the supplier has informed the company that they are registered under Micro, Small and Medium enterprises Development Act, 2006. expect fees which are disclosed in note 26.8

**26.2 Issue of additional Share Capital :**

No addition during this year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund in FY 2021-22.

26.3 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

26.4 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

**26.5 Investment in Wholly owned Subsidiary**

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.

Company has Acquired the Dynalog Didactic Solutions Private Limited and Paramount Mechanics Pvt Ltd. in FY 2021-22 which is in the bussiness of .of technical and vocational educational solution in the field of electronics and telecommunication

**26.6 Payment made to Auditor are as under:-**

Particulars	Current Year	Previous Year
Audit fees	3,00,000	3,00,000
<b>Total</b>	<b>3,00,000</b>	<b>3,00,000</b>

**26.7 Item wise purchase and sales and closing stock are as follows:**

The Company has multiple range of products are traded. It is very difficult to maintain product wise details hence details are provided to the extent possible by the management.

**a) Particulars of Opening Stock**

Class of Goods	Value	Value
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
IPC-510 chassis	13,66,881	43,116
UPORT-1110	9,17,136	3,48,944
NUVO-5501	1,64,475	2,63,160
IPC-610MB-00XHE	14,42,248	8,62,130
Others - IT related including software	11,40,57,951	13,74,89,364
<b>Total</b>	<b>11,79,48,691</b>	<b>13,90,06,714</b>



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b) Particulars of Purchases

Class of Goods	Value	Value
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
IPC-510 chassis	3,70,30,752	1,62,06,546
UPOINT-1110	-	31,15,792
NUVO-5501	-	78,29,010
IPC-610MB-00XHE	39,52,410	15,69,637
Others - IT related including software	48,94,33,868	40,75,47,364
<b>Total</b>	<b>53,04,17,030</b>	<b>43,62,68,349</b>

c) Particulars of Sale

Class of Goods	Value	Value
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
IPC-510 chassis	3,39,88,354	1,48,82,781
UPOINT-1110	9,15,592	25,47,600
NUVO-5501	2,36,38,740	79,27,695
IPC-610MB-00XHE	39,25,796	9,89,519
Others - IT related including software	80,94,34,707	67,70,02,070
<b>Total</b>	<b>87,19,03,189</b>	<b>70,33,49,665</b>

d) Particulars of Closing Stock

Class of Goods	Value 31 <sup>st</sup> March 2023	Value 31 <sup>st</sup> March 2022
	IPC-510 chassis	46,87,034
UPOINT-1110	1,544	9,17,136
NUVO-5501	3,96,180	1,64,475
IPC-610MB-00XHE	15,74,746	14,42,248
Others - IT related including software	7,96,41,709	11,40,57,951
<b>Total</b>	<b>8,63,01,213</b>	<b>11,79,48,691</b>

26.8 Trade Payable

Sr.No.	Particulars	AS ON 31 MARCH 2023				
		Outstanding for following periods from due date of payments				
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
1	(i) MSME	14,96,116	-	-	-	14,96,116
2	(ii) Others	2,14,17,730	2,11,995	-	2,62,20,669	4,78,50,394
3	(iii) Disputed Dues - MSME	-	-	-	-	-
4	(iv) Disputed Dues - Others	-	-	-	-	-
5	(v) Unbilled	-	-	-	-	-
	<b>TOTAL</b>	<b>2,29,13,846</b>	<b>2,11,995</b>	<b>-</b>	<b>2,62,20,669</b>	<b>4,93,46,510</b>



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26.9 Trade Receivable

Sr.No.	Particulars	AS ON 31 MARCH 2023				
		Outstanding for following periods from due date of payments				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables – considered good	16,89,28,780	6,48,827	1,18,37,206	1,83,93,006	19,98,07,819
	<b>TOTAL</b>	<b>16,89,28,780</b>	<b>6,48,827</b>	<b>1,18,37,206</b>	<b>1,83,93,006</b>	<b>19,98,07,819</b>

26.10 Remuneration to Directors

Particulars	31 <sup>st</sup> March 23	31 <sup>st</sup> March 22
Remuneration including bonus	1,75,98,374	1,39,56,000
<b>Total</b>	<b>1,75,98,374</b>	<b>1,39,56,000</b>

26.11 Earning / Expenses in Foreign Currency of Indian Operations are as follows:  
(For Indian Operations Only)

Particulars	Current Year	Previous Year
<b>Expenses</b>		
Overseas Traveling	24,52,536	1,39,217
CIF Value of Import	41,60,31,199	34,59,26,007
Freight charges paid	1,44,49,412	1,22,35,339

26.12 Bank Facility:

The company enjoys over all limit of Rs. 35.84 Crores. (for P.Y. Rs.31.09 Crore) Mainly bifurcating in CC; BG; SBBC and LC. Details of the same is as follows:

Particulars	Amount as on 31.3.23	Amount as on 31.3.22
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	20,00,00,000	18,25,00,000
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	15,84,39,000	12,84,39,000
<b>Total</b>	<b>35,84,39,000</b>	<b>31,09,39,000</b>

- i) The credit Facility is secured by first charged on Stock & Book Debts.  
ii) The list Second pari passu charge with following properties as listed belows:

Sr.No	Description
1	COMMERCIAL PROPERTY UNIT 109, HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES AMRUT NAGAR, OFF LBS ROAD, GHATKOPAR WEST, MUMBAI-400 086
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD G WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX-400 079
4	COMMERCIAL PROPERTY NEW UNIT NO.203VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
6	COMMERCIAL PROPERTY UNIT NO. 303,VIKHROLI PARK COMMERCIAL-OFFICESITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079(OLD UNIT NO.302), 3RD FLOOR, G WING

- i) In addition to the above , promoters and Directors of the company are guaranters in Personal capacity.

26.13 Related Party transaction

Sr.No	Particulars	Name
1	Key Management Personnel	Akshay Shivaji Adhalrao
		Madhuri Akshay Adhalrao
		Apurva Shivaji Adhalrao
		Natalie Apurva Adhalrao
		KALPANA SHIVAJI ADHALRAO
2	Relative of Key management Personnel	Shivaji D. Adhalrao
		Shivaji Adhalrao (HUF)
		Dynalog International
		Elmatronic Devices Inc.
3	Details of Subsidiaries	Dynalog Microsystems
		Dynalog Technologies Private Limited
		Paramount Mechanics Pvt Ltd
		Dynalog Didactics Pvt. Ltd.
		Semi Conductor Junction , USA

Description of nature of transaction	Description of relationship	Related party	31st March 2023	31st March 2022
Director Remuneration, Bonus, And Medical Insurance	Key management Personnel - MD	Akshay Adhalrao	91,23,933	58,20,000
Director Sitting Fees	Key management Personnel - MD	Akshay Adhalrao	80,000	-
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	23,21,173	22,56,000
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	80,000	-
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel - CFO	Madhuri Adhalrao	32,19,800	30,60,000
Director Sitting Fees	Key management Personnel - CFO	Madhuri Adhalrao	80,000	-
Directors' Remuneration, Bonus, And Medical Insurance	Director	Natalie Adhalrao	10,49,468	10,20,000
Director Sitting Fees	Director	Natalie Adhalrao	40,000	-
Salary and bonus and medical Insurance;	Director	Kalpna Adhalrao	18,84,000	18,00,000
Director Sitting Fees	Director	Kalpna Adhalrao	40,000	-
Rent	Director	Kalpna Adhalrao	12,96,000	9,43,770
Rent	Father of Director	Shivaji D. Adhalrao	46,80,000	30,67,260
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	16,65,800	11,29,980
Loans & advances given during the year	Group Company	Dynalog Didactics Pvt. Ltd.	900	30,000
Advance to supplier at the end of the year	Subsidiary Company	Paramount Mechanics Pvt. Ltd.	4,56,20,143	4,24,14,576
Purchases	Group Company	Paramount Mechanics Pvt. Ltd.	13,85,500	62,92,093
Purchases Services	Group Company	Paramount Mechanics Pvt. Ltd.	8,965	



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Purchases	Group Company	Semi Conductor Junction , USA	1,49,28,388	1,36,55,588
Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	4,92,562	5,83,706
Loans & advances of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	20,91,420	20,91,420
Loans & advances of Closing Balance	Group Company	Paramount Mechanics Pvt. Ltd.	11,92,123	10,93,123
Advance to Supplier of Closing Balance	Director has significant influence	DYNALOG MICRO-SYSTEM A/C	4,37,56,165	4,32,64,202
Loans & advances of Closing Balance	Group Company	Dynalog Didactics Pvt. Ltd.	1,40,13,033	1,39,13,133
Loans & advances of Closing Balance	Promoter has significant influence	DYNALOG INTERNATIONAL A/C	10,77,000	10,77,000
Advance to Supplier	Director has significant influence	Elmatronic Devices Inc.	4,59,541	4,59,541
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	17,24,270	17,24,270
Advance to Supplier	Group Company	Semi Conductor Junction , USA	-	17,62,461
Trade Payable	Group Company	Semi Conductor Junction , USA	-	87,95,169
Sales	Group Company	Dynalog International	-	3,88,230
Loan Repaid to director during the year	Director	Akshay Adhalrao	1,64,74,761	2,25,98,548
Loan received from director during the year	Director	Akshay Adhalrao	1,40,31,544	45,61,708
Loan Repaid to director during the year	Director	Madhuri Adhalrao	8,84,100	6,33,105
Loan received from director during the year	Director	Madhuri Adhalrao	3,74,099	4,35,916
Loan Repaid to director during the year	Director	Kalpana Adhalrao	53,26,556	62,96,986
Loan received from director during the year	Director	Kalpana Adhalrao	16,09,835	86,21,986
Loan Repaid to director during the year	Director	Apurva Adhalrao	37,30,700	1,81,18,400
Loan received from director during the year	Director	Apurva Adhalrao	5,00,000	2,18,71,600
Unsecured Loans at the year end from Director	Director	Madhuri Adhalrao	51,884	5,61,884
Unsecured Loans at the year end from Director	Director	Apurva Adhalrao	98,000	32,30,700
Unsecured Loans at the year end from Director	Director	Kalpana Adhalrao	49,000	37,16,721
Unsecured Loans at the year end from Director	Director	Akshay Adhalrao	48,000	26,11,341



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**26.14 Earning Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders.

Particulars	Current Year	Previous Year
Number of equity shares are the beginning of the year	4,01,754	4,00,000
Shares issued during the year	0	1,754
Total number of equity shares outstanding at the year end	4,01,754	4,01,754
Weighted average number of equity shares Outstanding during the year	4,01,754	4,00,005
Profit after Tax	2,03,97,483	35,31,719
Basic Earning per share (Rs.)	5.10	0.88
Diluted Earning per share (Rs.)	1.46	0.88
Face value per share (Rs.)	10	10

**26.15 Contingent Liability for the year ended 31st March, 2023 has been as follows:**

Particulars	31/03/2023	31/03/2022
Bank Guarantees issued by company	3,52,68,896	5,29,96,700
Vat Appeals case for FY 2014-15	43,47,631	84,00,000
Foreign LC outstanding as on	53,80,737	5,80,89,200
Income Tax Appeal for AY 2018-19 and 2020-21	0	19,00,000
GST for FY 2018-19 (karnataka)	3,61,444	0
LBT for FY 2008-09 to FY 2016-17	20,00,000	0
Total	4,73,58,708	12,13,85,900

**26.16 Deferred Tax Liability**

Working for Deferred Tax Liability/ (Assets) is provided as follows:

Particulars	As at 31st March, 2022	Current year changes	As at 31st March, 2023
Difference between Book & Tax Depreciation on Fixed Assets	29,62,225	(12,12,684)	17,49,541

**26.17** As far as Direction note on carrying out the re-examined AS-15, Gave by the Company the Gratuity trust set-up by the organization is treated as characterized benefit plan.

The employee strength as on 31.03.2023 was 139. The The estimated liability as per Life Insurance Company comes to Rs. 1,30,68,997. The gratuity fund balance with LIC is Rs. 1,02,72,411 (includes contributed of Rs. 70,37,600 in FY 22-23 against Rs. 9,00,000 in FY 21-22). The existing policy has been freezed by the Government, new policy is in place at the period ending 31st March 2023. The company has created provision of Rs. 28,00,000 which will be paid subsequently. The new policy along with existing LIC Policy are in compliance with the requirements of AS -15 "Accounting for employee benefits".

**26.18 Impairment of assets:**

Pursuant to AS -28 "Impairment of assets", the company has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.

**26.19 Dividend**

The Company has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

**26.20** The company is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material. Hence consumption of raw material divisionwise could not be provided.**26.21** The company is registered as small scale industries units vide registration no. 11-07- 27145-PMT-SSI dated 24/11/1993.

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- 26.22 The Company is also registered as Medium scale enterprises under UDYAM vide registration no. UDYAM-MH-18-0010318.
- 26.23 In the absence of information from supplier as to their status, the company does not possess a list of small scale industries. It is therefore not possible to determine the amount due to small scale industries as is required to be disclosed vide notification no. GSR no. 129 (E) dated 22.02.1999, except as provided in the books to the extent information obtained from supplier.
- 26.24 As the company's activity falls within a single primary business segment, the segment information is not provided.
- 26.25 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.
- 26.26 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

AS PER OUR REPORT OF EVEN DATE

KAGRANA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W



(Pritesh B. Dholakia)  
PARTNER

Membership No: 140041  
PLACE: Mumbai

DATE: 29 AUG 2023

UDIN: 23140041B6UEPL4239



FOR DYNALOG (INDIA) LIMITED



Akshay Adhstra  
Managing Director  
Din No: 00314926  
PLACE: Mumbai

DATE:



Madhuri Adhalrao  
CFO  
Din No: 00315018  
PLACE: Mumbai

DATE:

29 AUG 2023

**Dynalog India Limited**  
**Notes to Financial Statements for the Year ended 31 March 2022**

**Note No. 27 -**

Ratios:-	Numerator	Denominator	Denomination	March 21, 2023	March 21, 2022	% of Change	Reason for change in Ratio by More than 25%
(i) Current Ratio = Current Asset / Current Liability	Current Asset = Inventories + Trade receivables + Cash and cash equivalents + Short Term Loans and Advances	Current Liability = Short Term Borrowing + Trade Payable + Other Current Liabilities	Number	2.22	1.87	18.99	Refer Note 27.1
(ii) Debt-Equity Ratio = (Debt / Equity)	Total Debt = Long term borrowings + Short Term Borrowings	shareholder equity = Equity attributable to Equity Holder	%	14.82	28.42	(47.85)	Refer Note 27.2
(iii) Debt Service Coverage Ratio = Earnings available for service of Debt / Interest + Principal	Earnings available for service of Debt = Earning before Interest, Depreciation and Tax	Interest + Principal = Interest Expenses on borrowing and principal amount of borrowing due during the year	Number	0.37	0.15	150.96	Refer Note 27.3
(iv) Return on Equity Ratio = Net Profit after tax Less Preference Divident (if any) / Average shareholder's Equity	Net Profit after tax Less Preference Divident = Profit / (Loss) for the year attributable to equity holder of capital	Average shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity) / 2	%	6.02	1.28	371.61	Refer Note 27.4
(v) Inventory Turnover Ratio = Cost of Goods sold / Average Inventory	Cost of Goods sold = Purchase + Manufacturing Exp + Change in Inventory	Average Inventory = (Inventory at the begning of the year + Inventory at the End of the year) / 2	Number	5.86	3.82	53.28	Refer Note 27.5
(vi) Trade Receivables Turnover Ratio = Revenue from Operation / Average Trade Receivables	Revenue from Operation	Average Trade Receivables = (Receivable at the begning of the year + Receivable at the End of the year) / 2	Number	4.16	3.74	11.12	Refer Note 27.6
(vii) Trade Payables Turnover Ratio = Purchase / Average Trade Payable	Purchase = Total Other Expenses	Average Trade Payables = (Payable at the begning of the year + Payable at the End of the year) / 2	Number	11.54	7.61	51.51	Refer Note 27.7
(viii) Net Capital Turnover Ratio = Revenue from Operation / Capital Employed	Revenue from Operation	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on avgrage)	Number	1.60	1.50	6.70	Refer Note 27.8



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**Dynalog India Limited**

**Notes to Financial Statements for the Year ended 31 March 2022**

(ix) Net Profit Ratio = Net Profit after tax / Revenue from Operation	Net Profit after tax	Revenue from Operation	%	2.34	0.50	365.90	Refer Note 27.9
(x) Return on Capital Employed = Profit Before Interest and Tax / Capital Employed	Profit Before Interest and Tax	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on average)	%	9.36	7.24	29.41	Refer Note 27.10
(xi) Return on Investment = Net Profit after tax / Average Total Asset	Net Profit after tax	Average Total Asset = (Opening Total Asset / Closing Total Asset) / 2	%	0.03	0.01	475.84	Refer Note 27.11

**Notes:-Reason for Change in Ratio by more than 25%**

- (27.1) - There is no significant percentage change in Current Ratios.
- (27.2) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year, so there is significant percentage change in Debt Equity Ratios.
- (27.3) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year
- (27.4) - Due to increase in profits in the current year as compare to previous year, so there is significant percentage change in Return on equity.
- (27.5) - There is increase in turnover as compare to previous year but there has been a significant increase in cost of goods sold; due to which there has been a significant change in percentage.
- (27.6) - There is no significant percentage change in Trade Receivables Turnover Ratio.
- (27.7) - Due increase in Trade Payable in Current year, there has been change in Trade Payables Turnover Ratio
- (27.8) - There is no significant change in Net Capital Turnover Ratio.
- (27.9) - Due to increase in Net profit, there has been a significant changes in Net Profit Ratio.
- (27.10) - Due to increase in Net profit, there has been a significant changes in Return on Capital Employed Ratio.
- (27.11) - Due to increase in Net profit, there has been a significant changes in Return on Investment Ratio.

As per our Report of even date attached

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

P. B. Dholakia

Pritesh B Dholakia  
Partner

Membership No.: 140041

UDIN :- 23140041B4UEPL4239

Place :- Mumbai

Date :-

29 AUG 2023



**For Dynalog India Limited**

Akshay Adhalrao

Managing Director  
DIN:00314926

Mumbai  
Date :-

Jyotsna Kashid  
Company Secretary  
Membership No : A27310

Madhuri Adhalrao

Chief Finance Officer  
DIN: 00315018

Mumbai  
Date :-

29 AUG 2023

(Amount Rs '000)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	1,39,918	1,39,918
(b) Reserves and surplus	2	2,08,762	1,88,374
		<b>3,48,679</b>	<b>3,28,292</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	49,931	90,344
(b) Deferred tax liabilities (Net)	4	1,750	2,962
(c) Long Term Provision	5	1,771	1,797
		<b>53,452</b>	<b>95,103</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	91,224	1,77,039
(b) Trade payables	7	49,347	96,879
-- MSME - 14,96,116			
-- Others - 4,78,50,394			
(c) Other current liabilities	8	59,757	38,028
(c) Short Term Provision	9	4,740	277
		<b>2,05,067</b>	<b>3,12,223</b>
<b>TOTAL</b>		<b>6,07,199</b>	<b>7,35,617</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	1,25,929	1,27,898
(b) Non-current investments	11	25,918	25,090
		<b>1,51,847</b>	<b>1,52,988</b>
<b>Current Assets</b>			
(a) Inventories	12	86,301	1,17,949
(b) Trade receivables	13	1,99,808	2,19,684
(c) Cash and Bank Balances	14	42,510	1,24,375
(d) Short-term loans and advances	15	1,26,733	1,20,622
		<b>4,55,352</b>	<b>5,82,629</b>
<b>TOTAL</b>		<b>6,07,199</b>	<b>7,35,617</b>
See accompanying notes to the financial statements	25 to 26		

This is the Balance Sheet referred to in our report of even date.

For Kagrana & Associates

Chartered Accountants  
 Firm Registration No: 115467W

*P. B. Dholakia*  
 Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated:

29 AUG 2023

UDIN: 23140041BQUEPL4239



For and on behalf of board of directors of  
 Dynalog (India) Limited

*Akshay Adhalrao*  
 Akshay Adhalrao  
 Managing Director  
 DIN:00314926

*Jyotsna Kashid*  
 Jyotsna Kashid  
 Company Secretary  
 Membership No :A27310

29 AUG 2023

*Madhuri Adhalrao*

Madhuri Adhalrao  
 Director & CFO  
 DIN: 00315018

*Apurva Adhalrao*  
 Apurva Adhalrao  
 Director  
 DIN: 01239063

**DYNALOG INDIA LIMITED**

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

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

(Amount Rs '000)

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2023	March 31, 2022
Revenue from Operations	16	8,71,903	7,03,350
Other Income	17	9,005	8,253
<b>Total Revenue</b>		<b>8,80,908</b>	<b>7,11,603</b>
Purchase	18	5,30,417	4,36,268
Change in Inventory	19	31,647	21,058
Direct Expenses	20	36,030	33,544
Employee Benefit Expenses	21	1,24,064	97,668
Finance Costs	22	22,314	24,601
Depreciation and Amortization Expense	10	8,716	8,654
Other Expenses	23	69,258	52,273
Selling & Distribution Expenses	24	29,731	28,257
<b>Total Expenses</b>		<b>8,52,177</b>	<b>7,02,324</b>
<b>Profit Before Tax</b>		<b>28,732</b>	<b>9,279</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2022-23		-8,565	
- Income tax Provision for FY 2021-22			-3,010
- Income tax P&L Provision (Short) FY 2020-21		-744	
- Income tax P&L Provision (Short) FY 2021-22		-238	
(2) Deferred Tax (liabilities)/Assets		1,213	-2,738
<b>Profit for the year carried forward to Surplus</b>		<b>20,397</b>	<b>3,532</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		5.10	0.88
(2) Diluted		1.46	0.88
See accompanying notes to the financial statements	25 to 26		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated: 29 AUG 2023

UDIN: 23140041BGUEPL4239



**For and on behalf of board of directors of Dynalog (India) Limited**

*A. Adhalrao*

Akshay Adhalrao

Managing Director

DIN:00314926

*J. Kashid*

Jyotsna Kashid

Company Secretary

Membership No : A27310

*M. Adhalrao*

Madhuri Adhalrao

Director & CFO

DIN: 00315018

*A. Adhalrao*

Apurva Adhalrao

Director

DIN: 01239063

29 AUG 2023

DYNALOG INDIA LIMITED  
Cash Flow Statement for the Year Ended March 31, 2022  
CIN: U32109MH1985PLC036338  
Email: [madhuri@dynalogindia.com](mailto:madhuri@dynalogindia.com)

(Amount Rs '000)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	28,732	9,279
Adjustments for :		
Depreciation	6,716	8,654
Foreign exchange profit or loss	6,625	1,959
Loss on sale of Investment	154	0
Long Term Provision	-26	1,797
Interest Income	-9,005	-8,253
Interest Expenses	22,314	24,601
Operating Profits Before Working Capital Changes :	57,509	38,038
(Increase) / Decrease in Inventories	31,647	21,058
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	19,876	-63,358
(Increase) / Decrease in Loans & Advances (including current and non current)	-6,165	6,985
Increase / (Decrease) in Trade Payables & Other Current Liabilities	-32,438	-1,304
Cash Generated from Operations	70,430	1,418
Direct Taxes Paid (net of refund)	5,085	5,702
Net Cash Flow from / (used) Operating Activities:	65,346	-4,284
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	-6,747	-4,485
Purchase of Investments	-928	-28
Net Cash Flow from / (used) in Investment Activities :	-7,674	-4,513
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	-	99,918
Security Premium	-	82
Increase / (Decrease) in Secured Loan (Short term and long term)	-1,26,227	26,365
Interest Received	9,005	8,253
Finance Expenses	-22,314	-24,601
Net Cash Flow from / (used) in Financing Activities :	-1,39,536	1,10,017
Net Increase/(Decrease) in Cash and Cash Equivalents :	-81,865	1,01,220
Cash & Cash Equivalents at Opening	1,24,375	23,155
Cash & Cash Equivalents at Closing	42,510	1,24,375
Net Increase/(Decrease) in Cash and Cash Equivalents :	-81,865	1,01,220
(For closing Cash and Cash Equivalents and others Refer Note 14)		

As per our report of even date.

Kagrana & Associates  
Chartered Accountants  
Firm Registration No: 115467W

P. B. Dholakia  
Partner  
Membership No. : 140041

Place : Mumbai

Dated:

UDIN:

29 AUG 2023  
23140041B4UEPL4239



For and on behalf of board of directors of  
Dynalog (India) Limited

Akshay Adhalrao  
Managing Director  
DIN:00314926

Jyotsna Kashid  
Company Secretary  
Membership No :A27310

Madhuri Adhalrao  
Director & CFO  
DIN: 00315018

Apurva Adhalrao  
Director  
DIN: 01239063

29 AUG 2023

**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
40,02,000 Equity Shares of Rs. 10 each	40,020	40,020
18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	1,80,000	1,80,000
	<b>2,20,020</b>	<b>2,20,020</b>
<b>Issued Capital</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,018	40,018
17,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	1,79,900	1,79,900
	<b>2,19,918</b>	<b>2,19,918</b>
<b>Subscribed and Paid up</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,018	40,018
9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	99,900	99,900
	<b>1,39,918</b>	<b>1,39,918</b>

(1.1) The Company has two class of shares referred to as equity shares & Optionable convertible preference shares, having a par value of Rs.10/- and Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) - Pursuant to the approval of Board of Director in its meeting held on dated 12/02/2022 and approval of the shareholders in Extraordinary General Meeting held on dated 10/03/2022, authorised capital was increased to passing special resolution dated: 10/03/2022 the face value of equity shares of Rs. 10 per share for 40,02,000 and Preference shares of Rs. 100 each for 18,00,000 were authorised and subsequently Additional 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund were issued.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2023 and March 31, 2022 is set below:-

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Number of Equity shares at the beginning	4,002	4,000
Add/less: Equity Shares issued/ buyback / redeemed during the year		2
Number of shares at the end	<b>4,002</b>	<b>4,002</b>

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2023 and March 31, 2022 is set below:-

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Number of Preference shares at the beginning	0	0
Add: Optionally Preference Shares issued during the year	999	999
Number of shares at the end	<b>999</b>	<b>999</b>

In Previous year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

Terms / rights attached to preference shares:

The Company has only one class of Optionally Convertible Preference Shares having a issued value of 100 per share. In the event of liquidation the following condition will prevail as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

a) Subject to the terms of SSHA, the Company and/ or the Promoters may, subject to Applicable Law and prior written consent of Investor buyback or purchase (as applicable) the OCPS held by the Investor, during the period on or before 48 (forty-eight) months and on or before 60 (sixty) months of the Transaction Date, at a price which shall provide the Investor an IRR of 20% (twenty percent) (annualized) and on such terms and conditions as may be determined by the Investor.

b) If the OCPS are not purchased by the Company and/ or Promoters on or prior to 60 (sixty) months of the Transaction Date in terms of point 2.1 SSHA, then the Investor shall, at its sole discretion, have a right (but not an obligation) to convert, the OCPS held by the Investor along with the accumulated dividend (as applicable), if any, into fully paid up Equity Shares as per agreed term SSHA.

(1.5) Shares held by each shareholder holding more than 5% shares

Name of Shareholders	% of Total Shares	As at	As at
		March 31, 2023	March 31, 2022
Mr. Shivaji Adhalrao	44.59	1,784	1,784
Shivaji Adhalrao HUF	26.53	1,062	1,062
Kalpana Adhalrao	21.80	872	872
Apurva Adhalrao	6.63	265	265



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(1.6) Shares held by each Promoter holding more than 5% shares			
Name of Promoter	% of Total Shares	As at	As at
		March 31, 2023	March 31, 2022
		Number of Shares	Number of Shares
Shivaji Adhalrao	44.59	1,784	1,784
Shivaji Adhalrao HUF	26.53	1,062	1,062
Kalpana Adhalrao	21.80	872	872
Apurva Adhalrao	6.63	265	265
<b>Note 2: Reserves and Surplus</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>(a) Securities Premium</b>			
As per last Balance Sheet		82	0
Add: Addition during the year		0	82
		82	82
<b>(b) Retained Earning</b>			
Add: Addition during the year		1,88,292	1,84,760
Less: Preference Dividend Payable		20,397	3,532
		-10	0
		2,08,679	1,88,292
		2,08,762	1,88,374
Notes:			
a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.			
<b>Note 3: Long-Term Borrowings</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>Secured Loans</b>			
-Term Loan from Bank		49,684	62,027
- From Financial Institution		0	18,196
<b>Unsecured Loan</b>			
- From Directors		247	10,121
		49,931	90,344
(Note: for Details refer Note 26.12 of Notes to accounts)			
Working capital facilities are secured by :-			
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts.			
(ii) Second pari passu charge with following properties as listed in the note no. 26.10			
(iii) Personal gurantee of all the Directors and Promoters of the company.			
<b>Note 4: Deferred Tax Liabilities/(Assets) (Net)</b>			
		As at	As at
		March 31, 2023	March 31, 2022
Deferred Tax Liability/(Assets)		1,750	2,962
		1,750	2,962
<b>Note 5: Long Term Provision</b>			
		As at	As at
		March 31, 2023	March 31, 2022
Provision for Employee Benefit		1,771	1,797
		1,771	1,797
Liability is determined based on the independent valuer has calculated the said liability based on the information provided by the management at the year end by K A Pandit and associates (Priviledge Leave Liability report)			
<b>Note 6: Short-Term Borrowings</b>			
		As at	As at
		March 31, 2023	March 31, 2022
<b>Secured</b>			
- Cash Credit banks		29,122	99,303
- Others		62,102	77,736
		91,224	1,77,039
Working capital Loan Working capital facilities are secured by :-			
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts.			
(ii) Second pari passu charge with following properties as listed in the note no. 26.12			
(iii) Personal gurantee of All the Directors of the company			



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<b>Note 7: Trade Payables</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Sundry Creditors			
- MSME			
a) Less than 1 year		1,496	0
- Other Creditors			
a) Less than 1 year		21,418	66,619
b) 1-2 yrs		212	700
c) 2-3 yrs		0	0
d) More than 3 yrs		26,221	29,560
		<b>49,347</b>	<b>96,879</b>
Note: Sundry creditors includes balance with related parties refer Note.26.13			
<b>Note 8: Other Current Liabilities</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Other Payables			
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)		12,702	8,777
- Advance Received From Customers		18,966	18,652
- Security Deposits		3,295	3,195
- Other Current Liability		24,794	7,404
		<b>59,757</b>	<b>38,028</b>
Note: a) Security Deposits received are against Renting of immovable property			
<b>Note 9: Short Term Provision</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Short Term provision			
- Income Tax Provision [Net of TDS Receivable and Self assessment tax of Rs.38,25,382/-, Previous Year Rs.72,32,746/-]		4,740	277
		<b>4,740</b>	<b>277</b>
<b>Note 11: Non-Current Investments</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Investment in Equity Instruments (Unquoted) In Subsidiary Company</b>			
NIL (Previous Year 9,998) fully paid Equity paid of RS.10/- each of Dynalog Technology Private Limited (DTPL) written off during the year.		0	100
Semiconductor Junction Inc, USA (Unquoted value of present Investments is Rs 60,77,025/- based on certified copy received from the Subsidiary company as on 31.3.23.)		23,564	23,564
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Dynalog Didactic Solutions Private Limited (Unquoted value of present Investments is Rs (235,16,629)- based on certified copy received from the Management as on 31.3.23. & P.Y Value is RS(2,33,23,376/-))		99	99
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Shares of Paramount Mechanics Pvt Ltd. (Unquoted value of present Investments is Rs (456,43,277) /- based on certified copy received from the Subsidiary company as on 31.3.23. & P.Y Value is RS(4,40,99,392/-)).		99	99
<b>Investment in Equity Instruments ( Unquoted )</b>			
Cosmos Bank Shares		2,059	1,159
Sharad Sahakari Bank Shares		50	50
Bhairavnath Bank Share		28	0
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares		20	20
		<b>25,918</b>	<b>25,090</b>
Notes: 1) Company's investments in subsidiary is aggregating Rs. 23,761,785/- (P.Y. Rs. 23,861,765/- ). In view of the management, the investments are long term and strategic in nature, no provision is considered necessary for any impairment if any.			



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	As at March 31, 2023	As at March 31, 2022
<b>Note 12: Inventories</b>		
<b>Closing Stock</b>		
a) Raw Material	56,718	24,628
b) Finished Goods	29,182	38,288
b) WIP ( Within 1 Yrs)	402	55,033
(As quantified, valued and certified by the Management)	<b>86,301</b>	<b>1,17,949</b>
<b>Note 13: Trade Receivables</b>		
	As at March 31, 2023	As at March 31, 2022
<b>Trade receivables – considered good</b>		
- Less than 6 months	1,68,929	1,71,738
- 6 months - 1 year	649	2,331
-1-2 years	11,837	31,898
- 2-3 years	18,393	13,717
	<b>1,99,808</b>	<b>2,19,684</b>
Note Trade Receivable Includes Trade receivable from related parties refer notes no. 26.13		
<b>Note 14: Cash and Bank Balances</b>		
	As at March 31, 2023	As at March 31, 2022
<b>Cash and Cash Equivalent</b>		
Balance with Banks	23,162	1,00,370
Cash on Hand	564	1,167
<b>Others</b>		
Balance with Banks		
- Margin Money Deposit	18,784	22,838
	<b>42,510</b>	<b>1,24,375</b>
Fixed deposits With Bank represent margin money against various facility availed.		
<b>Note 15: Short-Term Loans, Advances &amp; Other Current Assets</b>		
	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>		
- Advance to Supplier	4,274	3,455
- Advance to Supplier to Related Party	89,376	85,679
- Loans and Advances to Employees	596	333
- Loans and Advances to Related Party	18,374	18,215
- Loans and Advances to Others	232	953
- Advance Recoverable in cash or kind	1,631	1,424
- Security Deposits	12,250	10,563
	<b>1,26,733</b>	<b>1,20,622</b>



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**DYNALOG INDIA LIMITED**  
Annexures to the Profit and Loss Statement

(Amount Rs '000)

	As at March 31, 2023	As at March 31, 2022
<b>Note 16: Revenue From Operations</b>		
Local Sales	8,66,235	6,94,726
Service Sales	5,669	8,623
	<b>8,71,903</b>	<b>7,03,350</b>
<b>Note 17: Other Incomes</b>		
<b>Interest Income</b>		
- From Banks towards Fixed Deposits	1,519	1,223
- From MSME party towards Late payment	14	0
- From Saving Bank Interest	4	
- From Security Deposits	12	
Income (Others)	235	235
<b>Other Non-Operating Income</b>		
- Other Income (Rent)	7,124	6,795
- Dividend Income	96	
	<b>9,005</b>	<b>8,253</b>
<b>Note 18 : Cost of Material Consumed</b>		
<b>Purchase of Traded Goods</b>		
Import Purchase	4,07,886	3,45,926
Local Purchase	1,22,531	90,342
	<b>5,30,417</b>	<b>4,36,268</b>
<b>Note 19 : Change in Inventory</b>		
Opening Stock	1,17,949	1,39,007
Closing Stock	-86,301	-1,17,949
	<b>31,647</b>	<b>21,058</b>
<b>Note 20 : Direct Expenses</b>		
Clearing & forwarding charges	992	2,213
Freight charges	14,845	12,837
Custom Duty	19,517	18,360
Other Charges	676	133
	<b>36,030</b>	<b>33,544</b>
<b>Note 21: Employee Benefit Expenses</b>		
Salaries and Wages	94,717	85,971
Bonus	569	693
Performance Bonus	10,710	3,501
Leave Encashment	1,180	2,048
Staff Welfare Expenses	2,472	1,052
Contribution to P.F. and other funds	3,407	3,088
Late Payment of PF (FY 2018 to 2020)	0	162
Labour Welfare Fund	4	7
Contribution to Gratuity Fund	9,834	900
Medical Reimbursement	186	0
Director Seating Fees	360	0
Recruitment Charges	175	0
Diwali Gift	448	247
	<b>1,24,064</b>	<b>97,668</b>



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<b>Note 22: Finance Costs</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Interest Expense	18,739	19,598
Interest on Central Tax	191	583
Interest on Late payment of GST	0	45
Interest on Late payment of TDS	19	43
Interest on Late payment of PF	52	189
Interest on Late payment of Custom Duty	42	0
Other Bank charges	3,271	4,143
	<b>22,314</b>	<b>24,601</b>
<b>Note 23: Other Expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Power and Fuel	5,867	5,053
Rent	12,487	9,658
Insurance	2,845	2,346
Rates and taxes (excluding taxes on income)	567	490
Auditors' Remuneration		
- For Audit fees	300	300
Legal and Professional Charges	2,455	2,817
Communication Expenses	844	813
Repairs & Maintenance	2,155	3,886
Conveyance	3,252	4,813
Software Charges	2,186	2,869
Printing & Stationery	1,014	878
Office Expenses	2,035	1,951
Consultancy Charges	9,401	5,285
Membership & Subscription	722	234
Security Guard Expenses	1,113	1,203
Conference/ Exhibition Charges	3,448	437
Brokerage Charges	0	28
Medical Reimbursement	0	250
Postage & Courier	10	17
Registration Charges	276	1,369
Traveling Expenses - Local & Foreign	7,536	3,998
Loss on sale of Investment	154	0
Hire Charges for Computers and Laptops	306	0
DONATION	300	0
Sundry Balance W/off	5	0
Society Maintenance	1,275	0
Prior Period Expense	0	195
Sales Tax Dues Paid	1,121	610
Stamp Duty	85	361
<b>Net loss on foreign currency transaction</b>	<b>6,625</b>	<b>1,959</b>
Miscellaneous expense	875	454
	<b>69,258</b>	<b>52,273</b>
<b>Note 24: Selling and Distribution Expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Business Promotion	2,265	4,224
Diwali Gift	27	285
Advertisement Expenses	2,971	624
Late Delivery Charges	11,817	16,104
Tender Fees	3,201	982
Commission paid	4,975	1,998
Freight Charges ( Sales)	4,475	4,040
	<b>29,731</b>	<b>28,257</b>



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**DYNALOG INDIA LIMITED**

Annexures to the Balance Sheet as at March 31, 2023

Note 10 :- Property, Plant & Equipment & Intangible asset

Particulars	Gross Block				Depreciation/ Amortization			Net Block		
	Cost as at April 1, 2022	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2023	Upto April 1, 2022	For the period	Deletion/ Adjustment	Upto March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>Property, Plant &amp; Equipment</b>										
Furniture	45,301	5	-	45,305	29,039	1,238		30,277	15,028	16,262
Office Equipment	23,249	84	-	23,333	14,212	866		15,078	8,255	9,037
Office Equipment (Bangalore)	508	7		515	482	1		483	32	25
Computers	18,036	227		18,263	15,346	253		15,599	2,665	2,691
Motor Car	39,647	5,781		45,428	22,502	4,682		27,184	18,244	17,145
Electrical Fitting	8,654	12		8,667	5,589	1,335		6,924	1,743	3,066
Electrical Fitting (Bangalore)	1,092	190		1,282	425	141		566	717	668
Plant and Machinery	3,812			3,812	1,984	22		2,006	1,806	1,828
Factory Premises (Vikhroli)	26,592			26,592	20,381	125		20,506	6,085	6,211
Office Premises (Bangalore)	62,755			62,755	7,563	0		7,563	55,193	55,193
Factory Premises (Pune)	15,773			15,773	0	0		0	15,773	15,773
Mobile	0	441		441	0	52		52	389	0
<b>Current Year</b>	<b>2,45,419</b>	<b>6,747</b>	<b>0</b>	<b>2,52,165</b>	<b>1,17,521</b>	<b>8,716</b>	<b>0</b>	<b>1,26,237</b>	<b>1,25,929</b>	<b>1,27,898</b>
<b>Previous Year</b>	<b>2,40,934</b>	<b>4,485</b>	<b>0</b>	<b>2,45,419</b>	<b>1,08,867</b>	<b>8,654</b>	<b>0</b>	<b>1,17,521</b>	<b>1,27,898</b>	<b>1,32,067</b>

Note 10.1: Office premises at Bangalore and at Pune are not subject to depreciation as premises are given on rent



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**Dynalog India Limited**

**Notes to Financial Statements for the Year ended 31 March 2023**

**Note No. 25 Significant accounting policies for the year ended 31st March, 2023**

**25.1 Company Overview**

Dynalog (India) Limited is Public Limited Company incorporated under the provision of Companies Act, 2013. The Company is engaged in design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products. The Company has its Subsidiary at Dynalog Didactics Private Limited, India; Paramount Mechanics private limited, India; and Semi-Conductor Junction, United States of America

**25.2** The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Company has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue.

**25.3 Inventory**

Inventory is valued at cost or realizable value whichever is lower.

**25.4 Revenue Recognition**

Revenue, Income are recognized on the accrual basis

a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.

b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

**25.5 Fixed Asset**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

**25.6 Depreciation**

a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.

b) Depreciation on addition to Fixed Assets has been charged proportionately from the date of purchase or put to use.

c) Impairments of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

**25.7 Foreign Currency Transaction**

a) Initial recognition:

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

b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

c) Exchange differences:

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.



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**25.8 Employee Retirement Benefit**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.

**25.9 Taxes on Income**

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

**25.10 Contingent Liabilities and Provison**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.



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**Dynalog India Limited**

**Note No.26 Notes to Financial Statement for the year ended 31st March, 2023**

26.1 None of the supplier has informed the company that they are registered under Micro, Small and Medium enterprises Development Act, 2006: expect fees which are disclosed in note 26.8

**26.2 Issue of additional Share Capital :**

No addition during this year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund in FY 2021-22.

26.3 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

26.4 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

**26.5 Investment in Wholly owned Subsidiary**

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.

Company has Acquired the Dynalog Didactic Solutions Private Limited and Paramount Mechanics Pvt Ltd. in FY 2021-22 which is in the business of of technical and vocational educational solution in the field of electronics and telecommunication

**26.6 Payment made to Auditor are as under:-**

Particulars	(Amount Rs '000)	
	Current Year	Previous Year
Audit fees	300	300
<b>Total</b>	<b>300</b>	<b>300</b>

**26.7 Item wise purchase and sales and closing stock are as follows:**

The Company has multiple range of products are traded. It is very difficult to maintain product wise details hence details are provided to the extent possible by the management.

**a) Particulars of Opening Stock**

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2023	Value 31 <sup>st</sup> March 2022
IPC-510 chassis	1,367	43
UPORT-1110	917	349
NUVO-5501	164	263
IPC-610MB-00XHE	1,442	862
Others - IT related including software	1,14,058	1,37,489
<b>Total</b>	<b>1,17,949</b>	<b>1,39,007</b>

**b) Particulars of Purchases**

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2023	Value 31 <sup>st</sup> March 2022
IPC-510 chassis	37,031	16,207
UPORT-1110	-	3,116
NUVO-5501	-	7,829
IPC-610MB-00XHE	3,952	1,570
Others - IT related including software	4,89,434	4,07,547
<b>Total</b>	<b>5,30,417</b>	<b>4,36,268</b>



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## c) Particulars of Sale

(Amount Rs '000)

Class of Goods	Value	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
IPC-510 chassis	33,988	14,883
UPOINT-1110	916	2,548
NUVO-5501	23,639	7,928
IPC-610MB-00XHE	3,926	990
Others - IT related including software	8,09,435	6,77,002
<b>Total</b>	<b>8,71,903</b>	<b>7,03,350</b>

## d) Particulars of Closing Stock

(Amount Rs '000)

Class of Goods	Value	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
IPC-510 chassis	4,687	1,367
UPOINT-1110	2	917
NUVO-5501	396	164
IPC-610MB-00XHE	1,575	1,442
Others - IT related including software	79,642	1,14,058
<b>Total</b>	<b>86,301</b>	<b>1,17,949</b>

## 26.8 Trade Payable

(Amount Rs '000)

Sr.No.	Particulars	AS ON 31 MARCH 2023				
		Outstanding for following periods from due date of payments				
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
1	(i) MSME	1,496	0	0	0	1,496
2	(ii) Others	21,418	212	0	26,221	47,850
3	(iii) Disputed Dues - MSME	0	0	0	0	0
4	(iv) Disputed Dues - Others	0	0	0	0	0
5	(v) Unbilled	0	0	0	0	0
	<b>TOTAL</b>	<b>22,914</b>	<b>212</b>	<b>0</b>	<b>26,221</b>	<b>49,347</b>

## 26.9 Trade Receivable

(Amount Rs '000)

Sr.No.	Particulars	AS ON 31 MARCH 2023				
		Outstanding for following periods from due date of payments				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables - considered good	1,08,929	649	11,837	18,393	1,99,808
	<b>TOTAL</b>	<b>1,08,929</b>	<b>649</b>	<b>11,837</b>	<b>18,393</b>	<b>1,99,808</b>



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26.10 Remuneration to Directors

(Amount Rs '000)

Particulars	31 <sup>st</sup> March 23	31 <sup>st</sup> March 22
Remuneration Including bonus	17,598	13,956
<b>Total</b>	<b>17,598</b>	<b>13,956</b>

26.11 Earning / Expenses in Foreign Currency of Indian Operations are as follows:  
(For Indian Operations Only)

(Amount Rs '000)

Particulars	Current Year	Previous Year
<b>Expenses</b>		
Overseas Traveling	2,453	139
CIF Value of Import	4,16,031	3,45,926
Freight charges paid	14,449	12,235

26.12 Bank Facility:

The company enjoys over all limit of Rs. 35.84 Crores. (for P.Y. Rs.31.09 Crore) Mainly bifurcating in CC; BG; SBBC and LC. Details of the same is as follows:

(Amount Rs '000)

Particulars	Amount as on 31.3.23	Amount as on 31.3.22
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	2,00,000	1,82,500
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	1,58,439	1,28,439
<b>Total</b>	<b>3,58,439</b>	<b>3,10,939</b>

- i) The credit Facility is secured by first charged on Stock & Book Debts.  
ii) The list Second pari passu charge with following properties as listed belows:

Sr.No	Description
1	COMMERCIAL PROPERTY UNIT 109, HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES AMRUT NAGAR, OFF LBS ROAD, GHATKOPAR WEST, MUMBAI-400 086
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD G WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX-400 079
4	COMMERCIAL PROPERTY NEW UNIT NO.203VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
6	COMMERCIAL PROPERTY UNIT NO. 303,VIKHROLI PARK COMMERCIAL-OFFICESITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079(OLD UNIT NO.302), 3RD FLOOR, G WING

- i) In addition to the above , promoters and Directors of the company are guaranters in Personal capacity.



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26.13 Related Party transaction

Sr.No	Particulars	Name
1	Key Management Personnel	Akshay Shivaji Adhalrao
		Madhuri Akshay Adhalrao
		Apurva Shivaji Adhalrao
		Natalie Apurva Adhalrao
		KALPANA SHIVAJI ADHALRAO
2	Relative of Key management Personnel	Shivaji D. Adhalrao
		Shivaji Adhalrao (HUF)
		Dynalog International
		Elmatronic Devices Inc.
3	Details of Subsidiaries	Dynalog Microsystems
		Dynalog Technologies Private Limited
		Paramount Mechanics Pvt Ltd
		Dynalog Didactics Pvt. Ltd.
		Semi Conductor Junction , USA

(Amount Rs '000)				
Description of nature of transaction	Description of relationship	Related party	31st March 2023	31st March 2022
Director Remuneration, Bonus, And Medical Insurance	Key management Personnel - MD	Akshay Adhalrao	9,124	5,820
Director Sitting Fees	Key management Personnel - MD	Akshay Adhalrao	80	0
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	2,321	2,256
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	80	0
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel - CFO	Madhuri Adhalrao	3,220	3,060
Director Sitting Fees	Key management Personnel - CFO	Madhuri Adhalrao	80	0
Directors' Remuneration, Bonus, And Medical Insurance	Director	Natalie Adhalrao	1,049	1,020
Director Sitting Fees	Director	Natalie Adhalrao	40	0
Salary and bonus and medical Insurance,	Director	Kalpna Adhalrao	1,884	1,800
Director Sitting Fees	Director	Kalpna Adhalrao	40	0
Rent	Director	Kalpna Adhalrao	1,296	944
Rent	Father of Director	Shivaji D. Adhalrao	4,680	3,067
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	1,667	1,130
Loans & advances given during the year	Group Company	Dynalog Didactics Pvt. Ltd.	1	30
Advance to supplier at the end of the year	Subsidiary Company	Paramount Mechanics Pvt. Ltd.	45,620	42,415
Purchases	Group Company	Paramount Mechanics Pvt. Ltd.	1,386	6,292
Purchases Services	Group Company	Paramount Mechanics Pvt. Ltd.	9	
Purchases	Group Company	Semi Conductor Junction , USA	14,928	13,656



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Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	493	584
Loans & advances of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	2,091	2,091
Loans & advances of Closing Balance	Group Company	Paramount Mechanics Pvt Ltd.	1,192	1,093
Advance to Supplier of Closing Balance	Director has significant influence	DYNALOG MICRO-SYSTEM A/C	43,756	43,264
Loans & advances of Closing Balance	Group Company	Dynalog Didactics Pvt. Ltd.	14,013	13,913
Loans & advances of Closing Balance	Promoter has significant influence	DYNALOG INTERNATIONAL A/C	1,077	1,077
Advance to Supplier	Director has significant influence	Elmatronic Devices Inc.	460	460
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	1,724	1,724
Advance to Supplier	Group Company	Semi Conductor Junction , USA	0	1,762
Trade Payable	Group Company	Semi Conductor Junction , USA	0	8,795
Sales	Group Company	Dynalog International	0	388
Loan Repaid to director during the year	Director	Akshay Adhalrao	16,475	22,599
Loan received from director during the year	Director	Akshay Adhalrao	14,032	4,562
Loan Repaid to director during the year	Director	Madhuri Adhalrao	884	633
Loan received from director during the year	Director	Madhuri Adhalrao	374	436
Loan Repaid to director during the year	Director	Kalpana Adhalrao	5,327	6,297
Loan received from director during the year	Director	Kalpana Adhalrao	1,610	8,622
Loan Repaid to director during the year	Director	Apurva Adhalrao	3,731	18,118
Loan received from director during the year	Director	Apurva Adhalrao	500	21,872
Unsecured Loans at the year end from Director	Director	Madhuri Adhalrao	52	562
Unsecured Loans at the year end from Director	Director	Apurva Adhalrao	98	3,231
Unsecured Loans at the year end from Director	Director	Kalpana Adhalrao	49	3,717
Unsecured Loans at the year end from Director	Director	Akshay Adhalrao	48	2,611

**26.14 Earning Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders.

(Amount Rs '000)

Particulars	Current Year	Previous Year
Number of equity shares are the beginning of the year	402	400
Shares issued during the year	0	2
Total number of equity shares outstanding at the year end	402	402
Weighted average number of equity shares Outstanding during the year	402	400
Profit after Tax	20,397	3,532
Basic Earning per share (Rs.)	0	0
Diluted Earning per share (Rs.)	0	0
Face value per share (Rs.)	0	0



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26.15 Contingent Liability for the year ended 31st March, 2023 has been as follows:

Particulars	(Amount Rs '000)	
	31/03/2023	31/03/2022
Bank Guarantees issued by company	35,269	52,997
Vat Appeals case for FY 2014-15	4,348	8,400
Foreign LC outstanding as on	5,381	58,089
Income Tax Appeal for AY 2018-19 and 2020-21	0	1,900
GST for FY 2018-19 (karnataka)	361	0
LBT for FY 2008-09 to FY 2016-17	2,000	0
Total	47,359	1,21,386

26.16 Deferred Tax Liability

Working for Deferred Tax Liability/ (Assets) is provided as follows:

Particulars	(Amount Rs '000)		
	As at 31st March, 2022	Current year changes	As at 31st March, 2023
Difference between Book & Tax Depreciation on Fixed Assets	2,962	-1,213	1,750

26.17 As far as Direction note on carrying out the re-examined AS-15, Gave by the Company the Gratuity trust set-up by the organization is treated as characterized benefit plan. The employee strength as on 31.03.2023 was 139. The The estimated liability as per Life Insurance Company comes to Rs. 1,30,68,997. The gratuity fund balance with LIC is Rs. 1,02,72,411 (includes contributed of Rs. 70,37,600 in FY 22-23 against Rs. 9,00,000 in FY 21-22). The existing policy has been freezed by the Government, new policy is in place at the period ending 31st March 2023. The company has created provision of Rs. 28,00,000 which will be paid subsequently. The new policy along with existing LIC Policy are in compliance with the requirements of AS -15 "Accounting for employee benefits".

26.18 Impairment of assets:

Pursuant to AS -28 "Impairment of assets", the company has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.

26.19 Dividend

The Company has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

26.20 The company is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material. Hence consumption of raw material could not be provided.

26.21 The company is registered as small scale industries units vide registration no. 11-07- 27145-PMT-SSI dated 24/11/1993.



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26.22 The Company is also registered as Medium scale enterprises under UDYAM vide registration no. UDYAM-MH-18-0010318.

26.23 In the absence of information from supplier as to their status, the company does not possess a list of small scale industries. It is therefore not possible to determine the amount due to small scale industries as is required to be disclosed vide notification no. GSR no. 129 (E) dated 22.02.1999. except as provided in the books to the extent information obtained from supplier.

26.24 As the company's activity falls within a single primary business segment, the segment information is not provided.

26.25 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.

26.26 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

AS PER OUR REPORT OF EVEN DATE

KAGRANA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W

*P. B. Dholakia*

(Pritesh B. Dholakia)  
PARTNER  
Membership No: 140041  
PLACE: Mumbai

DATE: \_\_\_\_\_  
UDIN: 29 AUG 2023



FOR DYNALOG (INDIA) LIMITED

*Akshay Adhalrao*

Akshay Adhalrao  
Managing Director  
Din No: 00314926  
PLACE: Mumbai

DATE: 29 AUG 2023

*Madhuri Adhalrao*

Madhuri Adhalrao  
CFO  
Din No. 00315018  
PLACE: Mumbai

DATE: 29 AUG 2023

**Dynalog India Limited**  
**Notes to Financial Statements for the Year ended 31 March 2022**

**Note No. 27 -**

Ratios:-	Numerator	Denominator	Denomination	March 21, 2023	March 21, 2022	% of Change	Reason for change in Ratio by More than 25%
(i) Current Ratio = Current Asset / Current Liability	Current Asset = Inventories + Trade receivables + Cash and cash equivalents + Short Term Loans and Advances	Current Liability = Short Term Borrowing + Trade Payable + Other Current Liabilities	Number	2.22	1.87	18.99	Refer Note 27.1
(ii) Debt-Equity Ratio = (Debt / Equity)	Total Debt = Long term borrowings + Short Term Borrowings	shareholder equity = Equity attributable to Equity Holder	%	14.82	28.42	(47.85)	Refer Note 27.2
(iii) Debt Service Coverage Ratio = Earnings available for service of Debt / Interest + Principal	Earnings available for service of Debt = Earning before Interest, Depreciation and Tax	Interest + Principal = Interest Expenses on borrowing and principal amount of borrowing due during the year	Number	0.37	0.15	150.96	Refer Note 27.3
(iv) Return on Equity Ratio = Net Profit after tax Less Preference Divident (if any) / Average shareholder's Equity	Net Profit after tax Less Preference Divident = Profit / (Loss) for the year attributable to equity holder of capital	Average shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity) / 2	%	6.02	1.28	371.61	Refer Note 27.4
(v) Inventory Turnover Ratio = Cost of Goods sold / Average Inventory	Cost of Goods sold = Purchase + Manufacturing Exp + Change in Inventory	Average Inventory = (Inventory at the begning of the year + Inventory at the End of the year) / 2	Number	5.86	3.82	53.28	Refer Note 27.5
(vi) Trade Receivables Turnover Ratio = Revenue from Operation / Average Trade Receivables	Revenue from Operation	Average Trade Receivables = (Receivable at the begning of the year + Receivable at the End of the year) / 2	Number	4.16	3.74	11.12	Refer Note 27.6
(vii) Trade Payables Turnover Ratio = Purchase / Average Trade Payable	Purchase = Total Other Expenses	Average Trade Payables = (Payable at the begning of the year + Payable at the End of the year) / 2	Number	11.54	7.61	51.51	Refer Note 27.7
(viii) Net Capital Turnover Ratio = Revenue from Operation / Capital Employed	Revenue from Operation	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on avgrage)	Number	1.60	1.50	6.70	Refer Note 27.8



*J. Ashg*

*BR*

*BR*

Dynalog India Limited							
Notes to Financial Statements for the Year ended 31 March 2022							
(ix) Net Profit Ratio = Net Profit after tax / Revenue from Operation	Net Profit after tax	Revenue from Operation	%	2.34	0.50	365.90	Refer Note 27.9
(x) Return on Capital Employed = Profit Before Interest and Tax / Capital Employed	Profit Before Interest and Tax	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on average)	%	9.36	7.24	29.41	Refer Note 27.10
(xi) Return on Investment = Net Profit after tax / Average Total Asset	Net Profit after tax	Average Total Asset = (Opening Total Asset / Closing Total Asset) / 2	%	0.03	0.01	475.84	Refer Note 27.11

**Notes:-Reason for Change in Ratio by more than 25%**

- (27.1) - There is no significant percentage change in Current Ratios.
- (27.2) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year, so there is significant percentage change in Debt Equity Ratios.
- (27.3) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year
- (27.4) - Due to increase in profits in the current year as compare to previous year, so there is significant percentage change in Return on equity.
- (27.5) - There is increase in turnover as compare to previous year but there has been a significant increase in cost of goods sold; due to which there has been a significant change in percentage.
- (27.6) - There is no significant percentage change in Trade Receivables Turnover Ratio.
- (27.7) - Due Increase in Trade Payale in Current year, there has been change in Trade Payables Turnover Ratio
- (27.8) - There is no significant change in Net Capital Turnover Ratio.
- (27.9) - Due to increase in Net profit, there has been a significant changes in Net Profit Ratio.
- (27.10) - Due to increase in Net profit, there has been a significant changes in Return on Capital Employed Ratio.
- (27.11) - Due to increase in Net profit, there has been a significant changes in Return on Investment Ratio.

As per our Report of even date attached

**For Kagrana & Associates**

Chartered Accountants  
Firm Registration No: 115467W

*P. B Dholakia*

Pritesh B Dholakia

Partner

Membership No : 140041

UDIN :- 23140041BQVEPL4239

Place :- Mumbai

Date :-



**For Dynalog India Limited**

*Akshay Adhalrao*

Akshay Adhalrao  
Managing Director  
DIN:00314926

Mumbai  
Date :-

*Jyotsna Kashid*

Jyotsna Kashid  
Company Secretary  
Membership No : A27310

*Madhuri Adhalrao*

Madhuri Adhalrao  
Chief Finance Officer  
DIN: 00315018

Mumbai  
Date :-

*Apurva Adhalrao*

Apurva Adhalrao  
Director  
DIN: 01239063



## Kagrana & Associates

Chartered Accountants

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### INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of **DYNALOG (INDIA) LIMITED**

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of **DYNALOG (INDIA) LIMITED** (the Company and its subsidiary referred to as "the Group"), which comprise the Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information. **The Holding company has one Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which we have not been audited by us and other relevant records produced before us and information and explanation furnished to us.**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required **except 3(c) and 3(d) below ready with Matter of Emphasis below** give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023; its **profit**, its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Matter of Emphasis

**Foreign subsidiary Semi conductor Junction, USA USA for which accounts are incorporated as prepared and certified by the management which we have not been audited by us. Further Trial balance of Foreign Subsidiary is converted into Rupees by using exchange rate prevailing at a year-end for Balance sheet items.**





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*We did not audit the financial statements of Semi conductor Junction, USA foreign subsidiary, whose financial statements reflects total assets of Rs.1,89,83,920/- and net assets of Rs.57,57,413/- as at 31st March 2023, total revenues of Rs.3,01,84,379/- and net cash inflow amounting to Rs.59,91,147/- for the year ended on that date, are considered in the consolidated financial statements.*

*Further, of this subsidiary, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been self-certified by the management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. In our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the conversion adjustments prepared by the management of the Holding Company.*

*we draw attention to the fact that the Subsidiaries Companies Paramount Mechanics private limited and Dynalog Didactic Solutions private limited has incurred a net cash loss during the current and previous years and the company's current liability exceeds its current assets as at balance sheet date. These condition along with other matter indicate the material uncertainty that may cast significant doubt about company's ability to continue as a going concern as specified in AS-1 "Disclosure in Accounting Policies".*

*Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.*

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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





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### Responsibility of Management for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated 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





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override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

### Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2023 and covered under the Act we report that:





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following is the qualification remark reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date:

S.No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Paramount Mechanics Private Limited	U31200MH2004PTC147900	Subsidiary	Clause vii(b), xvii and xix
2	Dynalog Didactic solutions Private Limited	U80904PN2014PTC153446	Subsidiary	Clause xvii and xix

2. As required by 197(16) of the Act based on our audits and referred to in paragraph Matter of emphasis, on separate financial statements of a subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid and provided remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that two Subsidiaries Company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiaries company.
3. 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;





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- **Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;**

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

**-Decline in the value of the investment in the 100% foreign subsidiary Semi Conductor Junction , USA and Indian Subsidiaries Dynalog Didactics Pvt. Ltd. and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, In view of the management, the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.**

**- We draw attention to the fact that the Subsidiaries Company Paramount Mechanics private limited and Dynalog Didactic Solutions private limited has incurred a net cash loss during the current and previous years and the company's current liability exceeds its current assets as at balance sheet date. These condition along with other matter indicate the material uncertainty that may cast significant doubt about company's ability to continue as a going concern as specified in AS-1 "Disclosure in Accounting Policies".**

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial Information of subsidiary incorporated in India whose financial statements have been audited under the Act:
- The Group Company does not have any pending litigations which would impact its financial position;
  - The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;





## Kagrana & Associates

Chartered Accountants

304, Shelaka, Juhu Road, Santacruz (W), Mumbai - 400 054.  
Tel : 2649 4000, 2648 3000, 2646 3592 • (M) 98190 87040 • E-mail : info@kagrana.in

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The respective managements of the holding company and its subsidiary Companies, Incorporated in India whose financial statement have been audited under the Act has represented to us, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.  
  
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and  
  
(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The company has declared divided for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)

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Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS),

executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2023.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year

For **Kagrana & Associates**  
Chartered Accountants  
Firm Registration No. 115467W

*P. B. Dholakia*

**Pritesh B. Dholakia**

Partner

Membership Number: 140041

Place of Signature: Mumbai

Date: 29/08/2023

UDIN No.: 23140041BGUEPM6914





## Kagrana & Associates

Chartered Accountants

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### Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **DYNALOG (INDIA) LIMITED** ("The Holding Indian Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date. ***The Holding company has one Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which we have not been audited by us and other relevant records produced before us and information and explanation furnished to us.***

#### 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal





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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)

## **Kagrana & Associates**

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Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAGRANA & ASSOCIATES**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh Dholakia**

Partner

Membership No: 140041

PLACE: MUMBAI

DATE: 29/08/2023

UDIN: 23140041BGUEPM6914



**DYNALOG INDIA LIMITED**

Consolidated Balance Sheet as at March 31, 2023

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

(Amount Rs '000)

Particulars	Note No.	As at	As at
		March 31, 2023	March 31, 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	1,39,918	1,39,918
(b) Reserves and surplus	2	1,22,289	98,994
		<b>2,62,207</b>	<b>2,38,911</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	60,366	1,00,779
(b) Deferred tax liabilities (Net)	4	1,750	2,787
(c) Long Term Provision	5	1,771	1,797
		<b>63,887</b>	<b>1,05,363</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	91,224	1,77,039
(b) Trade payables	7	50,235	98,621
(c) Other current liabilities	8	72,641	44,933
(c) Short Term Provision	9	4,740	277
		<b>2,18,840</b>	<b>3,20,869</b>
<b>TOTAL</b>		<b>5,44,933</b>	<b>6,65,143</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	1,26,693	1,29,625
(b) Non-current investments	11	2,249	1,316
(c) Goodwill on consolidation	12	0	100
(d) Minority Interest	13	692	674
(e) Long Term Loans and Advance	14	25	425
		<b>1,29,659</b>	<b>1,32,141</b>
<b>Current Assets</b>			
(a) Inventories	15	93,491	1,20,813
(b) Trade receivables	16	2,00,702	2,25,420
(c) Cash and Bank Balances	17	55,415	1,30,236
(d) Short-term loans and advances	18	65,667	56,534
		<b>4,15,274</b>	<b>5,33,003</b>
<b>TOTAL</b>		<b>5,44,933</b>	<b>6,65,143</b>
See accompanying notes to the financial statements		28 to 29	

This is the Balance Sheet referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*  
Pritesh B Dholakia

Partner

Membership No: 140041

Place: Mumbai

Dated: **29 AUG 2023**

UDIN:

**UDIN: 23140041BQU EPM6914**



For and on behalf of board of directors of  
Dynalog (India) Limited

*Akshay Adhalrao*  
Akshay Adhalrao

Managing Director  
DIN: 00314926

*Jyotsna Kashid*  
Jyotsna Kashid  
Company Secretary  
Membership No: A27310

**29 AUG 2023**

*Madhuri Adhalrao*

Madhuri Adhalrao  
Director & Chief  
Financial Officer  
DIN: 00315018

*Aarva Adhalrao*  
Aarva Adhalrao  
Director  
DIN: 01239063

**DYNALOG INDIA LIMITED**

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

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

Particulars	Note No.	(Amount Rs '000)	
		Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Operations	19	8,87,438	7,15,594
Other Income	20	9,462	8,404
<b>Total Revenue</b>		<b>8,96,900</b>	<b>7,23,998</b>
Purchase			
Change in Inventory	21	5,37,375	4,37,291
Direct Expenses	22	27,322	23,235
Employee Benefit Expenses	23	36,127	33,938
Finance Costs	24	1,25,752	1,01,934
Depreciation and Amortization Expense	25	23,401	24,738
Other Expenses	10	8,795	8,875
Selling & Distribution Expenses	26	76,603	57,254
<b>Total Expenses</b>	27	<b>29,821</b>	<b>28,334</b>
<b>Profit Before Tax</b>		<b>8,65,196</b>	<b>7,15,598</b>
		<b>31,704</b>	<b>8,400</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2022-23		-8,565	
- Income tax Provision for FY 2021-22			-3,027
- Income tax P&L Provision (Short) FY 2020-21		-744	
- Income tax P&L Provision (Short) FY 2021-22		-238	
(2) Deferred Tax (liabilities)/Assets		1,038	-2,738
(3) Minority Interest		17	676
<b>Profit for the year carried forward to Surplus</b>		<b>23,213</b>	<b>3,311</b>
Earnings Per Equity Share			
(1) Basic		In Rs 5.80	In Rs 0.83
(2) Diluted		1.66	0.83
See accompanying notes to the financial statements	28 to 29		

Notes referred to above form an integral part of Profit and Loss account

This is the Profit and Loss Account referred to in our report of even date.

For Kagrana & Associates

Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*  
Pritesh B Dholakia

Partner  
Membership No : 140041

Place Mumbai

Dated: **29 AUG 2023**  
UDIN: 23140041B6V EPM6914



For and on behalf of board of directors of  
Dynalog (India) Limited

*A. Kashid*  
Akshay Adhalrao

Managing Director  
DIN:00314926

*Jyotsna Kashid*  
Jyotsna Kashid  
Company Secretary  
Membership No : A27310

*M. Dholakia*

Madhuri Adhalrao  
Director & Chief  
Financial Officer  
DIN: 00315018

Apurva Adhalrao  
Director  
DIN: 01239063

Particulars	(Amount Rs '000)	
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	31,704	8,400
Adjustments for :		
Depreciation		
Foreign exchange loss	8,795	8,875
Loss on sale of Investment	8,825	1,959
Long Term Provision	154	
Writeoff of Fixed Assets	-26	1,797
Interest Income	104	
Interest Expenses	-9,281	-8,404
Dividend Received	23,401	24,738
Operating Profits Before Working Capital Changes :	61,373	37,364
(Increase) / Decrease in Inventories		
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	27,322	23,078
(Increase) / Decrease in Loans & Advances (including current and non current)	24,718	-63,949
Increase / (Decrease) in Trade Payables & Other Current Liabilities	-9,133	9,688
	-27,312	422
Cash Generated from Operations	76,968	6,582
Direct Taxes Paid (net of refund)	5,085	5,955
Net Cash Flow from / (used) Operating Activities:	0	0
	71,884	827
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets		
Sale of Fixed Assets	-8,747	-4,687
Increase/ (Decrease) in Security Deposit	779	47
Dividend Received	400	
Interest Received	103	
Purchase of Investments	9,281	8,404
Net Cash Flow from / (used) in Investment Activities :	-933	170
	2,884	3,954
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital		
Security Premium	0	99,918
Increase / (Decrease) in Secured Loan (Short term and long term)	0	82
Increase / (Decrease) in Foreign Currency Translation Reserve	-1,26,281	26,365
Finance Expenses	93	
Net Cash Flow from / (used) in Financing Activities :	-23,401	-24,738
	-1,49,589	1,01,626
Net Increase/(Decrease) in Cash and Cash Equivalents :		
	-74,821	1,06,207
Cash & Cash Equivalents at Opening		
Cash & Cash Equivalents at Closing	1,30,236	24,029
Net Increase/(Decrease) in Cash and Cash Equivalents :	55,415	1,30,236
	-74,821	1,06,207

(For closing Cash and Cash Equivalents and others Refer Note 17)

As per our report of even date

Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W  
 P. B. Dholakia  
 Pritesh B Dholakia  
 Partner



Membership No. : 140041  
 Place : Mumbai  
 Dated: 29 AUG 2023  
 UDIN: 23140541 B6102 PM 6114

For and on behalf of board of directors of  
 Dynalog (India) Limited

Akshay Adhalrao  
 Managing Director

DIN:00314826

Jyotsna Kashid  
 Company Secretary  
 Membership No :A27310

Madhuri Adhalrao

Madhuri Adhalrao  
 Director & Chief  
 Financial Officer  
 DIN: 00315018

Aburva Adhalrao  
 Director  
 DIN: 01239083

**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
40,02,000 Equity Shares of Rs. 10 each	40,020	40,020
18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	1,80,000	1,80,000
	<b>2,20,020</b>	<b>2,20,020</b>
<b>Issued, Subscribed and Paid up</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,018	40,018
9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	99,900	99,900
	<b>1,39,918</b>	<b>1,39,918</b>

(1.1) The Company has two class of shares referred to as equity shares & Optionable convertible preference shares, having a par value of Rs. 10/- and Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) - Pursuant to the approval of Board of Director in its meeting held on dated 12/02/2022 and approval of the shareholders in Extraordinary General Meeting held on dated 10/03/2022, authorised capital was increased to passing special resolution dated: 10/03/2022 the face value of equity shares of Rs.10 per share for 40,02,000 and Preference shares of Rs. 100 each for 18,00,000 were authorised and subsequently Additional 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund were issued.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2023 and March 31, 2022 is set below:-

Particulars	As at March 31, 2023	As at March 31, 2022
Number of Equity shares at the beginning	4,002	4,000
Add/less: Equity Shares issued/ buyback / redeemed during the year		2
Number of shares at the end	<b>4,002</b>	<b>4,002</b>

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2022 and March 31, 2021 is set below:-

Particulars	As at March 31, 2023	As at March 31, 2022
Number of Preference shares at the beginning	9,990	9,990
Add: Optionally Preference Shares issued during the year	0	0
Number of shares at the end	<b>9,990</b>	<b>9,990</b>

In Previous year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

Terms / rights attached to preference shares:

The Company has only one class of Optionally Convertible Preference Shares having a issued value of 100 per share. In the event of liquidation the following condition will prevail as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

a) Subject to the terms of SSHA, the Company and/ or the Promoters may, subject to Applicable Law and prior written consent of Investor buyback or purchase (as applicable) the OCPS held by the Investor, during the period on or before 48 (forty-eight) months and on or before 60 (sixty) months of the Transaction Date, at a price which shall provide the Investor an IRR of 20% (twenty percent) (annualized) and on such terms and conditions as may be determined by the Investor.

b) If the OCPS are not purchased by the Company and/ or Promoters on or prior to 60 (sixty) months of the Transaction Date in terms of point 2.1 SSHA, then the Investor shall, at its sole discretion, have a right (but not an obligation) to convert, the OCPS held by the Investor along with the accumulated dividend (as applicable), if any, into fully paid up Equity Shares as per agreed term SSHA..

(1.5) Shares held by each shareholder holding more than 5% shares



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*[Handwritten signature]*

*[Handwritten signature]*

Name of Shareholders	As at March 31, 2023		As at March 31, 2022	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
	Mr. Shivaji Adhalrao	44.59	1,784	44.59
Shivaji Adhalrao HJT	26.53	1,062	26.53	1,062
Kaipana Adhalrao	21.80	872	21.80	872
Apurva Adhalrao	6.63	265	6.63	265

(16) Shares held by each Promoter holding more than 5% shares

Name of Promoter	As at March 31, 2023		As at March 31, 2022	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
	Mr. Shivaji Adhalrao	44.59	1,784	44.59
Kaipana Adhalrao	21.80	872	21.80	872

**Note 2: Reserves and Surplus**

	As at March 31, 2023	As at March 31, 2022
<b>(a) Securities Premium</b>		
As per last Balance Sheet	82	0
Add: Addition during the year	0	82
	82	82
<b>(b) Foreign Currency Translation Reserve</b>		
As Per Last Balance Sheet	-7,243	-7,243
Add: Foreign Difference	93	
Add: Addition during the year	-7,150	-7,243
	-7,150	-7,243
<b>(c) Retained Earning</b>		
Short/Excess provision of Income Tax	1,08,154	1,03,124
Add: Addition during the year	0	-281
Less: Preference Dividend Payable	23,213	3,311
	-10	0
	1,29,357	1,06,154
	1,22,289	98,994

Notes  
a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.

**Note 3: Long-Term Borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
-Term Loan from Bank	49,684	62,027
- From Financial Institution	0	18,196
<b>Unsecured Loan</b>		
- From Directors	10,682	20,556
	60,366	1,00,779

( Note : for Details refer Note 28.9 of Notes to accounts)  
Working capital facilities are secured by :-  
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebits.  
(ii) Second pari passu charge with following properties as listed in the note no. 29.9  
(iii) Personal gurantee of All the Directors & Promoter of the company.

**Note 4: Deferred Tax Liabilities/(Assets) (Net)**

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability/(Assets)	1,750	2,787
	1,750	2,787

**Note 5: Long Term Provision**

	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefit	1,771	1,797
	1,771	1,797



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Liability is determined based on the independent valuer has calculated the said liability based on the information provided by the management at the year end by K A Pandit and associates (Privilege Leave Liability report)

**Note 6: Short-Term Borrowings**

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
- Cash Credit banks/ Credit Card	29,122	99,303
- Others	62,102	77,736
	<b>91,224</b>	<b>1,77,039</b>

Working capital Loan :Working capital facilities are secured by :-

- First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts.
- Second pari passu charge with following properties as listed in the note no. 29.9
- Personal gurantee of All the Directors & Promoter of the company
- Rs 3.11 Lakhs of loan is against first charge on the Vehicle Purchase (Thar Car).

**Note 7: Trade Payables**

	As at March 31, 2023	As at March 31, 2022
<b>Sundry Creditors</b>		
- <b>MSME</b>		
a) Less than 1 year	1,496	0
- <b>Other Creditors</b>		
a) Less than 1 year	21,916	68,001
b) 1-2 yrs	212	700
c) 2-3 yrs	0	0
d) More than 3 yrs	26,611	29,920
	<b>50,235</b>	<b>98,621</b>

Note :

Sundry creditors includes balance with related parties refer Note.28.10

**Note 8: Other Current Liabilities**

	As at March 31, 2023	As at March 31, 2022
<b>Other Payables</b>		
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)	12,657	9,315
- Advance Received From Customers	0	0
- Security Deposits	31,895	24,734
- Other Current Liability	3,295	3,195
	24,794	7,689
	<b>72,641</b>	<b>44,933</b>

Note:

a) Security Deposits received against Renting of immovable property

**Note 9: Short Term Provision**

	As at March 31, 2023	As at March 31, 2022
<b>Short Term provision</b>		
- Income Tax Provision (Net of TDS Receivable and Self assessment tax of Rs.38,25,382/-, Previous Year Rs.72,32,746/-)	4,740	277
	<b>4,740</b>	<b>277</b>

**Note 11: Non-Current Investments**

	As at March 31, 2023	As at March 31, 2022
<b>Investment in Equity Instruments ( Unquoted )</b>		
Cosmos Bank Shares	2,151	1,246
Share Money Lien	0	0
Sharad Sahakari Bank Shares	50	50
Bhairavnath Bank Share	28	0
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares	20	20
	<b>2,249</b>	<b>1,316</b>



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Note 12: Goodwill		As at March 31, 2023	As at March 31, 2022
Goodwill			
- Dynalog Technology Private Limited		-	100
<b>Total</b>		<b>-</b>	<b>100</b>
Note 13: Minority Interest		As at March 31, 2023	As at March 31, 2022
Minority Interest			
- Dynalog Didactic Solutions Private Limited		0	0
- Dynalog Technology Private Limited		235	233
-Paramount Mechanics Pvt Ltd		0	0
<b>Total</b>		<b>456</b>	<b>441</b>
		<b>692</b>	<b>674</b>
Note 14: Long-Term Loans and Advances		As at March 31, 2023	As at March 31, 2022
Security Deposits		25	425
		<b>25</b>	<b>425</b>
Note 15: Inventories		As at March 31, 2023	As at March 31, 2022
Closing Stock (Material in transit)			
a) Raw Material		7,190	2,864
b) Finished Goods		56,718	24,628
b) WIP ( Within 1 Yrs)		29,182	38,288
(As quantified, valued and certified by the Management)		402	55,033
		<b>93,491</b>	<b>1,20,813</b>
Note 16: Trade Receivables		As at March 31, 2023	As at March 31, 2022
Trade receivables – considered good			
- Less than 6 months		1,69,149	1,76,694
- 6 months – 1 year		654	3,112
-1-2 years		12,506	31,898
- 2-3 years		18,393	13,717
		<b>2,00,702</b>	<b>2,25,420</b>
Note Trade Receivable includes Trade receivable from related parties refer notes no. 29.10			
Note 17: Cash and Bank Balances		As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalent			
Balance with Banks		35,838	1,06,216
Cash on Hand		573	1,183
Others			
Balance with Banks			
- Margin Money Deposit		19,004	22,838
		<b>55,415</b>	<b>1,30,236</b>
Fixed deposits With Bank represent margin money against various facility availed.			
Note 18: Short-Term Loans, Advances & Other Current Assets		As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good			
- Advance to Supplier		4,274	3,458
- Advance to Supplier to Related Party		42,222	0
- Loans and Advances to Employees		675	425
- Loans and Advances to Related Party		4,361	39,440
- Loans and Advances to Others		232	1,202
- Accured Interest		0	0
- Advance Recoverable in cash or kind		1,654	1,446
- Security Deposits		12,250	10,563
		<b>65,667</b>	<b>56,534</b>



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DYNALOG INDIA LIMITED  
Annexures to the Profit and Loss Statement

(Amount Rs '000)

Note 19: Revenue From Operations	As at March 31, 2023	As at March 31, 2022
Local Sales	8,81,769	7,06,970
Service Sales	5,669	8,623
	<b>8,87,438</b>	<b>7,15,594</b>
<b>Note 20: Other Incomes</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Interest Income</b>		
- From Banks	1,528	1,233
Income (Others)	362	275
<b>Other Non-Operating Income</b>		
- Other Dividend Income	0	0
- Prior Period Income	7	0
- Other Income (Rent)	350	0
- Other Income	7,124	6,897
	91	0
	<b>9,462</b>	<b>8,404</b>
<b>Note 21 : Cost of Material Consumed</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Purchase of Traded Goods</b>		
Import Purchase	4,06,492	3,32,270
Local Purchase	1,30,883	1,05,020
	<b>5,37,375</b>	<b>4,37,291</b>
<b>Note 22 : Change in Inventory</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Opening Stock	1,20,813	1,44,048
Closing Stock	-93,491	-1,20,813
	<b>27,322</b>	<b>23,235</b>
<b>Note 23 : Direct Expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Clearing, forwarding charges & Custom Duty	992	2,213
Freight charges	14,942	13,185
Custom Duty	19,517	18,360
Other Charges	676	180
	<b>36,127</b>	<b>33,938</b>
<b>Note 24: Employee Benefit Expenses</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Salaries and Wages	96,368	89,309
Bonus	569	693
Performance Bonus	10,710	3,501
Leave Encashment	1,180	2,048
Staff Welfare Expenses	2,484	1,133
Contribution to P.F. and other funds	3,433	3,935
Late Payment of PF (FY 2018 to 2020)	0	162
Labour Welfare Fund	4	7
Contribution to Gratuity Fund	9,834	900
Medical Reimbursement	186	0
Director Seating Fees	360	0
Recruitment Charges	175	0
Diwali Gift	448	247
	<b>1,25,752</b>	<b>1,01,934</b>



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Note 25: Finance Costs	As at March 31, 2023	As at March 31, 2022
Interest Expense	19,605	19,598
Interest on Central Tax	191	583
Interest on Late payment of GST	0	61
Interest on Late payment of TDS	20	75
Interest on Late payment of PF	52	189
Interest on Late payment of Custom Duty	42	0
Other Bank charges	3,490	4,232
	<b>23,401</b>	<b>24,738</b>
Note 26: Other Expenses	As at March 31, 2023	As at March 31, 2022
Power and Fuel	5,896	5,167
Rent	15,472	12,508
Insurance	2,845	2,404
Rates and taxes (excluding taxes on income)	569	490
Auditors' Remuneration	0	0
- For Audit fees	385	340
Legal and Professional Charges	2,510	3,099
Communication Expenses	939	903
Repairs & Maintenance	2,279	4,068
Conveyance	3,252	4,817
Software Charges	2,186	2,869
Printing & Stationery	1,014	879
Office Expenses	2,179	2,105
Consultancy Charges	9,401	5,319
Computer	320	0
Membership & Subscription	722	234
Security Guard Expenses	1,113	1,236
Conference/ Exhibition Charges	3,448	437
Discount & Rebates	-40	327
Brokerage Charges	0	28
Medical Reimbursement	0	250
Postage & Courier	10	50
Registration Charges	276	1,369
Bad debts	0	0
Traveling Expenses - Local & Foreign	8,802	4,047
Loss on sale of investment	154	0
Hire Charges for Computers and Laptops	306	0
DONATION	300	0
Sundry Balance W/off	5	0
Society Maintenance	1,275	0
Prior Period Expense	0	195
State Income Tax	66	107
Sales Tax Dues Paid	1,121	610
Storage	334	311
Stamp Duty	85	361
Packing Supplies	22	15
Net gain or loss on foreign currency transaction	6,625	1,959
Internet Service charges	52	33
Meals & Entertainment	15	
Miscellaneous expense	2,668	716
	<b>76,603</b>	<b>57,254</b>
Note 27: Selling and Distribution Expenses	As at March 31, 2023	As at March 31, 2022
Business Promotion	2,265	4,224
Diwali Gift	27	285
Advertisement Expenses	3,061	701
Late Delivery Charges	11,817	16,104
Tender Fees	3,201	982
Commission paid	4,975	1,998
Freight Charges ( Sales)	4,475	4,040
	<b>29,821</b>	<b>28,334</b>




DYNALOG INDIA LIMITED

Annexures to the Balance Sheet as at March 31, 2023

Note 10 :- Property, Plant & Equipment & Intangible asset

Particulars	Gross Block			Depreciation/ Amortization			Net Block			
	Cost as at April 1, 2022	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2023	Upto April 1, 2022	For the period	Deletion/ Adjustment	Upto March 31, 2023	As at March 31, 2023	As at March 31, 2022
<b>Property, Plant &amp; Equipment</b>										
<b>INDIA</b>										
Furniture	45,301	5		45,305	29,039	1,238		30,277	15,028	16,262
Office Equipment	23,249	84		23,333	14,212	866		15,078	8,255	9,037
Office Equipment (Bangalore)	508	7		515	482	1		483	32	25
Computers	18,036	227		18,263	15,346	253		15,599	2,665	2,691
Motor Car	39,647	5,781		45,428	22,502	4,682		27,184	18,244	17,145
Electrical Fitting (Bangalore)	8,654	12		8,667	5,589	1,335		6,924	1,743	3,066
Plant and Machinery	1,092	190		1,282	425	141		566	717	668
Factory Premises (Vikhroli)	3,812			3,812	1,984	22		2,006	1,806	1,828
Office Premises (Bangalore)	26,592			26,592	20,381	125		20,506	6,085	6,211
Factory Premises (Pune)	62,755			62,755	7,563	0		7,563	55,193	55,193
Mobile Asset	15,773			15,773	0	0		0	15,773	15,773
	0	441		441	52	0		52	389	0
	0			0	0	0		0	0	0
<b>COMPUTER</b>										
COMPUTER SOFTWARE	417			417	411			411	6	6
ELECTRICAL INSTALLATION	515			515	508			508	7	7
<b>FURNITURE &amp; FIXTURE</b>										
OFFICE EQUIPMENT	518			518	353			353	165	165
	2,380			2,380	1,904			1,904	476	476
	606			606	496			496	111	111
<b>AIR CONDITIONER</b>										
COMPUTER/COMPUTER	102		102	0	68	3		0	0	34
ELECTRICAL INSTALLATION	1,316		1,316	0	1,228	17		0	0	87
<b>FURNITURE &amp; FIXTURE</b>										
OFFICE EQUIPMENT	134		134	0	129	0		0	0	5
PLANT & MACHINERY	55		55	0	53	0		0	0	2
PRINTER	12		12	0	10	0		0	0	2
WATER COOLER	5,539		5,539	0	4,900	58		4,958	0	640
	27		27	0	17	1		18	0	10
	9		9	0	8	0		8	0	1
<b>USA</b>										
Computer	182		-182	0	0			0	0	182
Furniture & Equipment	2,342			2,342	2,342			2,342	0	0
<b>Current Year</b>	<b>2,59,572</b>	<b>6,747</b>	<b>7,011</b>	<b>2,59,944</b>	<b>1,29,947</b>	<b>8,795</b>	<b>5,492</b>	<b>1,32,250</b>	<b>1,26,693</b>	<b>1,29,625</b>
<b>Previous Year</b>	<b>2,55,005</b>	<b>4,667</b>	<b>100</b>	<b>2,59,572</b>	<b>1,21,126</b>	<b>8,875</b>	<b>53</b>	<b>1,29,947</b>	<b>1,29,625</b>	<b>1,33,879</b>



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## DYNALOG (INDIA)LIMITED

Annexure to consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2023

Note No. 27 Significant accounting policies for the year ended 31<sup>st</sup> March, 2023

### 28.1 Company Overview

Dynalog (India) Limited(the "Parent Company" or the "Company") is Public Limited Company incorporated under the provision of Companies Act, 2013. The Dynalog and its Subsidiaries(together referred to as "the Group") is engage design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products.

### 28.2 Group Companies

Consolidated financial statements comprise the financial statements of Dynalog India Limited, and its subsidiaries (hereinafter referred together referred to as 'Group') which are listed below:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership(%) as at 31 <sup>st</sup> March 2023	Proportion of Ownership (%) as at 31 <sup>st</sup> March 2022
Dynalog Technology Private Limited	INDIA	NIL	99.98%
Dynalog Dydaditic Solution Private Limited	INDIA	99%	99%
Paramount Mechanics Pvt Ltd	INDIA	99%	99%
Semiconductor Junction Inc	USA	100%	100%

### 28.3 Basis of Preparation of Consolidated Financial Statement:

The Consolidated Financial Statements of the Group have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Group has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue. All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

### 28.4 Consolidation:

- The consolidated financial statements comprise of Dynalog (India) limited and its Subsidiary at Dynalog Didactic Solutions Private Limited, Paramount Mechanics Pvt Ltd and Semiconductor Junction Inc. USA.
- Consolidated Financial statements of the group have been prepared on a line by line basis by adding together the book value of Subsidiary company's like item of assets, liabilities, income and expenses after eliminating intra- group balances and unrealized profits / losses on intra group transactions.
- Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which we have not audited by us. Further Trial balance of Foreign Subsidiary is converted into rupees by using exchange rate prevailing at a year-end for Balance sheet items.



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## DYNALOG (INDIA)LIMITED

### 28.5 Inventory

Inventory is valued at cost or realizable value whichever is lower.

### 28.6 Revenue Recognition

Revenue, Income are recognized on the accrual basis

- a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.
- b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

### 28.7 Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

### 28.8 Depreciation

- a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.
- b) Depreciation on addition to Fixed Assets has been charged proportionately from the date of purchase or put to use.
- c) Impairments of assets  
The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

### 28.9 Foreign currency transactions

- a) Initial recognition:

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

- b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

- c) Exchange differences:

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.

### 28.10 Employee retirement Benefit

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.



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## DYNALOG (INDIA)LIMITED

### 28.11 Taxes on Income:

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

### 28.12 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirement of Schedule III, unless otherwise stated.

### 28.13 Contingent Liabilities & Provisions

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.

## Annexure to Financial Statement for the year ended 31<sup>st</sup> March, 2023

### Note No.28 Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2023

29.1 None of the supplier has informed the company that they are registered under Micro, Small and Medium enterprises Development Act, 2006.

### 29.2 Issue of additional Share Capital :

During the Previous year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

29.3 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

29.4 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

### 29.5 Investment in Wholly owned Subsidiary

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.



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## DYNALOG (INDIA)LIMITED

During the Previous financial year company has wide board resolution 18/06/2021 passed in the meeting has decided and invested in the following company in order to explore the business opportunity.

Sr No	Name of the Entity
1	Dynalog Dydaditic Solution Private limited
2	Paramount Mechanics Pvt Ltd.

### 29.6 Payment made to Auditor are as under:- (Rs in '000)

Particulars	Current Year	Previous Year
Audit fees	385	340
Total	385	340

### 29.7 Remuneration to Directors :- (Rs in '000)

Particulars	31 <sup>st</sup> March 23	31 <sup>st</sup> March 22
Remuneration Including bonus	17,598	13,956
Total	17,598	13,956

### 29.8 Earning / Expenses in Foreign Currency of Indian Operations are as follows: (For Indian Operations Only) (Rs in '000)

Particulars	Current Year	Previous Year
<b>Expenses</b>		
Overseas Traveling	2,452	139
CIF Value of Import	4,16,031	3,45,926
Freight charges paid	14,449	12,235

### 29.9 Bank Facility:

The Holding Company enjoys over all limit of Rs. 35.84 Crores. (for P.Y. Rs.31.09 Crore) Mainly bifurcating in CC; BG, SBBC and LC. Details of the same is as follows: (Rs in '000)

Particulars	Amount as on 31.3.23	Amount as on 31.3.22
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	2,00,000	1,82,500
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	1,58,439	1,28,439
Total	3,58,439	3,10,939

- The credit Facility is secured by first charged on Stock & Book Debts.
- The list Second Pari passu charge with following properties as listed below:

Sr. No	Description
1	COMMERCIAL PROPERTY UNIT 109,HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES, AMRUT NAGAR,OFF LBS ROAD, GHATKOPAR WEST,MUMBAI400086GHATKOPAR
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202VIKROLI COMMERCIAL-OFFICE PARK SITE ROADG WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079KAILASH



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**DYNALOG (INDIA)LIMITED**

3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079KAILASH
4	COMMERCIAL PROPERTY NEW UNIT NO.203VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
6	COMMERCIAL PROPERTY UNIT NO. 303,VIKHROLI PARK COMMERCIAL-OFFICE SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079(OLD UNIT NO.302), 3RD FLOOR, G WING

iii) Personal guarantee of Directors and promoters of the company.

**29.10 Related Party transaction**

Sr. No.	Particulars	Name
1.	Key Management Personnel	Akshay Shivaji Adhalrao Apurva Shivaji Adhalrao Madhuri Akshay Adhalrao Natalie Apurva Adhalrao KALPANA SHIVAJI ADHALRAO
2.	Relative of Key management Personnel	Shivaji D. Adhalrao Shivaji Adhalrao (HUF) Dynalog International Dynalog Microsystems Elmatronic Devices Inc.

(Rs in '000)

Description of nature of transaction	Description of relationship	Related party	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Director Remuneration, Bonus, And Medical insurance	Key management Personnel - MD	Akshay Adhalrao	9,123	5,820
Director Sitting Fees	Key management Personnel – MD	Akshay Adhalrao	80	



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**DYNALOG (INDIA)LIMITED**

Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	2,321	2,256
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	80	
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel – CFO	Madhuri Adhalrao	3,219	3,060
Director Sitting Fees	Key management Personnel – CFO	Madhuri Adhalrao	80	
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Netalie Adhalrao	1,049	1,020
Director Sitting Fees	Key management Personnel	Netalie Adhalrao	40	
Salary and bonus and medical Insurance;	Director	Kalpana Adhalrao	1,884	1,800
Director Sitting Fees	Director	Kalpana Adhalrao	40	
Rent	Director	Kalpana Adhalrao	1,296	943
Rent	Father of Director	Shivaji D. Adhalrao	4,680	3,067
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	1,666	1,129
Sales	Director has significant influence	Dynalog International	0	388
Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	492	583
Advance to Supplier of Closing Balance	Director has significant influence	Dynalog Microsystems	43,756	43,264
Advance to Supplier of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	459	459
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	1,724	1,724
Loan Repaid to director during the year	Director	Akshay Adhalrao	16,474	22,598
Loan Repaid to director during the year	Director	Madhuri Adhalrao	884	633
Loan Repaid to director during the year	Director	Kalpana Adhalrao	5,326	6,296
Loan Repaid to director during the year	Director	Apurva Adhalrao	3,730	18,118
Loan received from director	Director	Akshay Adhalrao	14,031	4,561



*(Handwritten signatures and initials)*

**DYNALOG (INDIA)LIMITED**

during the year				
Loan received from director during the year	Director	Madhuri Adhalrao	374	435
Loan received from director during the year	Director	Kalpana Adhalrao	1,609	8,621
Loan received from director during the year	Director	Apurva Adhalrao	500	21,871
Unsecured Loans at the year end	Director	Madhuri Adhalrao	51	561
Unsecured Loans at the year end	Director	Kalpana Adhalrao	98	3,230
Unsecured Loans at the year end	Director	Apurva Adhalrao	49	3,716
Unsecured Loans at the year end	Director	Akshay Adhalrao	48	2,611

**29.11 Earning Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders. (Rs in '000)

Particulars	Current Year	Previous Year
Number of equity shares are the beginning of the year	401	400
Shares issued during the year	0	1 (Rs in '000)
Total number of equity shares outstanding at the year end	401	401
<b>Weighted average number of equity shares Outstanding during the year</b>	<b>401</b>	<b>400</b>
Profit after Tax	23,195	2,634
Basic Earning per share (Rs.)	5.80	0.66
Diluted Earning per share (Rs.)	1.66	0.66
Face value per share (Rs.)	10	10

29.12 Contingent Liability for the year ended 31<sup>st</sup> March, 2023 has been as follows:

(Rs in '000)

Particulars	31/03/2023	31/03/2022
Bank Guarantees issued by company	35,268	52,996
Vat Appeals case for FY 2014-15	4,347	8,400
Foreign LC outstanding as on 31 <sup>st</sup> March	5,380	58,089
Income Tax Appeal for AY 2018-19 and 2020-21	0	1,900
GST for FY 2018-19 (karnataka)	361	0
LBT for FY 2008-09 to FY 2016-17	2,000	
<b>Total</b>	<b>47,358</b>	<b>1,21,385</b>

**29.13 Deferred Tax Liability**

Working for Deferred Tax Liability/ (Assets) is provided as follows: (Rs in '000)

Particulars	As at 31 <sup>st</sup> March, 2022	Current year changes	As at 31 <sup>st</sup> March, 2023
Difference between Book & Tax Depreciation on Fixed Assets	2,787	(1,037)	1,749



Handwritten signatures and initials in blue ink.

**DYNALOG (INDIA)LIMITED**

- 29.14 In Terms of Guidance note on implementing the revised AS-15, Issued by the Accounting standard board of Institute of Chartered Accountant of India, the gratuity trust set-up by the company is treated as defined benefit plan. The Company has funded its gratuity obligation under group gratuity policy managed by LIC. The company has paid Rs. 70,37,600/- as against Rs. 9,00,000/- In the previous year as additional contribution during the year. except for few employees could not be covered under the existing LIC policy, and for which management has purchased separate policy from the LIC but the same will be effective from 1.4.2023. The said new policy along with existing LIC Policy put together comply with the requirements of AS -15 "Accounting for employee benefits".
- 29.15 **Impairment of assets:**  
Pursuant to AS -28 "Impairment of assets", the Group has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.
- 29.16 **Dividend**  
The Group has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).
- 29.17 The Group is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material, consumption of raw material are provided to the extent possible.
- 29.18 **Segment Information**  
As the Group activity falls within a single primary business segment, the segment information is not provided.
- 29.19 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.
- 29.20 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

**AS PER OUR REPORT OF EVEN DATE**

**KAGRANA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W

FOR DYNALOG (INDIA) LIMITED

*P. B. Dholakia*  
(Pritesh B. Dholakia)  
PATNER  
Membership No: 140041



*Akshay Adhalrao*  
Akshay Adhalrao  
MANAGING DIRECTOR  
DIN: 00314926

*Madhuri Adhalrao*  
Madhuri Adhalrao  
CFO  
DIN: 00315018

PLACE: Mumbai

DATE: 29 AUG 2023

PLACE: Mumbai

DATE: 29 AUG 2023

UDIN: 23140041B6VDEPM6914



## Kagrana & Associates

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### INDEPENDENT AUDITOR'S REPORT

To the Members of **Dynalog (India) Limited**

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of **DYNALOG (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31 2024, the Standalone Statement of Profit and Loss, the standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required **except 2(c) and 2(d) below** and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its **profit**, its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

#### Information Other than the standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.





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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.

### **Responsibility of Management for the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

in preparing the Standalone 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 management 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.

### **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

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





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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the standalone financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account except for

***Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;***





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- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- *Decline in the value of the investment in the 100% foreign subsidiary Semi Conductor Junction, USA and Indian Subsidiaries - Tech structure solutions Private Limited (Formally known as : Dynalog Didactics Pvt. Ltd.) and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, In view of the management, the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent as per management it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.*
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read With Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (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 securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate





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- Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2024 which has a feature of recording audit trail (edit log) facility. Further, to the best of our knowledge during the course of our audit we did not come across any instances of the audit trail feature being tampered with.
- vi. The company has declared dividend for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2024.

For Kagrana & Associates  
Chartered Accountants  
Firm Registration No. 115467W



Pritesh B Dholakia  
Partner

Membership Number: 140041

Place of Signature: Mumbai

Date: 16/09/2024

UDIN : 24140041BKDZPZ7424





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### Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2024, we report that:

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right of use assets.  
B. The company does not have any intangible assets.
- (b) The Property, plant and equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company holds immovable properties in its name and the title deeds of the same have been verified.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year. Accordingly, the clause 3(i)(d) of the order is not applicable.
- (e) As per Information, Explanation provided by the management and to the best of our knowledge no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) As per the information and explanation given to us, the management has carried out the physical verification of inventory at the reasonable intervals during the year.
- (b) According to the information and explanation given to us, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets as disclosed in Note 26.11. In our opinion and according to information and explanations given to us, the quarterly returns or statements





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filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees and companies and made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms, limited liability partnership or any other parties.

Particulars of investment	Amount in (Rs.)
<b>Aggregate Amount granted / Provided during the year</b>	
- Investment in Mutual Fund	72,00,000
<b>Balance outstanding as at 31<sup>st</sup> March 2024 in respect of above cases</b>	
<b>Subsidiary Companies</b>	
Semiconductor Junction Inc. USA	2,35,63,785
Paramount Mechanics Pvt. Ltd.	99,000
Techstructure Solutions private Limited	99,000
<b>Others</b>	
- Investment in unquoted equity	21,56,200
- Investment in Mutual Fund	72,00,000

- a) As per Information and explanation given to us, The Company has given advances to the following parties covered under section 189 of the companies Act 2013. The same being advance for the business transaction i.e. Advance for purchase/ services hence no interest is charged.

Particulars of Advances	Amount in (Rs.)
<b>Aggregate Amount granted / Provided during the year</b>	
- Tech structure solutions Private Limited (Formally	





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known as : Dynalog Didactics Pvt. Ltd.)	1,00,08,000
<b>Balance outstanding as at 31<sup>st</sup> March 2024 in respect of above cases</b>	
<b>Subsidiary Companies</b>	
- Tech structure solutions Private Limited (Formally known as : Dynalog Didactics Pvt. Ltd.)	2,40,21,033 433,068
Paramount Mechanics Pvt. Ltd.	4,33,52,646
Paramount Mechanics Pvt. Ltd. (advances for supplies)	
<b>Related Parties</b>	
Elmatronic Devices Inc.	20,91,420
Dynalog Micro System A/c (Advance for supplies)	37,83,033

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the receipts have been regular **except for Rs. 2.45 crore advance granted to two subsidiaries company. However, management has clarified that such amounts are granted with specific intention and for the development of business.**
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given **except in case of two wholly-owned subsidiaries India as reported in para iii(c) above.** Further, the Company has not given any advances in the nature of loans to any party during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.





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- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made and loans given. The Company has not provided security or guarantees as specified under section 186 of the Companies Act, 2013.
- v. To the best of our knowledge and belief and according to the information and explanation given to us the company has not accepted any deposit as per provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under. Further as informed to us the company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The Central Government has not prescribed the maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the activities of the company.
- vii. (a) According to the records of the Company, the company is regular in depositing undisputed statutory dues including Custom duty, GST, Income tax, custom duty and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2024 for a period of more than six months from the day they become payable.
- (b) According to the information and explanations given to us, there are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, or other statutory dues which have not been deposited by the Company on account of any dispute except for the following:

Name of the statute	Nature of the dues	Amount	Period to which the amount	Forum where the dispute is pending





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			relates	
The Income Tax Act 1961	Income Tax	21,06,637	AY 2009-10, 2010-11, 2018-19, 2019-20	CPC

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to banks, financial institutions, etc. Also, the Company does not have any outstanding debentures during the year.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company; including representation received from the management of the Company, during the year; the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company; including representation received from the management of the Company, during the year; the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.





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- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the order is not applicable.
- xi. (a) According to the information and explanations given to us, 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 us, no report under sub-section (12) of section 143 of the Companies Act 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 us, no complaints were received by the company from the Whistle blower complaints.
- xii. In our opinion and according to the information and explanations given to us, 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 us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.





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Chartered Accountants

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Tel : 2649 4000, 2648 3000, 2646 3592 • (M) 98190 87040 • E-mail : info@kagrana.in

- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause (xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the Company is not required to contribute any amount towards CSR as per provision of Companies Act 2013. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company.

**For KAGRANA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**  
Partner  
Membership No: 140041  
PLACE: MUMBAI  
UDIN: 24140041BKDZPZ7424  
DATE: 16/09/2024





## **Kagrana & Associates**

Chartered Accountants

304, Shalaka, Juhu Road, Santacruz [W], Mumbai - 400 054.  
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### **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **DYNALOG INDIA LIMITED** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal





## **Kagrana & Associates**

Chartered Accountants

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)

## **Kagrana & Associates**

Chartered Accountants

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Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAGRANA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**  
Partner

Membership No: 140041

PLACE: MUMBAI

UDIN: 24140041BKDZPZ7424

DATE: 16/09/2024



(Amount Rs '000)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	139,918	139,918
(b) Reserves and surplus	2	237,654	208,762
		<b>377,571</b>	<b>348,679</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	60,775	49,931
(b) Deferred tax liabilities (Net)	4	0	1,750
(c) Long Term Provision	5	0	1,771
		<b>60,775</b>	<b>53,452</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	159,486	91,224
(b) Trade payables	7	72,949	49,347
(c) Other current liabilities	8	41,525	59,757
(c) Short Term Provision	9	13,489	4,740
		<b>287,450</b>	<b>205,067</b>
			<b>205,067</b>
<b>TOTAL</b>		<b>725,796</b>	<b>607,199</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	111,350	125,929
(ii) Capital Work In Progress	11	30,360	0
(b) Non-current investments	12	33,118	25,918
(c) Deferred tax Assets (Net)		122	
		<b>174,950</b>	<b>151,847</b>
<b>Current Assets</b>			
(a) Inventories	13	100,134	86,301
(b) Trade receivables	14	304,461	199,808
(c) Cash and Bank Balances	15	41,377	42,510
(d) Short-term loans and advances	16	104,873	126,733
		<b>550,845</b>	<b>455,352</b>
			<b>455,352</b>
<b>TOTAL</b>		<b>725,796</b>	<b>607,199</b>

See accompanying notes to the financial statements

25 to 26

This is the Balance Sheet referred to in our report of even date.

For Kagrana & Associates

Chartered Accountants

Firm Registration No: 115467W

Pritesh B Dholakia

Partner

Membership No.: 140041

Place: Mumbai

Dated:

UDIN:

16 SEP 2024

24140041BKDZPZ7424



For and on behalf of board of directors of  
 Dynalog (India) Limited

Akshay Adhalrao  
 Managing Director  
 DIN:00314926

Sejal Jain

Company Secretary  
 Membership No: A49610

Madhuri Adhalrao

Director & CFO  
 DIN: 00315018

16 SEP 2024



(Amount Rs '000)

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from Operations	17	972,960	871,903
Other Income	18	25,130	9,005
<b>Total Revenue</b>		<b>998,090</b>	<b>880,908</b>
Purchase	19	663,144	530,417
Change in Inventory	20	-13,833	31,647
Direct Expenses	21	55,201	36,430
Employee Benefit Expenses	22	110,764	124,064
Finance Costs	23	22,082	22,314
Depreciation and Amortization Expense	10	11,734	8,716
Other Expenses	24	84,471	68,858
Selling & Distribution Expenses	24	21,037	29,731
<b>Total Expenses</b>		<b>954,601</b>	<b>852,177</b>
<b>Profit Before Tax</b>		<b>43,490</b>	<b>28,732</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2023-24		-16,200	-8,565
- Income tax Provision for FY 2022-23		-260	-744
- Income tax P&L Provision (Short) FY 2022-23			-238
- Income tax P&L Provision (Short) FY 2020-21			1,213
- Income tax P&L Provision (Short) FY 2021-22		1,872	
(2) Deferred Tax (liabilities)/Assets			
<b>Profit for the year carried forward to Surplus</b>		<b>28,902</b>	<b>20,397</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		7.22	5.10
(2) Diluted		7.22	5.10
See accompanying notes to the financial statements	25 to 26		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date:

For Kagrana & Associates  
Chartered Accountants

Firm Registration No: 115467W

Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated:

UDIN :

10 SEP 2024

24140041BKDZPZ7424

For and on behalf of board of directors of  
Dynalog (India) Limited

Akshay Adhalrao

Managing Director

DIN:00314926

Sejal Jain

Company Secretary

Membership No : A49610

Madhuri Adhalrao

Director & CFO

DIN: 00315018

10 SEP 2024



(Amount Rs '000)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	43,490	28,732
Adjustments for :	11,734	8,716
Depreciation	-3,004	6,625
Foreign exchange profit or loss	0	154
Loss on sale of Investment	9,766	
Loss on Sale of Assets	0	-26
Long Term Provision	-1,554	-9,005
Interest Income	22,082	22,314
Interest Expenses	82,514	57,509
Operating Profits Before Working Capital Changes :		
(Increase) / Decrease in Inventories	-13,833	31,647
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	-104,654	19,876
(Increase) / Decrease in Loans & Advances (including current and non current)	21,860	-6,165
(Increase) / Decrease in Long Term Provision	-1,771	
Increase / (Decrease) in Trade Payables & Other Current Liabilities	8,364	-32,438
	-7,519	70,430
Cash Generated from Operations	7,710	5,085
Direct Taxes Paid (net of refund)	-15,229	65,346
Net Cash Flow from / (used) Operating Activities:		
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	-37,322	-6,747
Sale of Fixed Assets	40	0
Purchase of Investments	-7,200	-928
Net Cash Flow from / (used) in Investment Activities :	-44,482	-7,674
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Secured Loan (Short term and long term)	79,105	-126,227
Interest Received	1,554	9,005
Finance Expenses	-22,082	-22,314
Net Cash Flow from / (used) in Financing Activities :	58,577	-139,536
Net Increase/(Decrease) in Cash and Cash Equivalents :	-1,133	-81,865
Cash & Cash Equivalents at Opening	42,510	124,375
Cash & Cash Equivalents at Closing	41,377	42,510
Net Increase/(Decrease) in Cash and Cash Equivalents :	-1,133	-81,865

(For closing Cash and Cash Equivalents and others Refer Note 15)

As per our report of even date

Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W

*P. B. Dholakia*  
 Pritesh B Dholakia  
 Partner  
 Membership No. : 140041  
 Place : Mumbai  
 Dated:  
 UDIN:



16 SEP 2024  
 24140041BKDZP27424

For and on behalf of board of directors of  
 Dynalog (India) Limited

*Akshay Adhalrao*  
 Akshay Adhalrao  
 Managing Director  
 DIN:00314926

*Madhuri Adhalrao*

Madhuri Adhalrao  
 Director & CFO  
 DIN: 00315018

*Sejal Jain*  
 Sejal Jain  
 Company Secretary  
 Membership No : A49610

16 SEP 2024

**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
40,02,000 Equity Shares of Rs. 10 each	40,020	40,020
18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	180,000	180,000
	220,020	220,020
<b>Issued Capital</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,018	40,018
17,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	179,900	179,900
	219,918	219,918
<b>Subscribed and Paid up</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,018	40,018
9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	99,900	99,900
	139,918	139,918

(1.1) The Company has two class of shares referred to as equity shares & Optionable convertible preference shares, having a par value of Rs.10/- and Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) Pursuant to the approval of Board of Director in its meeting held on dated 12/02/2022 and approval of the shareholders in Extraordinary General Meeting held on dated 10/03/2022, authorised capital was increased to passing special resolution dated:10/03/2022 the face value of equity shares of Rs.10 per share for 40,02,000 and Preference shares of Rs. 100 each for 18,00,000 were authorised.and subsequently Additional 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund were issued.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2024 and March 31, 2023 is set below:-

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Number of Equity shares at the beginning	4,002	4,000
Add/less: Equity Shares issued/ buyback / redeemed during the year		2
Number of shares at the end	4,002	4,002

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2024 and March 31, 2023 is set below:-

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Number of Preference shares at the beginning	-	-
Add: Optionally Preference Shares issued during the year	999	999
Number of shares at the end	999	999

In Previous year under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

Terms / rights attached to preference shares:

The Company has only one class of Optionally Convertible Preference Shares having a issued value of 100 per share. In the event of liquidation the following condition will prevail as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

a) Subject to the terms of SSHA, the Company and/ or the Promoters may, subject to Applicable Law and prior written consent of Investor buyback or purchase (as applicable) the OCPS held by the Investor, during the period on or before 48 (forty-eight) months and on or before 60 (sixty) months of the Transaction Date, at a price which shall provide the Investor an IRR of 20% (twenty percent) (annualized) and on such terms and conditions as may be determined by the Investor.

b) If the OCPS are not purchased by the Company and/ or Promoters on or prior to 60 (sixty) months of the Transaction Date in terms of point 2.1 SSHA, then the Investor shall, at its sole discretion, have a right (but not an obligation) to convert, the OCPS held by the Investor along with the accumulated dividend (as applicable), if any, into fully paid up Equity Shares as per agreed term SSHA.

(1.5) Shares held by each shareholder holding more than 5% shares

Name of Shareholders	% of Total Shares	As at	As at
		March 31, 2024	March 31, 2023
		Number of Shares	Number of Shares
Mr. Shivaji Adhalrao	44.59	1,784	1,784
Shivaji Adhalrao HUF	26.53	1,062	1,062
Kalpna Adhalrao	21.80	872	872
Apurva Adhalrao	6.63	265	265



Handwritten signatures and a circular stamp of 'DYNALOG INDIA LIMITED'.

(1.6) Shares held by each Promoter holding more than 5% shares			
Name of Promoter	% of Total Shares	As at	As at
		March 31, 2024	March 31, 2023
		Number of Shares	Number of Shares
Shivaji Adhalrao	44.59	1,784	1,784
Shivaji Adhalrao HUF	26.53	1,062	1,062
Kalpna Adhalrao	21.80	872	872
Apurva Adhalrao	6.63	265	265
(Amount Rs '000)			
Note 2: Reserves and Surplus			
(a) Securities Premium		82	82
As per last Balance Sheet		0	0
Add: Addition during the year		82	82
(b) Retained Earning		208,679	188,292
Add: Addition during the year		28,902	20,397
Less : Preference Dividend Payable		-10	-10
		237,571	208,679
		237,654	208,762
Notes: a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.			
Note 3: Long-Term Borrowings			
		As at	As at
		March 31, 2024	March 31, 2023
<b>Secured Loans</b>		57,536	49,684
- Term Loan from Bank		2,992	0
- From Financial Institution			
<b>Unsecured Loan</b>		247	247
- From Directors		60,775	49,931
(Note : for Details refer Note 26.11 of Notes to accounts) Working capital facilities are secured by :- (i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts. (ii) Second pari passu charge with following properties as listed in the note no. 26.10 (iii) Personal gurantee of all the Directors and Promoters of the company .			
Note 4: Deferred Tax Liabilities/(Assets) (Net)			
		As at	As at
		March 31, 2024	March 31, 2023
Deferred Tax Liability/(Assets)		0	1,750
		0	1,750
Note 5: Long Term Provision			
		As at	As at
		March 31, 2024	March 31, 2023
Provision for Employee Benefit		0	1,771
		0	1,771
Liability is determined based on the independent valuer has calculated the said liability based on the information provided by the management at the year end 31.03.2023 by K A Pandit and associates (Priviledge Leave Liability report)			
Note 6: Short-Term Borrowings			
		As at	As at
		March 31, 2024	March 31, 2023
<b>Secured</b>		76,324	29,122
- Cash Credit banks		83,162	62,102
- Other Secured Loan			
		159,486	91,224
Working capital Loan :Working capital facilities are secured by :- (i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts. (ii) Second pari passu charge with following properties as listed in the note no. 26.11 (iii) Personal gurantee of All the Directors of the company			



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Note 7: Trade Payables		As at March 31, 2024	As at March 31, 2023
Sundry Creditors			
- MSME		0	1,496
- Other Creditors		72,949	47,850
		<b>72,949</b>	<b>49,347</b>
Note : Sundry creditors includes balance with related parties refer Note.26.7			
Note 8: Other Current Liabilities		As at March 31, 2024	As at March 31, 2023
Other Payables			
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)		11,185	12,702
- Advance Received From Customers		11,838	18,966
- Security Deposits		1,887	3,295
- Other Current Liability		16,615	24,794
		<b>41,525</b>	<b>59,757</b>
Note: a) Security Deposits received are against Renting of immovable property			
Note 9: Short Term Provision		As at March 31, 2024	As at March 31, 2023
Short Term provision			
- Income Tax Provision [Net of TDS Receivable and Self assessment tax of Rs.27,10,513/-, Previous Year Rs.38,25,382/-]		13,489	4,740
		<b>13,489</b>	<b>4,740</b>
Note 11: Non-Current Investments		As at March 31, 2024	As at March 31, 2023
Investment in Equity Instruments (Unquoted) In Subsidiary Company			
Semiconductor Junction Inc. USA		23,564	23,564
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Dynalog Didactic Solutions Private Limited		99	99
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Shares of Paramount Mechanics Pvt Ltd.		99	99
Investment in Equity Instruments ( Unquoted )			
Cosmos Bank Shares		2,059	2,059
Sharad Sahakari Bank Shares		50	50
Bhairavnath Bank Share		28	28
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares		20	20
Investment -Mutual Fund (Market value as on 31.03.2024 is Rs.7944230.72)		7,200	
		<b>33,118</b>	<b>25,918</b>
Notes: 1) Company's investments in subsidiary is aggregating Rs. 23,761,785/- (P.Y. Rs. 23,861,765/- ). In view of the management, the investments are long term and strategic in nature, no provision is considered necessary for any impairment if any.			
Note 12: Deferred tax Assets (Net)		As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability/(Assets)		122	-
		<b>122</b>	<b>-</b>



	As at March 31, 2024	As at March 31, 2023
<b>Note 13: Inventories</b>		
<b>Closing Stock</b>	58,872	56,718
a) Raw Material	39,855	29,182
b) Finished Goods	1,407	402
b) WIP ( Within 1 Yrs)	100,134	86,301
(As quantified, valued and certified by the Management)		
<b>Note 14: Trade Receivables</b>		
	As at March 31, 2024	As at March 31, 2023
Trade receivables – considered good	304,461	199,808
	304,461	199,808
Note Trade Receivable Includes Trade receivable from related parties refer notes no. 26.8		
<b>Note 15: Cash and Bank Balances</b>		
	As at March 31, 2024	As at March 31, 2023
<b>Cash and Cash Equivalent</b>	6,265	23,162
Balance with Banks	590	564
Cash on Hand		
<b>Others</b>		
Balance with Banks	34,523	18,784
- Margin Money Deposit	41,377	42,510
Fixed deposits With Bank represent margin money against various facility availed.		
<b>Note 16: Short-Term Loans, Advances &amp; Other Current Assets</b>		
	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, Considered Good</b>	10,148	4,274
- Advance to Supplier	47,136	89,376
- Advance to Supplier to Related Party	3,643	596
- Loans and Advances to Employees	27,748	18,374
- Loans and Advances to Related Party	486	232
- Loans and Advances to Others	1,358	1,631
- Advance Recoverable in cash or kind	14,355	12,250
- Security Deposits		
	104,873	126,733



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*[Handwritten signature]*

DYNALOG INDIA LIMITED		
Annexures to the Profit and Loss Statement		
(Amount Rs '000)		
<b>Note 16: Revenue From Operations</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Local Sales	966,342	866,235
Service Sales	8,618	5,669
	<b>972,960</b>	<b>871,903</b>
<b>Note 17: Other Incomes</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Interest Income</b>		
- From Banks towards Fixed Deposits	1,546	1,519
- From MSME party towards Late payment	8	14
- From Saving Bank Interest	0	4
- From Security Deposits	0	12
Income (Others)	13,002	235
<b>Other Non-Operating Income</b>		
- Other Income (Rent)	5,149	7,124
- Net gain or loss on foreign currency transaction and translation	3,004	0
Discount Allowed Account	2,283	
- Dividend Income	138	96
	<b>25,130</b>	<b>9,005</b>
<b>Note 18 : Cost of Material Consumed</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Purchase of Traded Goods</b>		
Import Purchase	515,407	407,886
Local Purchase	147,737	122,531
	<b>663,144</b>	<b>530,417</b>
<b>Note 19 : Change in Inventory</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Opening Stock	86,301	117,949
Closing Stock	-100,134	-86,301
	<b>-13,833</b>	<b>31,647</b>
<b>Note 20 : Direct Expenses</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Clearing & forwarding charges	475	992
Freight charges	13,085	14,845
Custom Duty	29,305	19,517
Other Charges	12,336	1,076
	<b>55,201</b>	<b>36,430</b>
<b>Note 21: Employee Benefit Expenses</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Salaries and Wages	91,131	94,717
Bonus	0	569
Performance Bonus	4,054	10,710
Leave Encashment	0	1,180
Staff Welfare Expenses	3,897	2,472
Contribution to P.F. and other funds	3,245	3,407
Labour Welfare Fund	0	4
Contribution to Gratuity Fund	7,220	9,834
Medical Reimbursement	203	186
Director Seating Fees	250	360
Recruitment Charges	226	175
Diwali Gift	537	448
	<b>110,764</b>	<b>124,064</b>



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Note 22: Finance Costs	As at	As at
	March 31, 2024	March 31, 2023
Interest Expense	17,134	18,739
Interest on Central Tax	0	191
Interest on Late payment of GST	182	0
Interest on Late payment of TDS	71	19
Interest on Late payment of PF	0	52
Interest on Late payment of Custom Duty	0	42
Interest on LBT assessment dues paid	1,293	0
Interest on Sales tax dues	408	0
Other Bank charges	2,994	3,271
	<b>22,082</b>	<b>22,314</b>

Note 23: Other Expenses	As at	As at
	March 31, 2024	March 31, 2023
Power and Fuel	5,448	5,867
Rent	12,905	12,087
Insurance	2,069	2,845
Rates and taxes (excluding taxes on income)	387	567
Auditors' Remuneration		
- For Audit fees	325	300
Legal and Professional Charges	2,310	2,455
Communication Expenses	851	844
Repairs & Maintenance	2,702	2,155
Repair & Maintenance_Lease out Property	545	0
Conveyance	2,186	3,252
Software Charges	3,801	2,186
Printing & Stationery	1,077	1,014
Office Expenses	2,402	2,035
Consultancy Charges	10,110	9,401
Membership & Subscription	890	722
Security Guard Expenses	1,387	1,113
Conference/ Exhibition Charges	4,633	3,448
Postage & Courier	86	10
Registration Charges	508	276
Bad debts	338	0
Traveling Expenses - Local & Foreign	12,201	7,536
Loss on sale of Investment	0	154
Hire Charges for Computers and Laptops	414	306
Donation	2,300	300
Return Filing Fees	45	0
Sundry Balance W/off	581	5
Society Maintenance	1,220	1,275
Prior Period Expense	50	0
Sales Tax Dues Paid	648	1,121
Stamp Duty	176	85
Loss on sale of Asset	9,766	0
Net loss on foreign currency transaction	0	6,625
Miscellaneous expense	2,109	875
	<b>84,471</b>	<b>68,858</b>

Note 24: Selling and Distribution Expenses	As at	As at
	March 31, 2024	March 31, 2023
Business Promotion	4,843	2,265
Diwali Gift	0	27
Advertisement Expenses	2,010	2,971
Late Delivery Charges	1,800	11,817
Tender Fees	0	3,201
Export business promotion exp	4,013	0
Commission paid / Services charges	3,640	4,975
Freight Charges ( Sales)	4,732	4,475
	<b>21,037</b>	<b>29,731</b>



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet as at March 31, 2024

Note 10 :- Property, Plant & Equipment & Intangible asset

Particulars	Gross Block			Depreciation/ Amortization			Net Block			
	Cost as at April 1, 2023	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2024	Upto April 1, 2023	For the period	Deletion/ Adjustment	Upto March 31, 2024	As at March 31, 2024	As at March 31, 2023
<b>Property, Plant &amp; Equipment</b>										
Furniture	45,305	54	17,287	28,062	30,277	5,036	10,833	24,480	3,582	15,028
Office Equipment	23,333	256	306	23,283	15,078	2,049	266	16,861	6,422	8,255
Office Equipment (Bangalore)	515	14	0	529	483	4	0	487	42	32
Computers	18,263	1,241	0	19,504	15,599	388	17,999	15,987	3,517	2,665
Motor Car	45,428	4,909	21,301	29,037	27,184	3,395	17,999	12,580	16,456	18,244
Electrical Fitting	8,667	0	0	8,667	6,924	451	0	7,375	1,291	1,743
Electrical Fitting (Bangalore)	1,282	0	0	1,282	566	140	0	706	577	717
Plant and Machinery	3,812	0	0	3,812	2,006	22	0	2,028	1,784	1,806
Factory Premises (Vikhroli)	26,592	0	0	26,592	20,506	125	0	20,632	5,960	6,085
Office Premises (Bangalore)	62,755	0	0	62,755	7,563	0	0	7,563	55,193	55,193
Factory Premises (Pune)	15,773	0	0	15,773	0	0	0	0	15,773	15,773
Mobile	441	487	0	928	52	123	0	175	753	389
<b>Current Year</b>	<b>252,165</b>	<b>6,961</b>	<b>38,904</b>	<b>220,223</b>	<b>126,237</b>	<b>11,734</b>	<b>29,098</b>	<b>108,873</b>	<b>111,350</b>	<b>125,329</b>
Work in progress		30,360	0	30,360					30,360	
<b>Previous Year</b>	<b>245,419</b>	<b>6,747</b>	<b>0</b>	<b>252,165</b>	<b>117,521</b>	<b>8,716</b>	<b>0</b>	<b>126,237</b>	<b>125,929</b>	<b>127,898</b>

Note 10.1 : Office premises at Bangalore and at Pune are not subject to depreciation as premises are given on rent



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**Dynalog India Limited**

**Notes to Financial Statements for the Year ended 31 March 2024**

**Note No. 25 Significant accounting policies for the year ended 31st March, 2024**

**25.1 Company Overview**

Dynalog (India) Limited is Public Limited Company incorporated under the provision of Companies Act, 2013. The Company is engage design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products. The Company has its Subsidiary at Dynalog Didactics Private Limited, India; Paramount Mechanics private limited, India; and Semi-Conductor Junction, United States of America

**25.2** The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Company has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue.

**25.3 Inventory**

Inventory is valued at cost or realizable value whichever is lower.

**25.4 Revenue Recognition**

Revenue, Income are recognized on the accrual basis

a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.

b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

**25.5 Fixed Asset**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

**25.6 Depreciation**

a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.

b) Depreciation on addition to fixed assets has been charged proportionately from the date of purchase or put to use.

c) Impairments of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

**25.7 Foreign Currency Transaction**

a) Initial recognition:

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

b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

c) Exchange differences:

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.



**25.8 Employee Retirement Benefit**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.

**25.9 Taxes on Income**

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

**25.10 Contingent Liabilities and Provison**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.



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**Dynalog India Limited****Note No.26 Notes to Financial Statement for the year ended 31st March, 2024**

26.1 The company has subsequent to Balance sheet date, has increase its Authorised Capital wide Board Resolution Number 05 dated 24/06/2024. The company has raised capital by way of issue of 12,00,000 CCPS for Rs.15,00,00,000/- Primary purpose of issue of CCPS is to provide redemption of OCPS of Rs. 10,00,00,000/-

26.2 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

26.3 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

**26.4 Investment in Wholly owned Subsidiary**

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.

Company has Acquired the Dynalog Didactic Solutions Private Limited and Paramount Mechanics Pvt Ltd. in FY 2021-22 which is in the bussiness of of technical and vocational educational solution in the field of electronics and telecommunication

During the FY 2023-24, Subsidiary bussiness has cash loss and accumulated losses exceeds to its initial investment value. However, management has strong belief of revival of its bussiness operations at subsidiary incorporated outside india. Hence Provision of AS-13 Accounting for investments therefore is in compliance with standard issued by accounting standard board to the extent of investments made in subsidiary.

**26.5 Payment made to Auditor are as under:-**

Particulars	(Amount Rs '000)	
	Current Year	Previous Year
Audit fees	325	300
<b>Total</b>	<b>325</b>	<b>300</b>

**26.6 Item wise purchase and sales and closing stock are as follows:**

The Company has multiple range of products are traded. It is very difficult to maintain product wise details hence details are provided to the extent possible by the management.

**a) Particulars of Opening Stock**

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2024	Value 31 <sup>st</sup> March 2023
IPC-510 chassis	4,687	1,367
UPOINT-1110	2	917
NUVO-5501	396	164
IPC-610MB-00XHE	1,575	1,442
Others - IT related including software	79,642	114,058
<b>Total</b>	<b>86,301</b>	<b>117,949</b>

**b) Particulars of Purchases**

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2024	Value 31 <sup>st</sup> March 2023
IPC-510 chassis	4,920	37,031
UPOINT-1110	3,275	-
NUVO-5501	9,451	-
IPC-610MB-00XHE	5,364	3,952
Others - IT related including software	640,134	489,434
<b>Total</b>	<b>663,144</b>	<b>530,417</b>



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c) Particulars of Sale

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2024	Value 31 <sup>st</sup> March 2023
IPC-510 chassis	7,044	33,988
UPORT-1110	2,485	916
NUVO-5501	9,812	23,639
IPC-610MB-00XHE	5,169	3,926
Others - IT related including software	948,449	809,435
<b>Total</b>	<b>972,960</b>	<b>871,903</b>

d) Particulars of Closing Stock

Class of Goods	(Amount Rs '000)	
	Value 31 <sup>st</sup> March 2024	Value 31 <sup>st</sup> March 2023
IPC-510 chassis	2,563	4,687
UPORT-1110	791	2
NUVO-5501	35	396
IPC-610MB-00XHE	1,770	1,575
Others - IT related including software	94,975	79,642
<b>Total</b>	<b>100,134</b>	<b>86,301</b>

26.7 Trade Payable

Sr.No.	Particulars	(Amount Rs '000)				
		AS ON 31 MARCH 2024				
Outstanding for following periods from due date of payments						
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
1	(i) MSME	-	-	-	-	-
2	(ii) Others	45,383	1,092	0	26,474	72,949
3	(iii) Disputed Dues - MSME	-	-	-	-	-
4	(iv) Disputed Dues - Others	-	-	-	-	-
5	(v) Unbilled	-	-	-	-	-
	<b>TOTAL</b>	<b>45,383</b>	<b>1,092</b>	<b>0</b>	<b>26,474</b>	<b>72,949</b>

Sr.No.	Particulars	(Amount Rs '000)				
		AS ON 31 MARCH 2023				
Outstanding for following periods from due date of payments						
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
1	(i) MSME	1,496	-	-	-	1,496
2	(ii) Others	21,418	212	-	26,221	47,850
3	(iii) Disputed Dues - MSME	-	-	-	-	-
4	(iv) Disputed Dues - Others	-	-	-	-	-
5	(v) Unbilled	-	-	-	-	-
	<b>TOTAL</b>	<b>22,914</b>	<b>212</b>	<b>0</b>	<b>26,221</b>	<b>49,347</b>

26.8 Trade receivables

Sr.No.	Particulars	(Amount Rs '000)				
		AS ON 31 MARCH 2024				
Outstanding for following periods from due date of payments						
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables – considered good	278,703	341	2,975	22,442	304,461
	<b>TOTAL</b>	<b>278,703</b>	<b>341</b>	<b>2,975</b>	<b>22,442</b>	<b>304,461</b>

Sr.No.	Particulars	(Amount Rs '000)				
		AS ON 31 MARCH 2023				
Outstanding for following periods from due date of payments						
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables – considered good	168,929	649	11,837	18,393	199,808
	<b>TOTAL</b>	<b>168,929</b>	<b>649</b>	<b>11,837</b>	<b>18,393</b>	<b>199,808</b>



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26.9 Remuneration to Directors

Particulars	(Amount Rs '000)	
	31 <sup>st</sup> March 24	31 <sup>st</sup> March 23
Remuneration Including bonus	18,096	17,598
<b>Total</b>	<b>18,096</b>	<b>17,598</b>

26.10 Earning / Expenses in Foreign Currency of Indian Operations are as follows:  
(For Indian Operations Only)

Particulars	(Amount Rs '000)	
	Current Year	Previous Year
<b>Expenses</b>		
Overseas Traveling	4,013	0
CIF Value of import	527,448	416,031
Freight charges paid	12,530	14,449

26.11 Bank Facility:

The company enjoys over all limit of Rs. 35.84 Crores. (for P.Y. Rs.31.09 Crore) Mainly bifurcating in CC; BG; SBBC and LC. Details of the same is as follows:

Particulars	(Amount Rs '000)	
	Amount as on 31.3.24	Amount as on 31.3.23
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	200,000	182,500
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	158,439	128,439
<b>Total</b>	<b>358,439</b>	<b>310,939</b>

- i) The credit Facility is secured by first charged on Stock & Book Debts.  
ii) The list Second pari passu charge with following properties as listed belows:

Sr.No	Description
1	COMMERCIAL PROPERTY UNIT 109, HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES AMRUT NAGAR, OFF LBS ROAD, GHATKOPAR WEST, MUMBAI-400 086
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADG WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX-400 079
4	COMMERCIAL PROPERTY NEW UNIT NO.203VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
6	COMMERCIAL PROPERTY UNIT NO. 303,VIKHROLI PARK COMMERCIAL-OFFICESITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079(OLD UNIT NO.302), 3RD FLOOR, G WING

- i) In addition to the above , promoters and Directors of the company are guaranters in Personal capacity.



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26.12 Related Party transaction

Sr.No	Particulars	Name
1	Key Management Personnel	Akshay Shivaji Adhalrao
		Madhuri Akshay Adhalrao
		Apurva Shivaji Adhalrao
		Natalie Apurva Adhalrao
		KALPANA SHIVAJI ADHALRAO
		NAGRAJ PUNJBET SHENOY
		ROHIT RAJENDRA GOYAL
2	Relative of Key management Personnel	Shivaji D. Adhalrao
		Shivaji Adhalrao (HUF)
		Dynalog International
		Elmatronic Devices Inc.
3	Details of Subsidiaries	Dynalog Microsystems
		Dynalog Technologies Private Limited
		Paramount Mechanics Pvt Ltd
		Dynalog Didactics Pvt. Ltd.
		Semi Conductor Junction , USA

(Amount Rs '000)

Description of nature of transaction	Description of relationship	Related party	31st March 2024	31st March 2023
Director Remuneration, Bonus, And Medical Insurance	Key management Personnel - MD	Akshay Adhalrao	8,032	9,124
Director Sitting Fees	Key management Personnel - MD	Akshay Adhalrao	40	80
Advance	Key management Personnel - MD	Akshay Adhalrao	3,113	0
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	3,046	2,321
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	30	80
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel - CFO	Madhuri Adhalrao	3,917	3,220
Director Sitting Fees	Key management Personnel - CFO	Madhuri Adhalrao	30	80
Directors' Remuneration, Bonus, And Medical Insurance	Director	Natalie Adhalrao	1,122	1,049
Director Sitting Fees	Director	Natalie Adhalrao	30	40
Salary and bonus and medical Insurance;	Director	Kalpna Adhalrao	1,980	1,884
Director Sitting Fees	Director	Kalpna Adhalrao	20	40
Rent	Director	Kalpna Adhalrao	1,512	1,296
Rent	Father of Director	Shivaji D. Adhalrao	5,025	4,680
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	1,667	1,667
Loans & advances given during the year	Group Company	Dynalog Didactics Pvt. Ltd.	10,008	1
Advance to supplier at the end of the year	Subsidiary Company	Paramount Mechanics Pvt. Ltd.	44,021	45,620
Purchases	Group Company	Paramount Mechanics Pvt. Ltd.	1,314	1,386
Purchases Services	Group Company	Paramount Mechanics Pvt. Ltd.	2,266	9
Purchases	Group Company	Semi Conductor Junction , USA	5,001	14,928
Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	0	493
Loan Repaid to director during the year	Director has significant influence	Dynalog Microsystems	39,973	0
Loans & advances of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	2,091	2,091



Loans & advances of Closing Balance	Group Company	Paramount Mechanics Pvt. Ltd.	0	1,192
Advance to Supplier of Closing Balance	Director has significant influence	DYNALOG MICRO-SYSTEM A/C	3,783	43,756
Loans & advances of Closing Balance	Group Company	Dynalog Didactics Pvt. Ltd.	24,021	14,013
Loans & advances of Closing Balance	Promoter has significant influence	DYNALOG INTERNATIONAL A/C	1,202	1,077
Advance to Supplier	Director has significant influence	Elmatronic Devices Inc.	460	460
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	1,724	1,724
Advance to Supplier	Group Company	Semi Conductor Junction , USA	0	0
Trade Payable	Group Company	Semi Conductor Junction , USA	0	0
Sales	Group Company	Dynalog International	251	0
Loan Repaid to director during the year	Director	Akshay Adhalrao	1,500	16,475
Loan received from director during the year	Director	Akshay Adhalrao	1,500	14,032
Loan Repaid to director during the year	Director	Madhuri Adhalrao	0	884
Loan received from director during the year	Director	Madhuri Adhalrao	0	374
Loan Repaid to director during the year	Director	Kalpana Adhalrao	200	5,327
Loan received from director during the year	Director	Kalpana Adhalrao	200	1,610
Loan Repaid to director during the year	Director	Apurva Adhalrao	7,500	3,731
Loan received from director during the year	Director	Apurva Adhalrao	7,500	500
Unsecured Loans at the year end from Director	Director	Madhuri Adhalrao	-52	52
Unsecured Loans at the year end from Director	Director	Apurva Adhalrao	98	98
Unsecured Loans at the year end from Director	Director	Kalpana Adhalrao	49	49
Unsecured Loans at the year end from Director	Director	Akshay Adhalrao	48	48



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**26.14 Earning Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders.

(Amount Rs '000)

Particulars	Current Year	Previous Year
Number of equity shares are the beginning of the year	4,002	4,002
Shares issued during the year	0	0
Total number of equity shares outstanding at the year end	4,002	4,002
Weighted average number of equity shares Outstanding during the year	4,002	4,002
Profit after Tax	28,902	20,397
Basic Earning per share (Rs.)	0	0
Diluted Earning per share (Rs.)	0	0
Face value per share (Rs.)	0	0

**26.15 Contingent Liability for the year ended 31st March, 2024 has been as follows:**

(Amount Rs '000)

Particulars	31/03/2024	31/03/2023
Bank Guarantees issued by company	46,091	35,269
Vat Appeals case for FY 2014-15	0	4,348
Foreign LC outstanding as on	0	5,381
GST for FY 2018-19 (karnataka)	0	361
LBT for FY 2008-09 to FY 2016-17	0	2,000
Total	46,091	47,359

**26.16 Deferred Tax Liability**

Working for Deferred Tax Liability/ (Assets) is provided as follows:

(Amount Rs '000)

Particulars	As at 31st March,2023	Current year changes	As at 31st March,2024
Difference between Book & Tax Depreciation on Fixed Assets	1,750	-1,872	-122

**26.17** As far as Direction note on carrying out the re-examined AS-15, Gave by the Company the Gratuity trust set-up by the organization is treated as characterized benefit plan.

The employee strength as on 31.03.2024 was 138. The The estimated liability as per Life Insurance Company comes to Rs. 1,30,68,997. The gratuity fund balance with LIC is Rs. 1,02,72,411 (includes contributed of Rs. 70,37,600 in FY 22-23 against Rs. 70,37,600 in FY 21-22). The existing policy has been frozen by the Government, new policy is in place at the period ending 31st March 2024. The company has created provision of Rs. 28,00,000 which will be paid subsequently. The new policy along with existing LIC Policy are in compliance with the requirements of AS -15 "Accounting for employee benefits".

**26.18 Impairment of assets:**

Pursuant to AS -28 "impairment of assets", the company has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.

**26.19 Dividend**

The Company has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

**26.20** The company is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material.Hence consumption of raw material could not be provided.**26.21** The company is registered as small scale industries units vide registration no. 11-07- 27145-PMT-SSI dated 24/11/1993.**26.22** The Company is also registered as Medium scale enterprises under UDYAM vide registration no. UDYAM-MH-18-0010318.**26.23** In the absence of information from supplier as to their status, the company does not posses a list of small scales industries. It is therefore not possible to determine the amount due to small scale industries as is required to be disclosed vide notification no. GSR no. 129 (E) dated 22.02.1999. expect as provided in the books to the extent information obtained from supplier.

26.24 As the company's activity falls within a single primary business segment, the segment information is not provided.

26.25 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.

26.26 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

AS PER OUR REPORT OF EVEN DATE

KAGRANA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W

*P. B. Dholakia*  
Pritesh B. Dholakia  
PARTNER  
Membership No:140041  
PLACE: Mumbai  
DATE:  
UDIN:



16 SEP 2024

24140041BKDZPZ7424

FOR DYNALOG (INDIA) LIMITED

*A. Adhalrao*  
Akshay Adhalrao  
Managing Director  
DIN No: 00314926  
PLACE: Mumbai  
DATE:

*M. Adhalrao*  
Madhuri Adhalrao  
CFO  
DIN No: 00315018  
PLACE: Mumbai  
DATE:



16 SEP 2024

**Kagrana & Associates**  
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT**

To the Members of **DYNALOG (INDIA) LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of **DYNALOG (INDIA) LIMITED** (the Company and its subsidiary referred to as "the Group"), which comprise the Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required **except 3(c) and 3(d) below read with Matter of Emphasis below** give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024; its **profit**, its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

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

**Matter of Emphasis**

*Foreign subsidiary Semi conductor Junction, USA for which accounts are incorporated as prepared and certified by the management which are not audited. Further Trial balance of Foreign Subsidiary is converted into Rupees by using exchange rate prevailing at a year-end for Balance sheet items.*

*We did not audit the financial statements of Semi conductor Junction, USA foreign subsidiary, whose financial statements reflects total assets of Rs1,28,80,184/- and net assets of Rs.(5,57,346)/- as at 31st*



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March 2024, total revenues of Rs. 60,98,846/- and net cash outflow amounting to Rs.76,47,961/- for the year ended on that date, are considered in the consolidated financial statements.

Further, of this subsidiary, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been self-certified by the management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. In our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the conversion adjustments prepared by the management of the Holding Company.

we draw attention to the fact that the Subsidiary Company Techstructure Solution Private limited (Formerly know as Dynalog Didactic Solutions private limited) has incurred a net cash loss during the current and previous years and the company's current liability exceeds its current assets as at balance sheet date. These condition along with other matter indicate the material uncertainty that may cast significant doubt about company's ability to continue as a going concern as specified in AS-1 "Disclosure in Accounting Policies".

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

**Responsibility of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the



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Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



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Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the Consolidated financial statements.

**Report on Other Legal and Regulatory Requirements**

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2024 and covered under the Act we report that:

*following is the qualification remark reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date:*

S.No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Paramount Mechanics Private Limited	U31200MH2004PTC147900	Subsidiary	Clause vii(b)



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2	<i>Techstructure Solutions Private limited (Formerly know as Dynalog Didactic solutions Private Limited)</i>	<i>U80904PN2014PTC153446</i>	<i>Subsidiary</i>	<i>Clause xvii and xix</i>
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2. As required by 197(16) of the Act based on our audits and referred to in paragraph Matter of emphasis, on separate financial statements of a subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid and provided remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that two Subsidiaries Company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiaries company.
3. 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- ***Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;***
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

***-Decline in the value of the investment in the 100% foreign subsidiary Semi Conductor Junction , USA and Indian Subsidiaries Dynalog Didactics Pvt. Ltd. and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, In view of the management, the investments are long term and strategic in nature. Hence, no provision is***



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*considered necessary to that extent it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.*

- We draw attention to the fact that the Subsidiaries Company Dynalog Didactic Solutions private limited has incurred a net cash loss during the current and previous years and the company's current liability exceeds its current assets as at balance sheet date. These condition along with other matter indicate the material uncertainty that may cast significant doubt about company's ability to continue as a going concern as specified in AS-1 "Disclosure in Accounting Policies".

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Group Company does not have any pending litigations which would impact its financial position;
  - ii. The Holding Company and its subsidiary companies 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.
  - iv. (a) The respective managements of the holding company and its subsidiary Companies, Incorporated in India whose financial statement have been audited under the Act has represented to us, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.



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- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The company has declared dividend for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2024.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which Based on our examination which included test checks, performed by us on the Holding Company and its subsidiaries incorporated in India and audited under the Act, the Holding Company, and its subsidiaries in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Kagrana & Associates**  
Chartered Accountants  
Firm Registration No. 115467W



**Pritesh B. Dholakia**

Partner

Membership Number: 140041

Place of Signature: Mumbai

Date: 16/09/2024

UDIN No.: 24140041BKDZQW6578



## Kagrana & Associates

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### Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **DYNALOG (INDIA) LIMITED** ("The Holding Indian Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date. *The Holding company has one Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which are not audited and other relevant records produced before us and information and explanation furnished to us.*

#### 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those



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Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



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**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAGRANA & ASSOCIATES**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh Dholakia**

Partner

Membership No: 140041

PLACE: MUMBAI

DATE: 16/09/2024

UDIN: 24140041BKDZQW6578



**DYNALOG INDIA LIMITED**

Consolidated Balance Sheet as at March 31, 2024

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

Particulars	Note No.	(Amount Rs)	
		As at March 31, 2024	As at March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	139,917,540	139,917,540
(b) Reserves and surplus	2	147,393,563	122,289,118
		<b>287,311,103</b>	<b>262,206,658</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	61,197,039	60,365,975
(b) Deferred tax liabilities (Net)	4	-	1,749,541
(c) Long Term Provision	5	-	1,771,185
		<b>61,197,039</b>	<b>63,886,701</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	159,485,884	91,223,963
(b) Trade payables	7	74,228,199	50,235,101
(c) Other current liabilities	8	54,966,492	72,640,965
(c) Short Term Provision	9	13,265,958	4,739,618
		<b>301,946,534</b>	<b>218,839,647</b>
<b>TOTAL</b>		<b>650,454,676</b>	<b>544,933,005</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	112,114,940	126,693,438
(ii) Work In Progress		30,360,222	-
(b) Non-current investments	11	9,448,700	2,248,700
(d) Minority Interest	12	666,070	691,599
(e) Long Term Loans and Advance	13	25,000	25,000
(f) Deferred tax Assets (Net)		122,121	-
		<b>152,737,052</b>	<b>129,658,737</b>
<b>Current Assets</b>			
(a) Inventories	14	107,200,461	93,490,842
(b) Trade receivables	15	307,602,847	200,701,920
(c) Cash and Bank Balances	16	45,848,296	55,414,856
(d) Short-term loans and advances	17	37,066,019	65,666,649
		<b>497,717,624</b>	<b>415,274,267</b>
<b>TOTAL</b>		<b>650,454,676</b>	<b>544,933,005</b>
See accompanying notes to the financial statements		27 to 28	

This is the Balance Sheet referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*  
Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated:

UDIN: 24140041BKD29W06578



**For and on behalf of board of directors of  
Dynalog (India) Limited**

*Akshay Adhalrao*  
Akshay Adhalrao  
Managing Director  
DIN:00314926

*Madhuri Adhalrao*  
Madhuri Adhalrao  
Director & Chief  
Financial Officer  
DIN: 00315018

*Sejal Jain*  
Sejal Jain  
Company Secretary  
Membership No : A49610

16 SEP 2024

16 SEP 2024

**DYNALOG INDIA LIMITED**

Consolidated Statement of Profit and Loss Account for the year ended March 31, 2024

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

(Amount Rs.)

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue from Operations	18	974,058,026	887,437,784
Other Income	19	25,170,655	9,462,253
<b>Total Revenue</b>		<b>999,228,680</b>	<b>896,900,037</b>
Purchase	20	660,420,798	537,374,614
Change in Inventory	21	(14,696,017)	27,321,991
Direct Expenses	22	55,268,140	36,126,649
Employee Benefit Expenses	23	111,154,068	125,752,191
Finance Costs	24	22,645,112	23,400,891
Depreciation and Amortization Expense	10	11,733,735	8,795,430
Other Expenses	25	91,568,070	76,603,186
Selling & Distribution Expenses	26	21,070,415	29,820,802
<b>Total Expenses</b>		<b>959,164,322</b>	<b>865,195,754</b>
<b>Profit Before Tax</b>		<b>40,064,359</b>	<b>31,704,283</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2023-24		(16,201,762)	(8,565,000)
- Income tax Provision for FY 2022-23			
- Income tax Provision for FY 2021-22			
- Income tax P&L Provision (Short) FY 2022-23		(259,769)	(743,640)
- Income tax P&L Provision (Short) FY 2020-21			(238,254)
- Income tax P&L Provision (Short) FY 2021-22			
(2) Deferred Tax (liabilities)/Assets		1,871,661	1,037,829
<b>Profit for the year before Minority Interest</b>		<b>25,474,489</b>	<b>23,195,218</b>
Minority Interest		25,529	(17,371)
<b>Profit for the year carried forward to Surplus</b>		<b>25,448,960</b>	<b>23,212,590</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		6.36	5.80
(2) Diluted		6.36	5.80
Accompanying notes to the financial statements	27 to 28		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*  
**Pritesh B Dholakia**

Partner

Membership No. : 140041

Place : Mumbai

Dated:

UDIN: 24140041BKD29W6578

**For and on behalf of board of directors of  
Dynalog (India) Limited**

*A. Adhalrao*  
**Akshay Adhalrao**

Managing Director

DIN:00314926

*S. Jain*  
**Seja Jain**

Company Secretary

Membership No : A27310

*M. Adhalrao*

*M. Adhalrao*  
**Madhuri Adhalrao**  
Director & Chief  
Financial Officer  
DIN: 00315018

**16 SEP 2024**

**16 SEP 2024**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	40,064,359	31,704,283
Adjustments for :		
Depreciation	11,733,735	8,795,430
Foreign exchange loss	(3,003,697)	6,625,114
Loss on sale of Investment	-	153,653
Loss on sale of Investment	9,766,178	-
Long Term Provision	-	(25,904)
Write/off of Fixed Assets	-	104,333
Interest Income	(1,587,292)	(9,281,092)
Interest Expenses	22,645,112	23,400,891
Dividend Received	-	(103,346)
Operating Profits Before Working Capital Changes :	79,618,395	61,373,362
(Increase) / Decrease in Inventories	(13,709,620)	27,321,991
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	(106,900,927)	24,718,366
(Increase) / Decrease in Loans & Advances (including current and non current)	28,600,630	(9,133,018)
(Increase) / Decrease in Long Term Provision	(1,771,185)	-
Increase / (Decrease) in Trade Payables & Other Current Liabilities	9,312,422	(27,312,378)
Cash Generated from Operations	(4,850,285)	76,968,324
Direct Taxes Paid (net of refund)	7,935,280	5,084,529
Net Cash Flow from / (used) Operating Activities :	(12,785,564)	71,883,794
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(37,321,636)	(6,746,686)
Sale of Fixed Assets	40,000	778,598
Increase/ (Decrease) in Security Deposit	-	400,000
Dividend Received	-	103,346
Interest Received	1,587,292	9,281,092
Purchase of Investments	(7,200,000)	(932,500)
Net Cash Flow from / (used) in Investment Activities :	(42,894,345)	2,883,850
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Secured Loan (Short term and long term)	69,092,986	(126,280,948)
Increase / (Decrease) in Foreign Currency Translation Reserve	(334,525)	92,908
Finance Expenses	(22,645,112)	(23,400,891)
Net Cash Flow from / (used) in Financing Activities :	46,113,348	(149,588,931)
Net Increase/(Decrease) in Cash and Cash Equivalents :	(9,566,560)	(74,821,288)
Cash & Cash Equivalents at Opening	55,414,856	130,236,144
Cash & Cash Equivalents at Closing	45,848,296	55,414,856
Net Increase/(Decrease) in Cash and Cash Equivalents :	(9,566,560)	(74,821,287)
(For closing Cash and Cash Equivalents and others Refer Note 17)		

As per our report of even date

Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W

Pritesh B Dholakia  
 Partner

Membership No. : 140041

Place : Mumbai

Dated:

UDIN: 24140041BKD2QW6578



For and on behalf of board of directors of  
 Dynalog (India) Limited

ASA Akshay Adhalrao  
 Managing Director

DIN:00314926

Sejal Jain  
 Company Secretary

Membership No : A49610

Madhuri Adhalrao

Madhuri Adhalrao  
 Director & Chief Financial  
 Officer

DIN: 00315018

16 SEP 2024

16 SEP 2024

**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

Particulars	(Amount Rs)	
	As at March 31, 2024	As at March 31, 2023
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
40,02,000 Equity Shares of Rs. 10 each	40,020,000	40,020,000
18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	180,000,000	180,000,000
	<b>220,020,000</b>	<b>220,020,000</b>
<b>Issued, Subscribed and Paid up</b>		
40,01,754 Equity Shares of Rs. 10 each fully paid up	40,017,540	40,017,540
9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each	99,900,000	99,900,000
	<b>139,917,540</b>	<b>139,917,540</b>

(1.1) The Company has two class of shares referred to as equity shares & Optionable convertible preference shares, having a par value of Rs.10/- and Rs. 100/- respectively. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) - Pursuant to the approval of Board of Director in its meeting held on dated 12/02/2022 and approval of the shareholders in Extraordinary General Meeting held on dated 10/03/2022, authorised capital was increased to passing special resolution dated:10/03/2022 the face value of equity shares of Rs.10 per share for 40,02,000 and Preference shares of Rs. 100 each for 18,00,000 were authorised and subsequently Additional 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund were issued.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2024 and March 31, 2023 is set below:-

Particulars	As at March 31, 2024	As at March 31, 2023
Number of Equity shares at the beginning	4,001,754	4,001,754
Add/less: Equity Shares issued/ buyback / redeemed during the year		
Number of shares at the end	<b>4,001,754</b>	<b>4,001,754</b>

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2024 and March 31, 2023 is set below:-

Particulars	As at March 31, 2024	As at March 31, 2023
Number of Preference shares at the beginning	9,990,000	9,990,000
Add: Optionally Preference Shares issued during the year	-	-
Number of shares at the end	<b>9,990,000</b>	<b>9,990,000</b>

In FY 2021-22 under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

Terms / rights attached to preference shares:

The Company has only one class of Optionally Convertible Preference Shares having a issued value of 100 per share. In the event of liquidation the following condition will prevail as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

a) Subject to the terms of SSHA, the Company and/ or the Promoters may, subject to Applicable Law and prior written consent of Investor buyback or purchase (as applicable) the OCPS held by the Investor, during the period on or before 48 (forty-eight) months and on or before 60 (sixty) months of the Transaction Date, at a price which shall provide the Investor an IRR of 20% (twenty percent) (annualized) and on such terms and conditions as may be determined by the Investor.

b) If the OCPS are not purchased by the Company and/ or Promoters on or prior to 60 (sixty) months of the Transaction Date in terms of point 2.1 SSHA, then the Investor shall, at its sole discretion, have a right (but not an obligation) to convert, the OCPS held by the Investor along with the accumulated dividend (as applicable), if any, into fully paid up Equity Shares as per agreed term SSHA,.

(1.5) Shares held by each shareholder holding more than 5% shares



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Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Mr. Shivaji Adhalrao	44.59	1,784,398	44.59	1,784,398
Shivaji Adhalrao HUF	26.53	1,061,704	26.53	1,061,704
Kalpna Adhalrao	21.80	872,488	21.80	872,488
Apurva Adhalrao	6.63	265,426	6.63	265,426

(1.6) Shares held by each Promoter holding more than 5% shares

Name of Promoter	As at March 31, 2024		As at March 31, 2023	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Mr. Shivaji Adhalrao	44.59	1,784,398	44.59	1,784,398
Kalpna Adhalrao	21.80	872,488	21.80	872,488

Note 2: Reserves and Surplus	As at March 31, 2024	As at March 31, 2023
(a) Securities Premium		
As per last Balance Sheet	82,438	82,438
Add: Addition during the year	-	-
	82,438	82,438
(b) Foreign Currency Translation Reserve		
As Per Last Balance Sheet	(7,150,227)	(7,243,135)
Add: Foreign Difference	(334,525)	92,908
Add: Addition during the year	(7,484,752)	(7,150,227)
(c) Retained Earning		
Short/Excess provision of Income Tax	129,356,907	106,154,217
Add: Addition during the year	-	-
Less : Preference Dividend Payable	25,448,960	23,212,590
	(9,990)	(9,900)
	154,795,877	129,356,907
	147,393,563	122,289,118

Notes:  
a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.

Note 3: Long-Term Borrowings	As at March 31, 2024	As at March 31, 2023
<b>Secured Loans</b>		
-Term Loan from Bank	57,535,808	49,684,091
- From Financial Institution	2,991,832	-
<b>Unsecured Loan</b>		
- From Directors	669,400	10,681,884
	61,197,039	60,365,975

( Note : for Details refer Note 28.9 of Notes to accounts)  
Working capital facilities are secured by :-  
(i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts.  
(ii) Second pari passu charge with following properties as listed in the note no. 29.9  
(iii) Personal gurantee of All the Directors & Promoter of the company.

Note 4: Deferred Tax Liabilities/(Assets) (Net)	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability/(Assets)	(122,121)	1,749,541
	(122,121)	1,749,541

Note 5: Long Term Provision	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefit	-	1,771,185
	-	1,771,185



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Note 6: Short-Term Borrowings		As at March 31, 2024	As at March 31, 2023
<b>Secured</b>			
- Cash Credit banks/ Credit Card		76,323,707	29,121,967
- Others		83,162,177	62,101,996
		<b>159,485,884</b>	<b>91,223,963</b>
Working capital Loan : Working capital facilities are secured by :- (i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts. (ii) Second pari passu charge with following properties as listed in the note no. 28.9 (iii) Personal gurantee of All the Directors & Promoter of the company (iv) Rs 3.11 Lakhs of loan is against first charge on the Vehicle Purchase (Thar Car).			
Note 7: Trade Payables		As at March 31, 2024	As at March 31, 2023
Sundry Creditors			
- MSME			
a) Less than 1 year		-	1,496,116
- Other Creditors			
a) Less than 1 year		73,838,199	21,916,322
b) 1-2 yrs		-	211,995
c) 2-3 yrs		-	-
d) More than 3 yrs		390,000	26,610,669
		<b>74,228,199</b>	<b>50,235,101</b>
Note : Sundry creditors includes balance with related parties refer Note.28.10			
Note 8: Other Current Liabilities		As at March 31, 2024	As at March 31, 2023
Other Payables			
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)		11,201,044	12,656,853
- Advance Received From Customers		270,812	-
- Security Deposits		24,992,641	31,895,126
- Other Current Liability		1,866,634	3,294,501
		16,615,361	24,794,485
		<b>54,966,492</b>	<b>72,640,965</b>
Note: a) Security Deposits received against Renting of immovable property			
Note 9: Short Term Provision		As at March 31, 2024	As at March 31, 2023
Short Term provision			
- Income Tax Provision (Net of TDS Receivable and Advance tax of Rs.29,35,804/-, Previous Year Rs.38,25,382/-)		13,265,958	4,739,618
		<b>13,265,958</b>	<b>4,739,618</b>
Note 11: Non-Current Investments		As at March 31, 2024	As at March 31, 2023
Investment in Equity Instruments ( Unquoted )			
Cosmos Bank Shares		2,151,200	2,151,200
Share Money Lien		-	-
Sharad Sahakari Bank Shares		50,000	50,000
Bhairavnath Bank Share		27,500	27,500
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares		20,000	20,000
Investment			
-Mutual Fund		7,200,000	-
(Market value as on 31.03.2024 is Rs.79,44,231)			
		<b>9,448,700</b>	<b>2,248,700</b>



*Adhalus*  
M.A.A.

<b>Note 12: Minority Interest</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Minority Interest			
- Dynalog Didactic Solutions Private Limited		235,211	235,166
- Paramount Mechanics Pvt Ltd		430,859	456,433
<b>Total</b>		<b>666,070</b>	<b>691,599</b>
<b>Note 13: Long-Term Loans and Advances</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Security Deposits		25,000	25,000
		<b>25,000</b>	<b>25,000</b>
<b>Note 14: Inventories</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Closing Stock (Material in transit)			
a) Raw Material		58,872,259	56,717,770
b) Finished Goods		46,921,415	36,371,364
b) WIP ( Within 1 Yrs)		1,406,787	401,708
(As quantified, valued and certified by the Management)		<b>107,200,461</b>	<b>93,490,842</b>
<b>Note 15: Trade Receivables</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Trade receivables – considered good</b>			
- Less than 6 months		281,171,468	169,149,443
- 6 months - 1 year		345,509	653,529
- 1-2 years		3,375,560	12,505,941
- 2-3 years		22,710,310	18,393,006
		<b>307,602,847</b>	<b>200,701,920</b>
Note Trade Receivable Includes Trade receivable from related parties refer notes no. 29.10			
<b>Note 16: Cash and Bank Balances</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Cash and Cash Equivalent</b>			
Balance with Banks		10,636,858	35,837,818
Cash on Hand		597,842	572,594
<b>Others</b>			
Balance with Banks			
- Margin Money Deposit		34,613,597	19,004,445
		<b>45,848,296</b>	<b>55,414,856</b>
Fixed deposits With Bank represent margin money against various facility availed.			
<b>Note 17: Short-Term Loans, Advances &amp; Other Current Assets</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Unsecured, Considered Good</b>			
- Advance to Supplier		10,148,075	4,273,655
- Advance to Supplier to Related Party		3,783,033	42,221,649
- Loans and Advances to Employees		3,642,883	674,579
- Loans and Advances to Related Party		3,293,420	4,360,543
- Loans and Advances to Others		486,112	232,000
- Advance Recoverable in cash or kind		1,357,833	1,653,980
- Security Deposits		14,354,663	12,250,242
		<b>37,066,019</b>	<b>65,666,649</b>



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**DYNALOG INDIA LIMITED**

**Annexures to the Profit and Loss Statement**

(Amount Rs)

**Note 18: Revenue From Operations**

	As at March 31, 2024	As at March 31, 2023
Local Sales	969,680,276	881,769,116
Service Sales	4,377,750	5,668,668
	<b>974,058,026</b>	<b>887,437,784</b>

**Note 19 : Other Incomes**

	As at March 31, 2024	As at March 31, 2023
<b>Interest Income</b>		
- From Banks	1,579,253	1,527,855
Income (Others)	8,039	361,695
<b>Other Non-Operating Income</b>		
- Other Dividend Income	138,396	7,400
- Prior Period Income	-	350,000
- Other Income (Rent)	5,148,864	7,124,400
- Net gain or loss on foreign currency transaction and translation	3,003,697	
- Other Income	15,292,406	90,903
	<b>25,170,655</b>	<b>9,462,253</b>

**Note 20 : Purchase**

	As at March 31, 2024	As at March 31, 2023
<b>Purchase of Traded Goods</b>		
Import Purchase	510,406,368	406,491,504
Local Purchase	150,014,430	130,883,110
	<b>660,420,798</b>	<b>537,374,614</b>

**Note 21 : Change in Inventory**

	As at March 31, 2024	As at March 31, 2023
Opening Stock	86,301,213	120,812,833
Closing Stock	(100,997,230)	(93,490,842)
	<b>(14,696,017)</b>	<b>27,321,991</b>

**Note 22 : Direct Expenses**

	As at March 31, 2024	As at March 31, 2023
Clearing, forwarding charges & Custom Duty	474,750	991,755
Freight charges	13,152,544	14,941,947
Custom Duty	29,305,300	19,516,567
Other Charges	12,335,547	676,380
	<b>55,268,140</b>	<b>36,126,649</b>



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<b>Note 23: Employee Benefit Expenses</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Salaries and Wages	91,374,464	96,368,025
Bonus	-	568,628
Performance Bonus	4,053,525	10,710,000
Leave Encashment	-	1,180,412
Staff Welfare Expenses	4,043,450	2,483,969
Contribution to P.F. and other funds	3,245,956	3,433,274
Late Payment of PF (FY 2018 to 2020)	-	-
Labour Welfare Fund	-	4,176
Contribution to Gratuity Fund	7,219,922	9,834,186
Medical Reimbursement	203,369	186,423
Director Seating Fees	250,000	360,000
Recruitment Charges	226,353	175,314
Diwali Gift	537,029	447,785
	<b>111,154,068</b>	<b>125,752,191</b>

<b>Note 24: Finance Costs</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Interest Expense	17,534,087	19,605,152
Interest on Central Tax	-	191,385
Interest on Late payment of GST	182,289	-
Interest on Late payment of TDS	71,135	20,206
Interest on Late payment of PF	353	52,093
Interest on Late payment of Custom Duty	-	41,968
Interest on LBT assessment dues paid	1,293,070	-
Interest on Sales tax dues	407,626	-
Other Bank charges	3,156,553	3,490,087
	<b>22,645,112</b>	<b>23,400,891</b>

<b>Note 25: Other Expenses</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Power and Fuel	5,448,487	5,896,457
Rent	15,203,139	15,472,148
Insurance	2,068,609	2,845,350
Rates and taxes (excluding taxes on income)	387,380	569,322
Auditors' Remuneration		
- For Audit fees	410,000	385,000
Legal and Professional Charges	2,583,036	2,510,398
Communication Expenses	916,709	939,043
Repairs & Maintenance	3,003,788	2,279,035
Repair & Maintenance_Lease out Property	544,500	-
Conveyance	2,185,900	3,251,590
Software Charges	3,801,208	2,185,931
Printing & Stationery	1,079,915	1,013,713
Office Expenses	2,648,695	2,178,597
Consultancy Charges	10,160,483	9,400,691



*A. D. D. & ASSOCIATES*  
 A. D. D. & ASSOCIATES  
 MUMBAI

Computer	-	319,576
Membership & Subscription	890,063	721,905
Security Guard Expenses	1,387,485	1,113,000
Conference/ Exhibition Charges	4,632,781	3,448,291
Discount & Rebates	-	(40,348)
Postage & Courier	86,868	10,070
Registration Charges	507,798	275,862
Bad debts	338,188	-
Traveling Expenses - Local & Foreign	14,150,345	8,802,213
Loss on sale of Investment	-	153,653
Hire Charges for Computers and Laptops	413,579	306,382
DONATION	2,300,000	300,000
Return Filing Fees	45,000	-
Sundry Balance W/off	581,312	4,616
Society Maintenance	1,220,453	1,275,283
Prior Period Expense	50,367	-
State Income Tax	-	65,723
Sales Tax Dues Paid	647,504	1,121,051
Storage	252,363	333,561
Stamp Duty	175,600	84,936
Loss on sale of Asset	9,766,178	-
Packing Supplies	22,469	21,820
Net gain or loss on foreign currency transaction	-	6,625,114
Internet Service charges	44,883	51,757
Meals & Entertainment	143,903	15,054
Miscellaneous expense	3,469,083	2,666,393
	<b>91,568,070</b>	<b>76,603,186</b>

**Note 26: Selling and Distribution Expenses**

	As at March 31, 2024	As at March 31, 2023
Business Promotion	4,842,688	2,264,768
Diwali Gift	-	26,860
Advertisement Expenses	2,068,960	3,061,255
Late Delivery Charges	1,800,137	11,817,138
Tender Fees	-	3,200,596
Export business promotion exp	4,012,686	-
Commission paid	3,613,922	4,975,105
Freight Charges ( Sales)	4,732,021	4,475,080
	<b>21,070,415</b>	<b>29,820,802</b>



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**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet as at March 31, 2024

Note 10 : - Property, Plant & Equipment & Intangible asset

Particulars	Gross Block			Depreciation/ Amortization			Net Block			
	Cost as at April 1, 2023	Addition/ Adjustment during period	Deletion/ Adjustment during period	Total as at March 31, 2024	Upto April 1, 2023	For the period	Deletion/ Adjustment	Upto March 31, 2024	As at March 31, 2024	As at March 31, 2023
<b>INDIA</b>										
Property, Plant & Equipment										
Furniture	45,305,143	53,720	17,297,264	28,061,599	30,276,759	5,036,016	10,833,074	24,479,701	3,581,898	15,028,384
Office Equipment	23,333,001	256,478	306,158	23,283,321	15,077,790	2,049,343	266,158	16,860,976	6,422,346	8,255,211
Office Equipment (Bangalore)	514,522	14,376	-	528,898	482,889	3,873	-	486,762	42,136	31,633
Computers	18,263,341	1,240,593	-	19,503,934	15,598,525	385,181	-	15,986,706	3,517,228	2,664,816
Motor Car	45,427,721	4,909,485	21,300,511	29,036,695	27,184,189	3,394,696	17,998,523	12,580,362	16,456,333	18,243,532
Electrical Fitting	8,666,765	-	-	8,666,765	6,923,862	451,462	-	7,375,324	1,291,442	1,742,903
Electrical Fitting (Bangalore)	1,282,425	-	-	1,282,425	565,753	140,081	-	705,833	576,592	716,672
Plant and Machinery	3,811,691	-	-	3,811,691	2,005,962	22,159	-	2,028,121	1,783,570	1,805,729
Factory Premises (Vikhroli)	26,591,785	-	-	26,591,785	20,506,412	125,401	-	20,631,813	5,959,972	6,085,373
Office Premises (Bangalore)	62,755,229	-	-	62,755,229	7,562,694	-	-	7,562,694	15,192,535	55,192,535
Factory Premises (Pune)	15,772,956	-	-	15,772,956	52,035	122,524	-	174,559	753,017	15,772,956
Mobile Asset	440,814	486,762	-	927,576	-	-	-	-	-	388,779
<b>COMPUTER</b>										
COMPUTER SOFTWARE	416,968	-	-	416,968	411,342	-	-	411,342	5,626	5,626
ELECTRICAL INSTALLATION	514,717	-	-	514,717	507,513	-	-	507,513	7,204	7,204
FURNITURE & FIXTURE	518,006	-	-	518,006	352,659	-	-	352,659	165,347	165,347
OFFICE EQUIPMENT	2,380,115	-	-	2,380,115	1,904,236	-	-	1,904,236	475,879	475,879
	606,481	-	-	606,481	495,622	-	-	495,622	110,859	110,859
<b>USA</b>										
Computer	2,342,127	-	-	2,342,127	-	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-	-	-	-	-	-
<b>Current Year</b>	<b>258,943,808</b>	<b>6,961,414</b>	<b>38,903,933</b>	<b>227,001,289</b>	<b>132,250,369</b>	<b>11,733,735</b>	<b>29,097,755</b>	<b>114,886,349</b>	<b>112,114,940</b>	<b>126,693,438</b>
Work in progress	-	30,360,222	-	30,360,222	-	-	-	-	30,360,222	-
<b>Previous Year</b>	<b>255,005,155</b>	<b>4,667,046</b>	<b>100,000</b>	<b>259,572,200</b>	<b>121,125,944</b>	<b>8,874,533</b>	<b>53,390</b>	<b>129,947,087</b>	<b>129,625,113</b>	<b>133,879,211</b>



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**Annexure to consolidated Financial Statement for the year ended 31<sup>st</sup> March, 2024**

**Note No. 27 Significant accounting policies for the year ended 31<sup>st</sup> March, 2024**

**27.1 Company Overview**

Dynalog (India) Limited(the "Parent Company" or the "Company") is Public Limited Company incorporated under the provision of Companies Act, 2013. The Dynalog and its Subsidiaries(together referred to as "the Group") is engage design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products.

**27.2 Group Companies**

Consolidated financial statements comprise the financial statements of Dynalog India Limited, and its subsidiaries (hereinafter referred together referred to as 'Group') which are listed below:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership(%) as at 31 <sup>st</sup> March 2024	Proportion of Ownership (%) as at 31 <sup>st</sup> March 2023
Techstructure solutions private limited (Formerly know as Dynalog Dydaditic Solution Private Limited)	INDIA	99%	99%
Paramount Mechanics Pvt Ltd	INDIA	99%	99%
Semiconductor Junction Inc	USA	100%	100%

**27.3 Basis of Preparation of Consolidated Financial Statement:**

The Consolidated Financial Statements of the Group have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Group has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2014. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue. All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

**27.4 Consolidation:**

- a) The consolidated financial statements comprise of Dynalog (India) limited and its Subsidiary at Dynalog Didactic Solutions Private Limited, Paramount Mechanics Pvt Ltd and Semiconductor Junction Inc. USA .
- b) Consolidated Financial statements of the group have been prepared on a line by line basis by adding together the book value of Subsidiary company's like item of assets,



liabilities, income and expenses after eliminating intra- group balances and unrealized profits / losses on intra group transactions.

- c) Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which we have not audited by us. Further Trial balance of Foreign Subsidiary is converted into rupees by using exchange rate prevailing at a year-end for Balance sheet items.

**27.5 Inventory**

Inventory is valued at cost or realizable value whichever is lower.

**27.6 Revenue Recognition**

Revenue, Income are recognized on the accrual basis

- a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.
- b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

**27.7 Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

**27.8 Depreciation**

- a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.
- b) Depreciation on addition to Fixed Assets has been charged proportionately from the date of purchase or put to use.
- c) Impairments of assets  
The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

**27.9 Foreign currency transactions**

- a) Initial recognition:

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

- b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

- c) Exchange differences:



Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.

**27.10 Employee retirement Benefit**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.

**27.11 Taxes on Income:**

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

**27.12 Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Thousands as per the requirement of Schedule III, unless otherwise stated.

**27.13 Contingent Liabilities & Provisions**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.

**Annexure to Financial Statement for the year ended 31<sup>st</sup> March, 2024**

**Note No.28 Notes to Financial Statement for the year ended 31<sup>st</sup> March, 2024**

28.1 None of the supplier has informed the company that they are registered under Micro, Small and Medium enterprises Development Act, 2006.

**28.2 Issue of additional Share Capital :**

During the FY 2021-22 under review, the Company has entered into Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog



## DYNALOG (INDIA)LIMITED

India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

The Company has issued 1,754 Equity Shares of INR 10/- each at a premium of INR 47/- per share and 999,000, 0.01% Optionally Convertible Preference Shares of INR 100/- each to IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund.

28.3 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

28.4 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

### 28.5 Investment in Wholly owned Subsidiary

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.

During the financial year 2021-22 company has wide board resolution 18/06/2021 passed in the meeting has decided and invested in the following company in order to explore the business opportunity.

Sr No	Name of the Entity
1	Techstructure Solutions Private limited (Formerly knows as Dynalog Dydaditic Solution Private limited)
2	Paramount Mechanics Pvt Ltd.

### 28.6 Payment made to Auditor are as under:-

Particulars	Current Year	Previous Year
Audit fees	410,000	385,000
<b>Total</b>	<b>410,000</b>	<b>385,000</b>

### 28.7 Remuneration to Directors

Particulars	31 <sup>st</sup> March 24	31 <sup>st</sup> March 23
Remuneration Including bonus	1,80,96,000	1,75,98,374
<b>Total</b>	<b>1,80,96,000</b>	<b>1,75,98,374</b>

### 28.8 Earning / Expenses in Foreign Currency of Indian Operations are as follows: (For Indian Operations Only)

Particulars	Current Year	Previous Year
<b>Expenses</b>		
Overseas Traveling	4,012,686	24,52,536
CIF Value of Import	527,448,265	41,60,31,199
Freight charges paid	12,529,630	1,44,49,412



**28.9 Bank Facility:**

The Holding Company enjoys over all limit of Rs. 35.84 Crores. (for P.Y. Rs.31.09 Crore) Mainly bifurcating in CC; BG; SBBC and LC. Details of the same is as follows:

Particulars	Amount as on 31.3.24	Amount as on 31.3.23
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	20,00,00,000	18,25,00,000
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	15,84,39,000	12,84,39,000
<b>Total</b>	<b>35,84,39,000</b>	<b>31,09,39,000</b>

- i) The credit Facility is secured by first charged on Stock & Book Debts.
- ii) The list Second pari passu charge with following properties as listed belows:

Sr.No	Description
1	COMMERCIAL PROPERTY UNIT 109, HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES, AMRUT NAGAR, OFF LBS ROAD, GHATKOPAR WEST, MUMBAI 400086 GHATKOPAR
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD G WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079 KAILASH
3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079 KAILASH
4	COMMERCIAL PROPERTY NEW UNIT NO. 203 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079
6	COMMERCIAL PROPERTY UNIT NO. 303, VIKHROLI PARK COMMERCIAL-OFFICE SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400079 (OLD UNIT NO. 302), 3RD FLOOR, G WING

- iii) Personal gurantee of Directors and pramoters of the company.



**28.10 Related Party transaction**

Sr. No.	Particulars	Name
1.	Key Management Personnel	Akshay Shivaji Adhalrao Apurva Shivaji Adhalrao Madhuri Akshay Adhalrao Natalie Apurva Adhalrao KALPANA SHIVAJI ADHALRAO
2.	Relative of Key management Personnel	Shivaji D. Adhalrao Shivaji Adhalrao (HUF) Dynalog International Dynalog Microsystems Elmatronic Devices Inc.

Description of nature of transaction	Description of relationship	Related party	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Director Remuneration, Bonus, And Medical insurance	Key management Personnel - MD	Akshay Adhalrao	8,031,600	91,23,933
Director Sitting Fees	Key management Personnel – MD	Akshay Adhalrao	40,000	80,000
Advance given	Key management Personnel – MD	Akshay Adhalrao	3,113,399	
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	3,045,600	23,21,173
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	30,000	80,000
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel – CFO	Madhuri Adhalrao	3,916,800	32,19,800



**DYNALOG (INDIA)LIMITED**

Director Sitting Fees	Key management Personnel – CFO	Madhuri Adhalrao	30,000	80,000
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Netalie Adhalrao	1,122,000	10,49,468
Director Sitting Fees	Key management Personnel	Netalie Adhalrao	30,000	40,000
Salary and bonus and medical Insurance;	Director	Kalpana Adhalrao	19,80,000	18,84,000
Director Sitting Fees	Director	Kalpana Adhalrao	20,000	40,000
Rent	Director	Kalpana Adhalrao	15,12,000	12,96,000
Rent	Father of Director	Shivaji D. Adhalrao	50,24,500	46,80,000
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	16,66,800	16,66,800
Sales	Director has significant influence	Dynalog International	251,468	0
Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	381	4,92,562
Advance to Supplier of Closing Balance	Director has significant influence	Dynalog Microsystems	3,783,033	4,37,56,165
Advance to Supplier of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	4,59,541	4,59,541
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	17,24,270	17,24,270
Loan Repaid to director during the year	Director	Akshay Adhalrao	1,500,000	1,64,74,761
Loan Repaid to director during the year	Director	Madhuri Adhalrao	0	8,84,100
Loan Repaid to director during the year	Director	Kalpana Adhalrao	200,000	53,26,556
Loan Repaid to director during the year	Director	Apurva Adhalrao	7,500,000	37,30,700
Loan received from director during the year	Director	Akshay Adhalrao	1,500,000	1,40,31,544



**DYNALOG (INDIA)LIMITED**

Loan received from director during the year	Director	Madhuri Adhalrao	0	3,74,099
Loan received from director during the year	Director	Kalpna Adhalrao	200,000	16,09,835
Loan received from director during the year	Director	Apurva Adhalrao	7,500,000	5,00,000
Unsecured Loans at the year end	Director	Madhuri Adhalrao	51,884	51,884
Unsecured Loans at the year end	Director	Kalpna Adhalrao	98,000	98,000
Unsecured Loans at the year end	Director	Apurva Adhalrao	49,000	49,000
Unsecured Loans at the year end	Director	Akshay Adhalrao	48,000	48,000

**28.11 Earning Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders.

Particulars	<u>31/03/2024</u>	<u>31/03/2023</u>
Number of equity shares are the beginning of the year	4,01,754	4,01,754
Shares issued during the year	0	0
Total number of equity shares outstanding at the year end	401,754	4,01,754
<b>Weighted average number of equity shares Outstanding during the year</b>	<b>4,01,754</b>	<b>4,00,005</b>
Profit after Tax	28,901,811	20,397,483
Basic Earning per share (Rs.)	<b>7.22</b>	<b>5.10</b>
Diluted Earning per share (Rs.)	<b>7.22</b>	<b>5.10</b>
Face value per share (Rs.)	10	10

(Rs in '000)

**28.12 Contingent Liability for the year ended 31<sup>st</sup> March, 2024 has been as follows:**

Particulars	<u>31/03/2024</u>	<u>31/03/2023</u>
Bank Guarantees issued by company	46,090,921	3,52,68,896
Vat Appeals case for FY 2014-15		43,47,631
Foreign LC outstanding as on 31 <sup>st</sup> March		53,80,737
GST for FY 2018-19 (karnataka)		3,61,444
LBT for FY 2008-09 to FY 2016-17		20,00,000
<b>Total</b>	<b>46,090,921</b>	<b>47,358,708</b>



**28.13 Deferred Tax Liability**

Working for Deferred Tax Liability/ (Assets) is provided as follows: (Rs)

Particulars	As at 31 <sup>st</sup> March,2023	Current year changes	As at 31 <sup>st</sup> March, 2024
Difference between Book & Tax Depreciation on Fixed Assets	1,749,541	(1,871,661)	(122,121)

28.14 As far as Direction note on carrying out the re-examined AS-15, Gave by the Company the Gratuity trust set-up by the organization is treated as characterized benefit plan.

The employee strength as on 31.03.2024 was 133. The The estimated liability as per Life Insurance Company comes to Rs. 1,30,68,997. The gratuity fund balance with LIC is Rs. 1,13,61,623 (includes contributed of Rs. 72,19,922 in FY 23-24 against Rs. 70,37,600 in FY 22-23). The existitng policy has been freezed by the Government, new policy is in place at the period ending 31st March 2024. The company has created provision of Rs. 32,16,508/- which will be paid subsequently. The new policy along with existing LIC Policy are in compliance with the requirements of AS -15 "Accounting for employee benefits".

**28.15 Impairment of assets:**

Pursuant to AS -28 "Impairment of assets", the Group has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.

**28.16 Dividend**

The Group has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

28.17 The Group is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material, consumption of raw material are provided to the extent possible.

**28.18 Segment Information**

As the Group activity falls within a single primary business segment, the segment information is not provided.

28.19 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.



28.20 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

**AS PER OUR REPORT OF EVEN DATE**

**KAGRANA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W

**FOR DYNALOG (INDIA) LIMITED**



*P. B. Dholakia*

(Pritesh B. Dholakia)  
PARTNER  
Membership No: 140041

PLACE: Mumbai

DATE: **16 SEP 2024**



*A. Adhalrao*

ASA Akshay Adhalrao  
MANAGING DIRECTOR  
DIN:

PLACE: Mumbai

DATE: **16 SEP 2024**

*H. Adhalrao*

MAA Madhuri Adhalrao  
CFO  
DIN:

# DYNALOG INDIA LIMITED

G WING, 3RD FLOOR, KAILASH-VAIBHAV, PARKSITE, VIKHROLI  
(WEST), MUMBAI, MAHARASHTRA, 400079

To

Date:

**Kagrana & Associates**  
**Chartered Accountants**

304, Shalaka, Juhu Road

Santacruz (W)

Mumbai - 400054

Respected Sir,

**Sub: Management representation for Consolidated financial Statement for Audit for the Financial year 2023-24 under Companies Act 2013.**

With reference to ongoing audit we are making following submissions as under:

1. Cash Balance

The Director of the respective companies in the group has physically counted cash balance as on 31/03/2024 and the same has been found at Rs. 5,97,842/- which tally with books of accounts.

2. Provision for all known liabilities

Provision has been made for all the known liabilities which are outstanding as on 31/03/2024 and there is no any liabilities which are not provided for.

3. Contingent Liabilities

There are no contingent liabilities as on 31/03/2024 other than Rs. 461 lacs/- approx towards bank guarantee, in the parent company and not in Subsidiary companies.

4. Bank balances and fixed deposit with bank

Bank balances in Current account and in Fixed Deposit Account are correctly reflected in books of accounts and in balance sheet.

5. We are in the process of obtaining ledger confirmation from our customer and supplier.

6. In the opinion of the Parent company board, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provisions for all the known liabilities have been made and are not in excess of the amount considered necessary.

7. None of the supplier has informed to the Group that they are registered under Micro, Small and Medium enterprises Development Act, 2006 except as reported in the financial statements.

8. The account has been prepared on going concern basis.

9. Compliance with Accounting Standards prescribed by Institute of Chartered Accountants of India

We certify that we had complied with all applicable Accounting Standards prescribed by Institute of Chartered Accountants of India to the extent applicable.

10. Compliance with Income Computation and Disclosure Standards (ICDS) prescribed by Government of India Under Section 145A of Income tax Act,1961

We certify that we had complied with all applicable Income Computation and Disclosure Standards (ICDS) prescribed by Government of India Under Section 145A of Income tax Act,1961.

11. We certify that none of the Directors have any disqualification as referred to in Sub Section (2) of Section 164 of Companies Act 2013.

12. Declaration /information for details to be furnished under CARO 2020.

- i (a) The Group has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- (b) The Property Plant and Equipment's have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- ii The Management has carried out the physical verification of inventory at the reasonable intervals and on the basis of checks conducted the procedure of physical verifications of inventory are reasonable and adequate in relation to size of the Group and nature of its business. . The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in the books of account.
- iii The Group has during the year, not given any loan to parties covered in register maintained under section 189 of the Companies Act.
- iv The Group has complied with the provisions of Section 185 and 186 of the Act with respect to loans and investments made.
- v The Group has not accepted any deposit from the public.
- vi The Central Government has not prescribed the maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii (a) The Group is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax and other material statutory dues applicable to it.
- (b) The Group does not have any disputed amounts payable in respect of income tax, custom duty, sales tax, service tax wealth tax, excise duty and cess were in arrears as at 31/03/2024, for a period of more than 6 months from the date they became payable except in the following cases which are as follow:

Name of the statute	Nature of the dues	Amount	Period to the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income Tax	21,06,637	AY 2009-10, 2010-11, 2018-19, 2019-20	CPC

- viii The Group has not defaulted during the year in repayment of dues to financial institutions, banks, government or debenture holders during the year.
- ix The Group has not raised any money by way of initial public offer or further public offer (Including debt instruments) and term loan during the year. We have issued preference shares to IDBI by entering in to agreement for preference shares during the FY 2021-22.
- x No fraud on or by the Group has been noticed or reported during the year.
- xi The Parent Company is the paid the managerial remuneration u/s 197 read with Schedule V to the Act and other company is private limited company so section 197 is not applicable to them.
- xii The Group is not a Nidhi Company.
- xiii The Group has complied with the provisions of Section 188 and Section 177 of the act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv The Group has not entered into non-cash transactions with directors or persons connected with him.
- xv The Group is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934.
13. Books of accounts are maintained in Computer System and following books of accounts are generated and maintained
- a. Cash Book
  - b. Bank Book
  - c. Journal
  - d. Ledger
  - e. Purchase Register
  - f. Sales Register
  - g. Stock Register
14. There is no change in method of accounting employed vis-à-vis the method employed in the immediately preceding previous year
15. Valuation of stock  
The stock has been valued at cost or realizable value whichever is lower.
16. Recording of sales and purchase  
Sales, purchase and inventory are recorded exclusive of taxes after the implementation of GST. However the same does not have effect on profit or loss for the year.
17. Applicability of various labour laws and employee benefit  
The Group is covered under
- a. Provident Fund act
  - b. ESIC Act
  - c. Gratuity Act

18. Recognition of all income

The Group has recognized all its income for the year in the books of accounts

19. The following expenditures are not debited to profit & loss account.

- (a) Expenditure of capital nature
- (b) Expenditure of personal nature
- (c) Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party.
- (d) Expenditure incurred at clubs
- (e) Expenditure by way of penalty or fine for violation of any law for the time being in force.
- (f) any other penalty or fine
- (g) expenditure incurred for any purpose which is an offence or which is prohibited by law

20. There is no amount inadmissible U/s. 40(a)(ia).

21. Payment in excess of Rs. 10,000 have been made otherwise than by account payee cheque or bank draft

We certify that we have not made any Payment in excess of Rs. 10,000 made through otherwise than by account payee cheque or bank draft

22. Inadmissible amount U/s. 14A of Income Tax Act 1961

There is no Amount inadmissible U/s. 14A ie. expenditure incurred by taxpayer in relation to income which does not form part of total income, of Income Tax Act 1961.

23. There is no amount in admissible U/s. 36(1)(iii) of Income Tax Act 1961.

24. There is no interest disallowable U/s. 23 of the Micro, Small and Medium Enterprises Development Act 2006.

25. Payment to relatives U/s. 40A(2)(b)

We have furnished complete details of payment made to relatives U/s. 40A (2) (b) in Form 3CD.

26. There is no income or expenditure of prior period credited or debited to Profit & Loss Account except Rs.50,367/- of expenses.

27. No amount has been borrowed on Hundi

28. There is no change in share holding of the company due to which losses incurred in previous year can not be allowed in terms of Section 79 of Income Tax Act 1961

29. The Group has complied with the provisions of Chapter XVIIB regarding deduction of tax at source and regarding the payment there of to the credit of the Central Government.

30. Ratio of gross profit, net profit and stock in trade and material consumed.

The said ratios are correctly calculated wherever applicable as per regrouping of financials done during the previous year.

31. Since there are numerous transaction in the books, and its practically not possible to provide details of qty records, the same is not furnished. However we have quantified and certified closing stocks at the year end.

32. The Group has received a demand of RS.8,23,130/- of MVAT for FY 2014-15 of which Group has made the payment as on 23/10/2023, Rs.191,710/- of Maharashtra GST for FY 2019-20, Rs.25,856/- of Maharashtra GST for 2021-22 and LBT of RS.18,10,835 for FY 2008-09 to FY 2015-16.
33. We certified that Foreign Company whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been self-certified by the management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India.
34. We confirm that Minority Interest is calculated based on the unaudited reserves as on 24/06/2022 i.e. date on which company acquired share is provided by us based on certified copy of financials prepared on that date.
35. Semiconductor financial prepare in the USA upto Dec 2022 and Dec 2023 for respective years. We Confirm that the same is extended and revised Financial were Prepared for the march 2023 and March 2024 which are not subject to audit under the law prevailing in USA hence as s management we have prepared & Certified the same.
36. Inter Company Transaction are properly reflected while preparing Consolidated Financial Statement and Subsequently, Intergroup transaction were excluded by us in preparing Consolidated Financial Statement.
37. Reserve & Surplus of subsidiary being negative, hence the same is reduced from reserve of holding company to make data comparable & to provide true & fair view.

Thanking You,

Yours faithfully

For **DYNALOG INDIA LIMITED**

  
Director

PDA

  
Director  
MFA

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B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



## Kagrana & Associates

Chartered Accountants

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### INDEPENDENT AUDITOR'S REPORT

To the Members of **Dynalog (India) Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of **DYNALOG (INDIA) LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31 2025, the Standalone Statement of Profit and Loss, the standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required **except 2(c) and 2(d) below** and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its **profit**, its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

#### Emphasis of Matter

**We draw attention to Note 26.17 of the financial statements. The Company has not carried out an actuarial valuation of its gratuity liability for the year ended 31<sup>st</sup> March 2025, as required under Accounting Standard – 15 (Employee Benefits), Paras 49–55. Instead, management has relied upon the balance available in the LIC Group Gratuity Fund amounting to ₹1.20 crore. Accordingly, the defined benefit obligation has not been determined in accordance with AS-15.**

**Management has represented that the funded balance is sufficient to meet its estimated obligations and has undertaken to obtain an actuarial valuation in subsequent years.**



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### **Information Other than the standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Responsibility of Management for the standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 management 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.

### **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's



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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 standalone 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 Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the standalone financial statements.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



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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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account except for
- ***Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;***
- (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- ***Decline in the value of the investment along with advance of Rs.6,39,18,047/- in the 100% foreign subsidiary Semi-Conductor Junction, USA and Indian Subsidiaries - Tech structure solutions Private Limited (Formally known as: Dynalog Didactics Pvt. Ltd.) and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, in view of the management, the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent as per management it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.***
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read With Schedule V to the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;



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- 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.
- iv. (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 securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.  
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and  
(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.  
v. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31<sup>st</sup> March 2025 which has a feature of recording audit trail (edit log) facility. Further, to the best of our knowledge during the course of our audit we did not come across any instances of the audit trail feature being tampered with and the audit trail has been preserve by the Company as per the statutory requirements for record retention.
- vi. The company has declared divided for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2025.



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For Kagrana & Associates  
Chartered Accountants  
Firm Registration No. 115467W

*P. B. Dholakia*

Pritesh B Dholakia  
Partner

Membership Number: 140041

Place of Signature: Mumbai

Date: 26/09/2025

UDIN: *251H0041BMLYGM9700*



**Annexure - A to the Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2025, we report that:

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right of use assets.  
B. The company does not have any intangible assets.
- (b) The Property, plant and equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company holds immovable properties in its name and the title deeds of the same have been verified.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year. Accordingly, the clause 3(i)(d) of the order is not applicable.
- (e) As per Information, Explanation provided by the management and to the best of our knowledge no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) As per the information and explanation given to us, the management has carried out the physical verification of inventory at the reasonable intervals during the year.
- (b) According to the information and explanation gives to us, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets as disclosed in Note 26.11 . In our opinion and according to information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.



iii.

- a) As per Information and explanation given to us, The Company has given advances to the following parties covered under section 189 of the companies Act 2013. The same being advance for the business transaction i.e. Advance for purchase/ services hence no interest is charged.

Particulars of Advances	Amount in (Rs.)
<b>Aggregate Amount Given during the year</b>	
- Subsidiary Companies	34,82,333
- Related Parties	400,000
<b>Aggregate Amount repaid during the year</b>	
- Subsidiary Companies	73,71,033
- Related Parties	783,165
<b>Balance outstanding as at 31<sup>st</sup> March 2025 in respect of above cases</b>	
- Subsidiary Companies	6,39,18,047
- Related Parties	54,91,288

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of advance given, in our opinion the repayment of principal has been stipulated and the receipts have been regular
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.



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e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.

iv. The Company has granted Loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below:

Particulars	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	6,94,09,335
- Without specify terms or period of repayment	6,94,09,335
Percentage of loans/ advances in nature of loans to the total loans	100%

v. In our opinion and according to the information and explanations given to us, the Company has complied with provision of section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made and loans given. The Company has not provided security or guarantees as specified under section 186 of the Companies Act, 2013.

vi. To the best of our knowledge and belief and according to the information and explanation given to us the company has not accepted any deposit as per provision of section 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under. Further as informed to us the company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vii. The Central Government has not prescribed the maintenance of cost records as required under sub-section (1) of Section 148 of the Companies Act, 2013 for any of the activities of the company.



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- viii. (a) According to the records of the Company, the company is regular in depositing undisputed statutory dues including Custom duty, GST, Income tax, custom duty and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2025 for a period of more than six months from the day they become payable.
- (b) According to the information and explanations given to us, there are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, or other statutory dues which have not been deposited by the Company on account of any dispute except for the following:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act 1961	Income Tax	21,06,637	AY 2009-10, 2010-11, 2018-19, 2019-20	CPC

- ix. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- x. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to banks, financial institutions, etc. Also, the Company does not have any outstanding debentures during the year.
- b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.



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- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- e) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company; including representation received from the management of the Company, during the year; the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company; including representation received from the management of the Company, during the year; the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- xi. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has raised fund by way of preferential share allotment of share were applied for the purpose for which those are raised.
- xii. (a) According to the information and explanations given to us, 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 us, no report under sub-section (12) of section 143 of the Companies Act 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 us, no complaints were received by the company from the Whistle blower complaints.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177



**Kagrana & Associates**  
Chartered Accountants

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and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvii. The Company is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xviii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xix. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause (xviii) of the Order is not applicable to the Company.
- xx. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xxi. According to the information and explanations given to us, the Company is not required to contribute any amount towards CSR as per provision of Companies Act 2013. Accordingly, reporting under clause (xx) of the Order is not applicable to the Company.



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)  
CA, Jinesh S. Shah  
B. Com., A.C.A.

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- xxii. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For KAGRANA & ASSOCIATES  
Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*



**Pritesh B Dholakia**

Partner

Membership No: 140041

PLACE: MUMBAI

UDIN: *25140041/BMLGM 9700*

DATE: 26/09/2025

**Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **DYNALOG INDIA LIMITED** ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal



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CA. Himanshu D. Tanna  
B. Com., F.C.A.



## Kagrana & Associates

Chartered Accountants

CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)  
CA, Jinesh S. Shah  
B. Com., A.C.A.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, 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



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Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAGRANA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**  
Partner



Membership No: 140041  
PLACE: MUMBAI  
UDIN: *25140041B07LYGM9700*  
DATE: 26/09/2025

**DYNALOG INDIA LIMITED**  
**Balance Sheet as at March 31, 2025**  
 CIN: U32109MH1985PLC036338  
 Email: madhuri@dynalogindia.com

(Amount Rs '000)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	50,007.54	139,917.54
(b) Reserves and surplus	2	368,149.27	237,653.62
		<b>418,156.81</b>	<b>377,571.16</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	101,583.50	60,774.52
(b) Deferred tax liabilities (Net)	4	-	-
(c) Long Term Provision	5	-	-
		<b>101,583.50</b>	<b>60,774.52</b>
<b>Current liabilities</b>			
(a) Short term borrowings	6	144,705.68	159,485.88
(b) Trade payables	7	78,427.25	72,949.19
(c) Other current liabilities	8	58,686.82	41,525.35
(c) Short Term Provision	9	7,868.68	13,489.49
		<b>289,688.44</b>	<b>287,449.91</b>
<b>TOTAL</b>		<b>809,428.75</b>	<b>725,795.59</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	10	192,920.04	111,350.02
(ii) Capital Work In Progress (Software)		3,388.20	30,360.22
(b) Non-current investments	11	30,617.99	33,117.99
(c) Deferred tax Assets (Net)	12	591.54	122.12
		<b>227,517.77</b>	<b>174,950.35</b>
<b>Current Assets</b>			
(a) Inventories	13	162,589.17	100,133.83
(b) Trade receivables	14	254,348.50	304,461.33
(c) Cash and Bank Balances	15	41,880.49	41,377.32
(d) Short-term loans and advances	16	123,092.82	104,872.77
		<b>581,910.98</b>	<b>550,845.24</b>
<b>TOTAL</b>		<b>809,428.75</b>	<b>725,795.59</b>
See accompanying notes to the financial statements	25 to 26		

This is the Balance Sheet referred to in our report of even date.

For Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W

*P. B. Dholakia*  
 Pritesh B Dholakia  
 Partner  
 Membership No. : 140041  
 Place : Mumbai  
 Dated: 26th September 2025  
 UDIN: 25140041BMLYGM9700



For and on behalf of board of directors of  
 Dynalog (India) Limited

*Akshay Adhalrao*  
 Akshay Adhalrao  
 Managing Director  
 DIN:00314926  
 Dated: 26th September 2025

*Madhuri Adhalrao*  
 Madhuri Adhalrao  
 Director  
 DIN: 00315018



**DYNALOG INDIA LIMITED**

Statement of Profit and Loss Account for the year ended March 31, 2025

CIN: U32109MH1985PLC036338

Email: madhuri@dynalogindia.com

(Amount Rs '000)

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2025	March 31, 2024
Revenue from Operations	17	910,490.30	972,960.18
Other Income	18	15,425.49	25,130.26
<b>Total Revenue</b>		<b>925,915.80</b>	<b>998,090.44</b>
Purchase	19	596,147.35	663,144.19
Change in Inventory	20	(62,455.34)	(13,832.62)
Direct Expenses	21	54,478.82	55,200.72
Employee Benefit Expenses	22	122,249.13	110,763.65
Finance Costs	23	25,258.96	22,082.31
Depreciation and Amortization Expense	10	10,085.99	11,733.73
Other Expenses	24	101,424.76	84,471.44
Selling & Distribution Expenses	24	18,815.57	21,037.10
<b>Total Expenses</b>		<b>866,005.25</b>	<b>954,600.52</b>
<b>Profit Before Tax</b>		<b>59,910.55</b>	<b>43,489.92</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2024-25		(14,977.64)	
- Income tax Provision for FY 2023-24			(16,200.00)
- Income tax P&L Provision (Short)		(66.68)	(259.77)
(2) Deferred Tax (liabilities)/Assets		469.42	1,871.66
<b>Profit for the year carried forward to Surplus</b>		<b>45,335.65</b>	<b>28,901.81</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		8.24	7.22
(2) Diluted		8.24	7.22
See accompanying notes to the financial statements	25 to 26		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date.

For Kagrana &amp; Associates

Chartered Accountants

Firm Registration No: 115467W



Pritesh B Dholakia

Partner

Membership No. : 140041

Place : Mumbai

Dated: 26th September 2025

UDIN: 25140041BMLYGM9700

For and on behalf of board of directors of  
Dynalog (India) Limited


Akshay Adhalrao

Managing Director

DIN:00314926

Dated: 26th September 2025



Madhuri Adhalrao

Director

DIN: 00315018



(Amount Rs '000)

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	59,910.55	43,489.92
Adjustments for :		
Depreciation	10,085.99	11,733.73
Dividend Paid	5.08	-
Foreign exchange profit or loss	(1,965.61)	(3,003.70)
(Profit)/loss on sale of investment	(58.24)	-
(Profit)/ Loss on Sale of Assets	(315.52)	9,766.18
Interest Income	(1,626.08)	(1,554.30)
Interest Expenses	25,258.96	22,082.31
Operating Profits Before Working Capital Changes :	91,295.14	82,514.14
(Increase) / Decrease in Inventories	(62,455.34)	(13,832.62)
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	50,112.83	(104,653.51)
(Increase) / Decrease in Loans & Advances (including current and non current)	(4,720.06)	21,860.09
(Increase) / Decrease in Long Term Provision	-	(1,771.19)
Increase / (Decrease) in Trade Payables & Other Current Liabilities	24,605.14	8,364.45
Cash Generated from Operations	98,837.72	(7,518.63)
Direct Taxes Paid (net of refund)	20,665.12	7,709.99
Net Cash Flow from / (used) Operating Activities:	78,172.60	(15,228.62)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(64,835.77)	(37,321.64)
Sale of Fixed Assets	467.30	40.00
Purchase of Investments	(13,500.00)	(7,200.00)
Sales of Investment	2,558.24	-
Net Cash Flow from / (used) in Investment Activities :	(75,310.23)	(44,481.64)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Secured Loan (Short term and long term)	26,028.77	79,105.47
Interest Received	1,626.08	1,554.30
Finance Expenses	(25,258.96)	(22,082.31)
Redemption of Preference Share at Face Value	(99,900.00)	-
Premium on Redemption of Preference Share	(54,850.00)	-
Proceeds from issuance of convertible Preference share	150,000.00	-
Dividend paid	(5.08)	-
Net Cash Flow from / (used) in Financing Activities :	(2,359.19)	58,577.46
Net Increase/(Decrease) in Cash and Cash Equivalents :	503.17	(1,132.80)
Cash & Cash Equivalents at Opening	41,377.32	42,510.12
Cash & Cash Equivalents at Closing	41,880.49	41,377.32
Net Increase/(Decrease) in Cash and Cash Equivalents :	503.17	(1,132.80)
(For closing Cash and Cash Equivalents and others Refer Note 14)		

As per our report of even date

Kagrana & Associates  
Chartered Accountants  
Firm Registration No: 115467W

*P. B. Dholakia*  
Prithesh B Dholakia  
Partner  
Membership No. : 140041  
Place : Mumbai  
Dated: 26th September 2025  
UDIN: 25140041BMLYGM9700



For and on behalf of board of directors of  
Dynalog (India) Limited

*Akshay Adhalrao*  
Akshay Adhalrao  
Managing Director  
DIN:00314926  
Dated: 26th September 2025

*Madhuri Adhalrao*  
Madhuri Adhalrao  
Director  
DIN: 00315018



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Particulars	As at	
	March 31, 2025	March 31, 2024
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b> 3,70,02,000 Equity Shares of Rs. 10 each (Previous Year: 40,02,000 Equity Shares of Rs. 10 each) Current Year Nil (Previous Year: 18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)	370,020.00	40,020.00
	-	180,000.00
	370,020.00	220,020.00
<b>Issued Capital</b> 50,00,754 (PY40,01,754) Equity Shares of Rs. 10 each fully paid up Current Year NIL (PY:17,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)	50,007.54	40,017.54
	-	179,900.00
	50,007.54	219,917.54
<b>Subscribed and Paid up</b> 50,00,754 (PY40,01,754) Equity Shares of Rs. 10 each fully paid up Current Year Nil (Previous Year: 9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)	50,007.54	40,017.54
	-	99,900.00
	50,007.54	139,917.54

(1.1) The Company has Equity Shares, having a face value of Rs.10/- . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) -Pursuant to the approval of shareholders, the Authorized Capital of the company has increased by Rs. 150,000,000/- in Extra-ordinary General Meeting held on July 23, 2024.

Pursuant to the approval of Board of Directors and shareholders in Extraordinary General Meeting held on August 12, 2024, at a shorter notice, Company offered to issue 1,200,000 Compulsory Convertible Preference Shares at a face value of Rs. 125/- each and allotted 12,00,000 Compulsory Convertible Preference Shares to Aegis Investment Fund, PCC at a Board Meeting held on August 21, 2024 at face value of Rs. 125/- each.

The Company has redeemed 9,99,000, 0.01% Optionally Convertible Preference Shares of Rs. 100/- held by IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund) on August 23, 2024. Pursuant to the approval of shareholders in the Annual General Meeting held on September 30, 2024, Authorized Share Capital has been reclassified. On October 19, 2024, the Company has converted 1,200,000, Compulsory Convertible Preference Shares into 999,000 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 140.15/- each.

(1.3) In view of Clause 1 2 hereinabove, Authorized Share Capital of the Company has been reclassified FROM INR 37,00,20,000/- divided into (1) 2,20,02,000 Equity Shares of INR 10/- each and (2) 12,00,000 Compulsory Convertible Preference Shares of INR 125/- each TO INR 37,00,20,000/- divided into (1) 3,70,02,000 Equity Shares of INR 10/- each at the Extra-ordinary General Meeting held on December 09, 2025.

Particulars	As at	
	March 31, 2025	March 31, 2024
Number of Equity shares at the beginning	4,001,754.00	4,001,754.00
Add/less: Equity Shares issued on conversion during the year	999,000.00	
Number of shares at the end	5,000,754.00	4,001,754.00

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2025 and March 31, 2024 is set below:-

Particulars	As at	
	March 31, 2025	March 31, 2024
Number of Optionally Preference shares of Rs.100 Per share at the beginning	999,000.00	999,000.00
Add: Compulsory Convertible Preference Shares of Rs.125 Per share issued during the period	1,200,000.00	
Less: Optionally Convertible Preference Shares of Rs. 100 per share redeemed during the period	999,000.00	
Less: Compulsory Convertible Preference Shares of Rs. 125 converted during the period	1,200,000.00	
Number of shares at the end	-	999,000.00

During the period under review, the Company has entered into Share Subscription Agreement and Shareholders Agreement entered between Shivaji Adhalrao, Akshay Adhalrao, Dynalog India Ltd and Aegis Investment Fund, PCC executed on August 12, 2024. The Company has issued 1,200,000, Compulsory Convertible Preference Shares of Rs. 125/- each on August 21, 2024 to Aegis Investment Fund, PCC and on October 19, 2024 CCPS were converted into 999,000 Equity Shares of Rs. 10/- each at a premium of Rs. 140.15/- each.

(1.5) Shares held by each shareholder holding more than 5% shares



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Name of Shareholders	As at March 31, 2025		As at March 31, 2024	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Shivaji Adhalrao	35.68	1,784,398.00	44.59	1,784,398.00
Shivaji Adhalrao HUF	21.23	1,061,704.00	26.53	1,061,704.00
Kalpna Adhalrao	15.45	772,446.00	21.80	872,488.00
Apurva Adhalrao	5.31	265,426.00	6.63	265,426.00
Aegis Investment Fund, PCC	19.98	999,000.00		

(1.6) Shares held by each Promoter holding more than 5% shares

Name of Promoter	As at March 31, 2025		As at March 31, 2024	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Shivaji Adhalrao	35.68	1,784,398.00	44.59	1,784,398.00
Shivaji Adhalrao HUF	21.23	1,061,704.00	26.53	1,061,704.00
Kalpna Adhalrao	15.45	772,446.00	21.80	872,488.00
Apurva Adhalrao	5.31	265,426.00	6.63	265,426.00

**Note 2: Reserves and Surplus**

	As at March 31, 2025	As at March 31, 2024
(a) Securities Premium		
As per last Balance Sheet	82.44	82.44
Add: Addition during the year	140,092.44	-
Less: During the year	(82.44)	
	140,092.44	82.44
(b) Retained Earning		
Add: Addition during the year	237,571.18	208,679.36
Less: Preference Dividend Payable	45,335.65	28,901.81
Less: Premium paid on redemption of Pref. shares	(54,650.00)	-9.99
	228,056.83	237,571.18
	368,149.27	237,653.62

Notes:

a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.

**Note 3: Long-Term Borrowings**

	As at March 31, 2025	As at March 31, 2024
<b>Secured Loans</b>		
-Term Loan from Bank	61,569.03	57,535.81
- From Financial Institution	39,865.58	2,991.83
<b>Unsecured Loan</b>		
- From Directors	148.88	246.88
	101,583.50	60,774.52

(Note : for Details refer Note 26.11 of Notes to accounts)

Working capital facilities are secured by :-

- First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts.
- Second pari passu charge with following properties as listed in the note no. 26.11
- Personal gurantee of all the Directors and Promoters of the company .



DYNALOG INDIA LIMITED			
Annexures to the Balance Sheet			
(Amount Rs '000)			
<b>Note 4: Deferred Tax Liabilities/(Assets) (Net)</b>		As at	As at
		March 31, 2025	March 31, 2024
Deferred Tax Liability/(Assets)		-	-
		-	-
<b>Note 5: Long Term Provision</b>		As at	As at
		March 31, 2025	March 31, 2024
Provision for Employee Benefit		-	-
		-	-
<b>Note 6: Short-Term Borrowings</b>		As at	As at
		March 31, 2025	March 31, 2024
<b>Secured</b>			
- Cash Credit banks		84,304.86	76,323.71
- Other Secured Loan		60,400.83	83,162.18
		<b>144,705.68</b>	<b>159,485.88</b>
Working capital Loan :Working capital facilities are secured by :- (i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts. (ii) Second pari passu charge with following properties as listed in the note no. 26.11 (iii) Personal gurantee of All the Directors of the company			
<b>Note 7: Trade Payables</b>		As at	As at
		March 31, 2025	March 31, 2024
Sundry Creditors			
- Creditors		78,427.25	72,949.19
		<b>78,427.25</b>	<b>72,949.19</b>
Note : Sundry creditors includes balance with related parties refer Note.26.7 For MSME and agewise breakup refer Note no. 26.7			
<b>Note 8: Other Current Liabilities</b>		As at	As at
		March 31, 2025	March 31, 2024
<b>Other Payables</b>			
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)		12,403.49	11,185.04
- Advance Received From Customers		34,466.15	11,838.32
- Security Deposits		3,940.00	1,886.63
- Other Current Liability		7,877.18	16,615.36
		<b>58,686.82</b>	<b>41,525.35</b>
Note: a) Security Deposits received are against Renting of immovable property			



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

(Amount Rs '000)

Note 9: Short Term Provision	As at March 31, 2025	As at March 31, 2024
Short Term provision - Income Tax Provision [ Net of TDS Receivable and Self assessment tax of Rs.71,08,953/-, Previous Year Rs.27,10,513/-]	7,868.68	13,489.49
	<b>7,868.68</b>	<b>13,489.49</b>

Note 11: Non-Current Investments	As at March 31, 2025	As at March 31, 2024
<b>Investment in Equity Instruments (Unquoted) In Subsidiary Company</b>		
Semiconductor Junction Inc. USA	23,563.79	23,563.79
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Dynalog Didactic Solutions Private Limited	99.00	99.00
9,900 (Previous Year 9,900) fully paid Equity paid of RS.10/- each of Shares of Paramount Mechanics Pvt Ltd.	99.00	99.00
<b>Investment in Equity Instruments ( Unquoted )</b>		
Cosmos Bank Shares	2,058.70	2,058.70
Sharad Sahakari Bank Shares	50.00	50.00
Bhairavnath Bank Share	27.50	27.50
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares	20.00	20.00
<b>Investment</b>		
-Mutual Fund (Market value as on 31.03.2025 is Rs.48,50,000/-)	4,700.00	7,200.00
	<b>30,617.99</b>	<b>33,117.99</b>

Notes:

1) Company's investments in subsidiary is aggregating Rs. 23,761,785/- (P.Y. Rs. 23,761,785/- ). In view of the management, the investments are long term and strategic in nature, no provision is considered necessary for any impairment if any.

Note 12: Deferred tax Assets (Net)	As at March 31, 2025	As at March 31, 2024
Deferred Tax Liability/(Assets)	591.54	0.12
	<b>591.54</b>	<b>0.12</b>

Note 13: Inventories	As at March 31, 2025	As at March 31, 2024
<b>Closing Stock</b>		
a) Raw Material	47,997.11	58,872.26
b) Finished Goods	93,619.87	39,854.78
b) WIP ( Within 1 Yrs)	20,972.19	1,406.79
(As quantified, valued and certified by the Management)	<b>162,589.17</b>	<b>100,133.83</b>

Note 14: Trade Receivables	As at March 31, 2025	As at March 31, 2024
Trade receivables – considered good	254,348.50	304,461.33
	<b>254,348.50</b>	<b>304,461.33</b>

Note

Trade Receivable Includes Trade receivable from related parties refer notes no. 26.8



**DYNALOG INDIA LIMITED**  
**Annexures to the Balance Sheet**

(Amount Rs '000)

Note 15: Cash and Bank Balances	As at March 31, 2025	As at March 31, 2024
<b>Cash and Cash Equivalent</b>		
Balance with Banks	5,722.22	6,264.88
Cash on Hand	688.39	589.71
<b>Others</b>		
Balance with Banks		
- Margin Money Deposit	35,469.88	34,522.72
	<b>41,880.49</b>	<b>41,377.32</b>

Fixed deposits With Bank represent margin money against various facility availed.

Note 16: Short-Term Loans, Advances & Other Current Assets	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>		
- Short Term Investment (Less than 12 months) (Market Value Rs. 1,46,01,532/-)	13,500.00	-
- Advance to Supplier	11,913.83	10,148.08
- Advance to Supplier to Related Party	43,859.85	47,135.68
- Loans and Advances to Employees	2,660.23	3,642.88
- Loans and Advances to Related Party	25,549.49	27,747.52
- Loans and Advances to Others	816.09	486.11
- Advance Recoverable in cash or kind	3,717.48	1,357.83
- Security Deposits	21,075.86	14,354.66
- Unadjusted GST credits	-	-
	<b>123,092.82</b>	<b>104,872.77</b>



**DYNALOG INDIA LIMITED**

**Annexures to the Profit and Loss Statement**

**(Amount Rs '000 )**

<b>Note 17: Revenue From Operations</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Local Sales	899,338.35	966,342.43
Service Sales	11,151.96	6,617.75
	<b>910,490.30</b>	<b>972,960.18</b>
<b>Note 18: Other Incomes</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>Interest Income</b>		
- From Banks towards Fixed Deposits	1,621.53	1,546.26
- From MSME party towards Late payment	4.55	8.04
<b>Other Non-Operating Income</b>		
- Other Income (Rent)	8,818.97	5,148.86
- Net gain or loss on foreign currency transaction and translation	1,965.61	3,003.70
Discount Allowed Account	2,326.57	2,283.15
- Profit on sale of Asset	315.52	-
- Dividend Income	312.11	138.00
- Gain on sale of MF	58.24	13,002.26
- Sundry Balance Written off	2.40	-
	<b>15,425.49</b>	<b>25,130.26</b>
<b>Note 19 : Cost of Material Consumed</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
<b>Purchase of Traded Goods</b>		
Import Purchase	449,662.56	515,407.37
Local Purchase	146,484.79	147,736.82
	<b>596,147.35</b>	<b>663,144.19</b>
<b>Note 20 : Change in Inventory</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Opening Stock	100,133.83	86,301.21
Closing Stock	(162,589.17)	(100,133.83)
	<b>(62,455.34)</b>	<b>(13,832.62)</b>



**DYNALOG INDIA LIMITED**  
**Annexures to the Profit and Loss Statement**

(Amount Rs '000 )

<b>Note 21 : Direct Expenses</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Clearing & forwarding charges	490.51	474.75
Freight charges	12,481.30	13,085.12
Custom Duty	27,780.88	29,305.30
Other Charges	13,726.12	12,335.55
	<b>54,478.82</b>	<b>55,200.72</b>

<b>Note 22: Employee Benefit Expenses</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Salaries and Wages	105,402.49	91,131.07
Stipend	248.78	-
Performance Bonus	-	4,053.53
Staff Welfare Expenses	9,532.52	3,897.32
Contribution to P.F. and other funds	3,569.33	3,245.06
Contribution to Gratuity Fund	750.00	7,219.92
Medical Reimbursement	463.74	203.37
Director Seating Fees	830.00	250.00
Recruitment Charges	1,076.36	226.35
Diwali Gift	375.90	537.03
	<b>122,249.13</b>	<b>110,763.65</b>

<b>Note 23: Finance Costs</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Interest Expense	21,571.16	17,133.92
Interest on Late payment of GST	483.64	182.29
Interest on Late payment of TDS	23.99	71.14
Interest on Late payment of PF	-	0.35
Interest on Late payment of Custom Duty	0.12	-
Other Bank charges	3,180.06	4,694.61
	<b>25,258.96</b>	<b>22,082.31</b>



**DYNALOG INDIA LIMITED****Annexures to the Profit and Loss Statement****(Amount Rs '000 )**

	As at March 31, 2025	As at March 31, 2024
<b>Note 24: Other Expenses</b>		
Power and Fuel	7,482.49	5,448.49
Rent	10,438.78	12,905.16
Insurance	2,075.12	2,068.61
Rates and taxes (excluding taxes on income)	560.70	387.38
Auditors' Remuneration		
- For Audit fees	350.00	325.00
Legal and Professional Charges	3,928.13	2,309.96
Communication Expenses	887.55	851.23
Repairs & Maintenance	4,640.44	2,702.35
Repair & Maintenance_Lease out Property	338.24	544.50
Conveyance	3,500.70	2,185.90
Software Charges	1,963.34	3,801.21
Printing & Stationery	1,816.95	1,076.96
Office Expenses	3,681.90	2,401.88
Consultancy Charges	19,354.38	10,110.48
Membership & Subscription	1,173.62	890.06
Security Guard Expenses	2,568.26	1,387.49
Conference/ Exhibition Charges	5,574.99	4,632.78
Postage & Courier	890.76	85.67
Registration Charges	1,742.37	507.80
Bad debts	1,847.56	338.19
Traveling Expenses - Local & Foreign	20,563.08	12,201.01
Hire Charges for Computers and Laptops	276.57	413.58
Donation	300.00	2,300.00
Return Filing Fees	0.60	45.00
Sundry Balance W/off	46.16	581.31
Society Maintenance	1,313.60	1,220.45
Prior Period Expense	110.22	50.37
Sales Tax Dues Paid	-	647.50
Stamp Duty	300.20	175.60
Loss on sale of Asset	-	9,766.18
Net loss on foreign currency transaction	-	-
Keyman Insurance Policy	2,749.88	-
Miscellaneous expense	948.20	2,109.33
	<b>101,424.76</b>	<b>84,471.44</b>
<b>Note 24: Selling and Distribution Expenses</b>		
Business Promotion	4,203.13	4,842.69
Advertisement Expenses	1,548.01	2,009.83
Late Delivery Charges	4,179.73	1,800.14
Export business promotion exp	2,799.63	4,012.69
Commission paid / Services charges	1,522.05	3,639.73
Freight Charges ( Sales)	4,563.03	4,732.02
	<b>18,815.57</b>	<b>21,037.10</b>



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet as at March 31, 2025

Note 10 :- Property, Plant & Equipment & Intangible asset

Particulars	Gross Block				Depreciation/ Amortization			Net Block		
	Cost as at April 1, 2024	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2025	Upto April 1, 2024	For the period	Deletion/ Adjustment	Upto March 31, 2025	As at March 31, 2025	As at March 31, 2024
<b>Property, Plant &amp; Equipment</b>										
Furniture	28,062	1,709		29,770	24,480	376		24,856	4,915	3,582
Office Equipment (Bangalore)	23,283	555		23,838	16,861	955		17,816	6,022	6,422
Office Equipment (Bangalore)	529			529	487	4		491	38	42
Civil Work, Bhosari Plant		22,547		22,547	-	1,200		1,200	21,347	-
Electrical Fitting_Bhosari		18,350		18,350	-	522		522	17,828	-
Furniture & Fixture_Bhosari		19,787		19,787	-	447		447	19,340	-
Office Equipment_Bhosari		8,409		8,409	-	614		614	7,795	-
Computers	19,504	3,312		22,816	15,987	980		16,967	5,849	3,517
Motor Car	29,037	7,915	152	36,800	12,580	3,523		16,103	20,697	16,456
Electrical Fitting	8,667	54		8,721	7,375	454		7,830	891	1,291
Electrical Fitting (Bangalore)	1,282			1,282	706	140		846	437	577
Plant and Machinery	3,812	8,837		12,648	2,028	531		2,559	10,089	1,784
Factory Premises (Vikhroli)	26,592			26,592	20,632	125		20,757	5,835	5,960
Office Premises (Bangalore)	62,755			62,755	7,563	-		7,563	55,193	55,193
Factory Premises (Pune)	15,773			15,773	-	-		-	15,773	15,773
Mobile	928	334		1,261	175	215		390	872	753
<b>Current Year</b>	<b>220,223</b>	<b>91,808</b>	<b>152</b>	<b>311,879</b>	<b>108,873</b>	<b>10,086</b>	<b>-</b>	<b>118,959</b>	<b>192,920</b>	<b>111,350</b>
Capital Work in progress - (ERP - ICS)										
Previous Year	252,165	6,961	38,904	220,223	126,237	11,734	29,098	108,873	111,350	125,929

Note 10.1 : Office premises at Bangalore and at Pune are not subject to depreciation as premises are given on rent



## **Dynalog India Limited**

### **Notes to Financial Statements for the Year ended 31 March 2025**

#### **Note No. 25 Significant accounting policies for the year ended 31st March, 2025**

##### **25.1 Company Overview**

Dynalog (India) Limited is Public Limited Company incorporated under the provision of Companies Act, 2013. The Company is engage design, manufacture and supply of Industrial and Defence electronic products and technology solutions. The company has proven capabilities in design & development, turnkey project execution and delivering reliable electronic systems and products. The Company has its Subsidiary at Dynalog Didactics Private Limited, India; Paramount Mechanics private limited, India; and Semi-Conductor Junction, United States of America

**25.2** The Financial Statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost conventional on an accrual basis. The Company has prepared these financial statements to comply in all material respect with the accounting standard notified under the Companies (Accounting Standards) Rules, 2006. Under this method Assets and Liabilities are reflected in the accounts in the period in which they accrue.

##### **25.3 Inventory**

Inventory is valued at cost or realizable value whichever is lower.

##### **25.4 Revenue Recognition**

Revenue, Income are recognized on the accrual basis

a) Revenue from domestic sales is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated at exclusive of Taxes.

b) Income from services rendered is recognized on rendering of services and is exclusive of GST, wherever recovered.

##### **25.5 Fixed Asset**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto. There is no impairment of any assets.

##### **25.6 Depreciation**

a) Depreciation on Fixed Assets has been provided on Straight line method at the rates prescribed under Schedule II of the Companies Act, 2013 as amended up to date.

b) Depreciation on addition to fixed assets has been charged proportionately from the date of purchase or put to use.

c) Impairments of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal / external factors.

##### **25.7 Foreign Currency Transaction**

a) Initial recognition:

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

b) Conversion:

Monetary items are translated at the closing exchange rate as on the date of balance sheet and non-monetary items are reported using the exchange rate existed on the date of the transaction.

c) Exchange differences:

Exchange differences arising on settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognized as income or expenses in the year in which they arise.



**25.8 Employee Retirement Benefit**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the period in which the related service is rendered. A separate trust has been established covering gratuity liability of staff. The trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The liability for gratuity is determined based on certificate obtained from LIC.

**25.9 Taxes on Income**

Current Tax is determined on the account of tax payable in respect of Taxable income for the year.

Deferred tax liabilities and assets are recognized for future tax consequences attributable to the timing differences between accounting profits and taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets relating to un-absorbed depreciation and business loss are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets relating to other items are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. The deferred tax assets are reviewed at each balance sheet date for the appropriateness of their carrying values.

**25.10 Contingent Liabilities and Provison**

Contingent liabilities are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Provisions are recognized when the Company has a legal / constructive obligation and on management discretion as a result of a past event, for which it is probable that a cash outflow may be required and a reliable estimate can be made of the amount of the obligation.



**Dynalog India Limited**

**Note No.26 Notes to Financial Statement for the year ended 31st March, 2025**

26.1 Pursuant to the approval of shareholders, the Authorized Capital of the company has increased by Rs. 150,000,000/- in Extra-ordinary General Meeting held on July 23, 2024.

Pursuant to the approval of Board of Directors and shareholders in Extraordinary General Meeting held on August 12, 2024, at a shorter notice, Company offered to issue 1,200,000 Compulsory Convertible Preference Shares at a face value of Rs. 125/- each and allotted 12,00,000 Compulsory Convertible Preference Shares to Aegis Investment Fund, PCC at a Board Meeting held on August 21, 2024 at face value of Rs. 125/- each.

The Company has redeemed 9,99,000, 0.01% Optionally Convertible Preference Shares of Rs. 100/- held by IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund) on August 23, 2024. Pursuant to the approval of shareholders in the Annual General Meeting held on September 30, 2024, Authorized Share Capital has been reclassified.

On October 19, 2024, the Company has converted 1,200,000, Compulsory Convertible Preference Shares into 999,000 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 140.15/- each. Authorized Share Capital of the Company has been reclassified FROM INR 37,00,20,000/- divided into (1) 2,20,02,000 Equity Shares of INR 10/- each and (2) 12,00,000 Compulsory Convertible Preference Shares of INR 125/- each TO INR 37,00,20,000/- divided into (1) 3,70,02,000 Equity Shares of INR 10/- each at the Extra-ordinary General Meeting held on December 09, 2025.

26.2 In the opinion of the management & to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

26.3 Balances appearing to the debit or credit of various parties, Loans & Advances and Deposits are subject to confirmation.

**26.4 Investment in Wholly owned Subsidiary**

Investment in wholly owned subsidiary Semiconductor Junction, USA is accounted for initial investment made in said subsidiary using the exchange rate that existed on the date of the transaction.

Company has Acquired the Dynalog Didactic Solutions Private Limited and Paramount Mechanics Pvt Ltd. in FY 2021-22 which is in the business of technical and vocational educational solution in the field of electronics and telecommunication

the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent as per management it is in compliance with AS-15 "Accounting for Investments" prescribed by the Company (Accounts) Rule, 2014.

**26.5 Payment made to Auditor are as under:-**

Particulars	Current Year	Previous Year
Audit fees	350.00	325.00
<b>Total</b>	<b>350.00</b>	<b>325.00</b>

**26.6 Item wise purchase and sales and closing stock are as follows:**

The Company has multiple range of products are traded. It is very difficult to maintain product wise details hence details are provided to the extent possible by the management.

**a) Particulars of Opening Stock**

Class of Goods	(Amount Rs'000)	
	Value 31 <sup>st</sup> March 2025	Value 31 <sup>st</sup> March 2024
IPC-510 chassis	2,562.84	4,687.03
U-PORT-1110	791.16	1.54
NUVC-5501	35.25	396.18
IPC-610MB-02XHE	1,769.79	1,574.75
Others - IT related including software	94,974.80	79,641.71
<b>Total</b>	<b>100,133.83</b>	<b>86,301.21</b>



## b) Particulars of Purchases

(Amount Rs'000)

Class of Goods	Value	Value
	31st March 2025	31st March 2024
IPC-510 chassis	3,950.26	4,920.00
UPOINT-1110	2,755.53	3,275.08
NUVO-5501	10,857.44	9,451.50
IPC-610MB-00XHE	2,570.09	5,364.02
Others - IT related including software	576,014.03	640,133.60
<b>Total</b>	<b>596,147.35</b>	<b>663,144.19</b>

## c) Particulars of Sale

(Amount Rs'000)

Class of Goods	Value	Value
	31st March 2025	31st March 2024
IPC-510 chassis	5,621.90	7,044.20
UPOINT-1110	3,487.45	2,485.47
NUVO-5501	8,680.16	9,812.43
IPC-610MB-00XHE	2,242.68	5,168.98
Others - IT related including software	890,458.11	948,449.11
<b>Total</b>	<b>910,490.30</b>	<b>972,960.18</b>

## d) Particulars of Closing Stock

(Amount Rs'000)

Class of Goods	Value 31 <sup>st</sup> March 2025	Value 31 <sup>st</sup> March 2024
	IPC-510 chassis	891.20
UPOINT-1110	59.24	791.16
NUVO-5501	2,212.53	35.25
IPC-610MB-00XHE	2,097.20	1,769.79
Others - IT related including software	157,329.01	94,974.80
<b>Total</b>	<b>162,589.17</b>	<b>100,133.83</b>

## 26.7 Trade Payable

(Amount Rs'000)

Sr.No.	Particulars	AS ON 31 MARCH 2025				
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
		Outstanding for following periods from due date of payments				
1	(i) MSME	660.22	-	-	-	660.22
2	(ii) Others	51,293.53	-	-	26,473.50	77,767.03
3	(iii) Disputed Dues - MSME	-	-	-	-	-
4	(iv) Disputed Dues - Others	-	-	-	-	-
5	(v) Unbilled	-	-	-	-	-
	<b>TOTAL</b>	<b>51,953.75</b>	<b>-</b>	<b>-</b>	<b>26,473.50</b>	<b>78,427.25</b>

(Amount Rs'000)

Sr.No.	Particulars	AS ON 31 MARCH 2024				
		Less than 1 yr	1-2 yrs	2-3 yrs	More than 3 yrs	Total
		Outstanding for following periods from due date of payments				
1	(i) MSME	-	-	-	-	-
2	(ii) Others	45,383.39	1,092.30	-	26,473.50	72,949.19
3	(iii) Disputed Dues - MSME	-	-	-	-	-
4	(iv) Disputed Dues - Others	-	-	-	-	-
5	(v) Unbilled	-	-	-	-	-
	<b>TOTAL</b>	<b>45,383.39</b>	<b>1,092.30</b>	<b>-</b>	<b>26,473.50</b>	<b>72,949.19</b>



26.8 Trade receivables (Amount Rs'000)

Sr.No.	Particulars	AS ON 31 MARCH 2025				
		Outstanding for following periods from due date of payments				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables – considered good	215,779	19,886	2,537	16,146	254,349
	<b>TOTAL</b>	<b>215,779</b>	<b>19,886</b>	<b>2,537</b>	<b>16,146</b>	<b>254,349</b>

Sr.No.	Particulars	AS ON 31 MARCH 2024				
		Outstanding for following periods from due date of payments				
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	Total
1	Trade receivables – considered good	278,703	341	2,975	22,442	304,461
	<b>TOTAL</b>	<b>278,703</b>	<b>341</b>	<b>2,975</b>	<b>22,442</b>	<b>304,461</b>

26.9 Remuneration to Directors

(Amount Rs'000)

Particulars	31 <sup>st</sup> March 25	31 <sup>st</sup> March 24
Remuneration Including bonus	21	18
<b>Total</b>	<b>21</b>	<b>18</b>

26.10 Earning / Expenses in Foreign Currency of Indian Operations are as follows:  
(For Indian Operations Only)

(Amount Rs'000)

Particulars	Current Year	Previous Year
<b>Expenses</b>		
Overseas Travelling	2,800	4,013
CF Value of Import	459,240	527,448
Freight charges paid	11,859	12,530

26.11 Bank Facility:

The company enjoys over all limit of Rs. 38.84 Crores. (for P.Y. Rs.35.84 Crore) Mainly bifurcating in CC; BG; SBBC and LC. Details of the same is as follows:

(Amount Rs'000)

Particulars	Amount as on 31.3.25	Amount as on 31.3.24
Cosmos Bank (CC, BG, LC, Bill discounting and MSME Loan)	200,000	200,000
HDFC Bank (CC, BG, LC, Bill discounting and MSME Loan)	188,439	158,439
<b>Total</b>	<b>388,439</b>	<b>358,439</b>

- i) The credit Facility is secured by first charged on Stock & Book Debts.  
ii) The list Second pari passu charge with following properties as listed belows:

Sr.No	Description
1	COMMERCIAL PROPERTY UNIT 109, HILL VIEW COMMERCIAL-OFFICE INDUSTRIAL PREMISES AMRUT NAGAR, OFF LBS ROAD, GHATKOPAR WEST, MUMBAI-400 086
2	COMMERCIAL UNIT NEW UNIT NO. 201 & 202 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADG WING, WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
3	COMMERCIAL UNIT NEW UNIT NO. 301 & 302 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX-400 079
4	COMMERCIAL PROPERTY NEW UNIT NO.203VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO -OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
5	COMMERCIAL PROPERTY NEW UNIT NO. 207 VIKHROLI COMMERCIAL-OFFICE PARK SITE ROAD WOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX 400 079
6	COMMERCIAL PROPERTY UNIT NO. 303,VIKHROLI PARK COMMERCIAL-OFFICESITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079
7	COMMERCIAL PROPERTY NEW UNIT NO. 304VIKHROLI COMMERCIAL-OFFICE PARK SITE ROADWOODEN BOXES MANUFACTURERS CO-OP. IND. EST. LTD, BLDG NO. 1, KAILASH VAIBHAV COMPLEX400079(OLD UNIT NO.302), 3RD FLOOR, G WING

- i) In addition to the above , promoters and Directors of the company are guaranters in Personal capacity.



26.12 Related Party transaction

Sr.No	Particulars	Name
1	Key Management Personnel	Akshay Shivaji Adhalrao
		Madhuri Akshay Adhalrao
		Apurva Shivaji Adhalrao
		Natalie Apurva Adhalrao
		KALPANA SHIVAJI ADHALRAO
		NAGRAJ PUNJIBET SHENGY
		ROHIT RAJENDRA GOYAL
2	Relative of Key management Personnel	Shivaji D. Adhalrao
		Shivaji Adhalrao (HUF)
		Dynalog International
		Elmatronic Devices Inc.
		Dynalog Microsystems
3	Details of Subsidiaries	Dynalog Technologies Private Limited
		Paramount Mechanics Pvt Ltd
		Dynalog Didactics Pvt. Ltd.
		Semi Conductor Junction , USA

(Amount Rs'000)

Description of nature of transaction	Description of relationship	Related party	31st March 2025	31st March 2024
Director Remuneration, Bonus, And Medical Insurance	Key management Personnel - MD	Akshay Adhalrao	11,031.60	8,031.60
Director Sitting Fees	Key management Personnel - MD	Akshay Adhalrao	190.00	40.00
Employee advance	Key management Personnel - MD	Akshay Adhalrao	1,870.53	3,113.40
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel	Apurva Adhalrao	3,045.60	3,045.60
Director Sitting Fees	Key management Personnel	Apurva Adhalrao	100.00	30.00
Directors' Remuneration, Bonus, And Medical Insurance	Key management Personnel - CFO	Madhuri Adhalrao	3,916.80	3,916.80
Director Sitting Fees	Key management Personnel - CFO	Madhuri Adhalrao	100.00	30.00
Directors' Remuneration, Bonus, And Medical Insurance	Director	Natalie Adhalrao	1,122.00	1,122.00
Director Sitting Fees	Director	Natalie Adhalrao	90.00	30.00
Salary and bonus and medical Insurance;	Director	Kalpna Adhalrao	1,980.00	1,980.00
Director Sitting Fees	Director	Kalpna Adhalrao	130.00	20.00
Rent	Director	Kalpna Adhalrao	1,587.60	1,512.00
Rent	Father of Director	Shivaji D. Adhalrao	5,049.20	5,024.50
Consultancy Charges	Father of Director	Shivaji D. Adhalrao	3,191.80	1,666.80
Sales of Goods	Group Company	Techstructre Solutions private Limited (Fromly knows as Dynalog Didactics Pvt. Ltd.)	5,207.00	-
Purchase of Services	Group Company	Techstructre Solutions private Limited (Fromly knows as Dynalog Didactics Pvt. Ltd.)	2,000.00	-
Reimbursement of Expenses paid by Related party	Group Company	Techstructre Solutions private Limited (Fromly knows as Dynalog Didactics Pvt. Ltd.)	3,940.04	8.00
Loans & advances given during the year	Group Company	Techstructre Solutions private Limited (Fromly knows as Dynalog Didactics Pvt. Ltd.)	-	10,000.00
Advance to supplier at the end of the year	Subsidiary Company	Paramount Mechanics Pvt. Ltd.	39,726.41	43,502.51
Purchases	Group Company	Paramount Mechanics Pvt. Ltd.	8,214.45	1,314.06
Purchases Services	Group Company	Paramount Mechanics Pvt. Ltd.	-	2,240.00
Purchases	Group Company	Semi Conductor Junction , USA	11,055.71	5,001.00



Advance to supplier given during the year	Director has significant influence	Dynalog Microsystems	106.20	0.38
Loan Repaid to director during the year	Director has significant influence	Dynalog Microsystems	383.17	39,973.00
Loans & advances of Closing Balance	Director has significant influence	Elmatronic Devices Inc.	2,091.42	2,091.42
Advance to Supplier of Closing Balance	Director has significant influence	DYNALOG MICRO-SYSTEM A/C	3,399.87	3,783.03
Loans & advances of Closing Balance	Group Company	Dynalog Didactics Pvt. Ltd.	25,888.71	24,021.03
Loans & advances of Closing Balance	Promoter has significant influence	DYNALOG INTERNATIONAL A/C	-	1,202.00
Advance to Supplier	Director has significant influence	Elmatronic Devices Inc.	459.54	459.54
Sundry Debtors	Director has significant influence	Elmatronic Devices Inc.	1,724.27	1,724.27
Sales	Group Company	Dynalog International	246.11	251.47
Loan Repaid to director during the year	Director	Akshay Adhalrao	-	1,500.00
Loan received from director during the year	Director	Akshay Adhalrao	-	1,500.00
Loan Repaid to director during the year	Director	Kalpna Adhalrao	-	200.00
Loan received from director during the year	Director	Kalpna Adhalrao	-	200.00
Loan Repaid to director during the year	Director	Apurva Adhalrao	11,098.00	7,500.00
Loan received from director during the year	Director	Apurva Adhalrao	11,000.00	7,500.00
Unsecured Loans at the year end from Director	Director	Madhuri Adhalrao	51.88	51.88
Unsecured Loans at the year end from Director	Director	Apurva Adhalrao	-	2,000.00
Unsecured Loans at the year end from Director	Director	Kalpna Adhalrao	49.00	49.00
Unsecured Loans at the year end from Director	Director	Akshay Adhalrao	48.00	48.00

#### 26.14 Earning Per Share:

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders.

Particulars	Current Year	Previous Year
Number of equity shares at the beginning of the year	4,001,754	4,001,754
Shares issued during the year	999,999	-
Total number of equity shares outstanding at the year end	5,001,753	4,001,754
Weighted average number of equity shares Outstanding during the year	4,308,603	4,001,754
Profit after Tax	45,558,633	28,901,811
Basic Earning per share (Rs.)	10.57	7.22
Diluted Earning per share (Rs.)	10.57	7.22
Face value per share (Rs.)	10	10

#### 26.15 Contingent Liability for the year ended 31st March, 2025 has been as follows: (Amount Rs.'000)

Particulars	31-03-25	31-03-24
Bank Guarantees issued by company	44,235	46,091
Income Tax Demand Notice pending with AO	1,368	-
Kinetix Company - Legal Case pending under litigation.	4,500	-
Total	50,103	46,091



## 26.16 Deferred Tax Liability

Working for Deferred Tax Liability/ (Assets) is provided as follows:

Particulars	As at 31st March,2024	Current year changes	As at 31st March,2025
Difference between Book & Tax Depreciation on Fixed Assets	(122)	(469)	(592)

26.17 As per Accounting Standard – 15 (Employee Benefits), Paras 49–55, the Company is required to determine its gratuity liability based on an actuarial valuation at each balance sheet date, using the Projected Unit Credit Method, irrespective of the balance maintained with the gratuity fund.

For the year ended 31st March 2025, the Company has relied solely upon the statement of fund balance provided by LIC Group Gratuity Scheme, amounting to ₹1.29 crore and has not carried out an actuarial valuation. Consequently, gratuity liability and employee benefit expenses have not been recognized in accordance with AS-15. We are, therefore, unable to ascertain the impact of this non-compliance on the financial statements.

The employee strength as on 31.03.2025 was 156. The Company has 2 policy in placed with LIC Group gratuity trust. The company has created provision of Rs. 7,50,000 ( in Previous year 32,16,508) which will be paid subsequently. The new policy along with existing LIC Policy are in compliance with the requirements of AS -15 "Accounting for employee benefits".

26.18 Impairment of assets:

Pursuant to AS -28 "impairment of assets", the company has reviewed its carrying cost of fixed assets and management is of the view that in the current financial year, provision for impairment of assets is not considered necessary.

26.19 Dividend

The Company has provided and paid 0.01% to Preference share holder as per Subscription cum Shareholders Agreement entered between Promoters, Existing Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS), executed on February 28, 2022 (SSHA).

26.20 The company is involved in assembling the computers, Add on cards and trainer kits with the usage of common Raw material.Hence consumption of raw material could not be provided.

26.21 The company is registered as small scale industries units vide registration no. 11-07- 27145-PMT-SSI dated 24/11/1993.

26.22 The Company is also registered as small scale enterprises under UDYAM vide registration no. UDYAM-MH-18-0010318.

26.23 Pursuant to the provisions of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"), the Company has sought information from its vendors and service providers regarding their status under the MSMED Act. Based on the information and confirmations received and as available with the Company, the following disclosures have been made in the financial statements:

The information regarding status as a micro or small enterprise has been determined to the extent of confirmations received.

For the parties who have not responded or not provided adequate information, their status has been considered as other than MSME for the purpose of disclosures.

The Company has relied upon vendor declarations and has not carried out any independent verification of their MSME status.

26.24 As the company's activity falls within a single primary business segment, the segment information is not provided.

26.25 Other provisions of Schedule III of Companies Act, 2013 are either nil or not applicable.

26.26 Previous year's figures have been regrouped / rearranged wherever necessary and possible so as to conform to current year's classification.

AS PER OUR REPORT OF EVEN DATE

KAGRANA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No: 115467W

  
Pritesh B. Dholakia  
PARTNER  
Membership No:140041  
PLACE: Mumbai  
Dated: 26th September 2025  
UDIN: 25140041BMLYGM9700



FOR DYNALOG (INDIA) LIMITED

  
Akshay Adhalrao  
Managing Director  
DIN No: 00314926  
PLACE: Mumbai  
Dated: 26th September 2025

  
Madhuri Adhalrao  
Director  
DIN No: 00315018  
PLACE: Mumbai



**Dynalog India Limited**  
**Notes to Financial Statements for the Year ended 31 March 2025**

**Note No. 27 -**

Ratios:-	Numerator	Denominator	Denomination	March 21, 2025	March 21, 2024	% of Change	Reason for change in Ratio by More than 25%
(i) Current Ratio = Current Asset / Current Liability	Current Asset = Inventories + Trade receivables + Cash and cash equivalents + Short Term Loans and Advances	Current Liability = Short Term Borrowing + Trade Payable + Other Current Liabilities	Number	2.01	1.92	4.82	Refer Note 27.1
(ii) Debt-Equity Ratio = (Debt / Equity)	Total Debt = Long term borrowings + Short Term Borrowings	shareholder equity = Equity attributable to Equity Holder	%	58.90	58.34	0.96	Refer Note 27.2
(iii) Debt Service Coverage Ratio = Earnings available for service of Debt / Interest + Principal	Earnings available for service of Debt = Earning before Interest, Depreciation and Tax	Interest + Principal = Interest Expenses on borrowing and principal amount of borrowing due during the year	Number	0.35	0.32	9.53	Refer Note 27.3
(iv) Return on Equity Ratio = Net Profit after tax Less Preference Divident (If any) / Average shareholder's Equity	Net Profit after tax Less Preference Divident = Profit / (Loss) for the year attributable to equity holder of capital	Average shareholder's Equity = (Opening shareholder's Equity + Closing shareholder's Equity) / 2	%	11.39	7.96	43.21	Refer Note 27.4
(v) Inventory Turnover Ratio = Cost of Goods sold / Average Inventory	Cost of Goods sold = Purchase + Manufacturing Exp + Change in Inventory	Average Inventory = (Inventory at the begning of the year + Inventory at the End of the year) / 2	Number	4.48	7.56	(40.76)	Refer Note 27.5
(vi) Trade Receivables Turnover Ratio = Revenue from Operation / Average Trade Receivables	Revenue from Operation	Average Trade Receivables = (Receivable at the begning of the year + Receivable at the End of the year) / 2	Number	3.26	3.86	-15.55	Refer Note 27.6
(vii) Trade Payables Turnover Ratio = Purchase / Average Trade Payable	Purchase = Total Other Expenses	Average Trade Payables = (Payable at the begning of the year + Payable at the End of the year) / 2	Number	11.31	15.42	-26.66	Refer Note 27.7
(viii) Net Capital Turnover Ratio = Revenue from Operation / Capital Employed	Revenue from Operation	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on avgrage)	Number	1.44	1.79	(19.20)	Refer Note 27.8



**Dynalog India Limited**  
**Notes to Financial Statements for the Year ended 31 March 2025**

(ix) Net Profit Ratio = Net Profit after tax / Revenue from Operation	Net Profit after tax	Revenue from Operation	%	4.98	2.97	67.62	Refer Note 27.9
(x) Return on Capital Employed = Profit Before Interest and Tax / Capital Employed	Profit Before Interest and Tax	Capital Employed = Total Equity + Long Term Borrowings (Incl current Maturity (Capital Employed worked out on average)	%	13.50	11.06	22.07	Refer Note 27.10
(xi) Return on Investment = Net Profit after tax / Average Total Asset	Net Profit after tax	Average Total Asset = (Opening Total Asset / Closing Total Asset) / 2	%	0.06	0.04	36.20	Refer Note 27.11

**Notes:-Reason for Change in Ratio by more than 25%**

- (27.1) - There is no significant percentage change in Current Ratios.  
(27.2) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year, so there is significant percentage change in Debt Equity Ratios.  
(27.3) - Due to repayment of borrowings in current year as compared to net proceeds from borrowings in previous year.  
(27.4) - Due to increase in profits in the current year as compare to previous year, so there is significant percentage change in Return on equity.  
(27.5) - There is increase in turnover as compare to previous year but there has been a significant increase in cost of goods sold; due to which there has been a significant change in percentage.  
(27.6) - There is no significant percentage change in Trade Receivables Turnover Ratio.  
(27.7) - Due Increase in Trade Payale in Current year, there has been change in Trade Payables Turnover Ratio  
(27.8) - There is no significant change in Net Capital Turnover Ratio.  
(27.9) - Due to increase in Net profit, there has been a significant changes in Net Profit Ratio.  
(27.10) - Due to increase in Net profit, there has been a significant changes in Return on Capital Employed Ratio.  
(27.11) - Due to increase in Net profit, there has been a significant changes in Return on Investment Ratio.

As per our Report of even date attached  
**For Kagrana & Associates**  
Chartered Accountants  
Firm Registration No: 115467W

  
**Pritesh B Dholakia**  
Partner  
Membership No. : 140041  
Dated: 26th September 2025  
UDIN: 25140041BMLYGM9700



**For Dynalog India Limited**

  
**Akshay Adhalrao**  
Managing Director  
DIN:00314926  
Mumbai  
Dated: 26th September 2025

  
**Madhuri Adhalrao**  
Director  
DIN: 00315018  
Mumbai



CA. Haresh V. Kagrana  
B. Com. (Hons.), A.C.S., F.C.A., D.I.S.A. (ICAI)  
CA. Himanshu D. Tanna  
B. Com., F.C.A.



## Kagrana & Associates

Chartered Accountants

CA. Shivprakash M. Shetty  
B. Com., F.C.A.  
CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)  
CA. Jinesh S. Shah  
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### INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To the Members of **DYNALOG (INDIA) LIMITED**

#### Report on the Audit of the Consolidated Financial Statements

##### Qualified Opinion

We have audited the accompanying consolidated financial statements of **DYNALOG (INDIA) LIMITED** (the Company and its subsidiary referred to as "the Group"), which comprise the Balance sheet as at March 31 2025, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required **except 3(c) and 3(d) below read with Matter of Emphasis below** give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2025; its **profit**, its cash flows for the year ended on that date.

##### Basis for Qualified Opinion

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

##### Matter of Emphasis

*Foreign subsidiary Semi conductor Junction, USA for which accounts are incorporated as prepared and certified by the management which are not audited. Further Trial balance of Foreign Subsidiary is converted into Rupees by using exchange rate prevailing at a year-end for Balance sheet items.*



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CA. Himanshu D. Tanna  
B. Com., F.C.A.



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*We did not audit the financial statements of Semi conductor Junction, USA foreign subsidiary, whose financial statements reflects total assets of Rs.51,44,871/- and Shareholder's Fund of Rs.(53,88,717)/- at 31st March 2025, total Turnover of Rs. 186,59,213/- and net cash Inflow amounting to Rs. 925,500/- for the year ended on that date, are considered in the consolidated financial statements.*

*Further, of this subsidiary, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been self-certified by the management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. In our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries located outside India, is based on the conversion adjustments prepared by the management of the Holding Company.*

*We draw attention to Note 27.15 of the financial statements. The Company has not carried out an actuarial valuation of its gratuity liability for the year ended 31st March 2025, as required under Accounting Standard – 15 (Employee Benefits), Paras 49–55. Instead, management has relied upon the balance available in the LIC Group Gratuity Fund amounting to ₹1.20 crore. Accordingly, the defined benefit obligation has not been determined in accordance with AS-15.*

*Management has represented that the funded balance is sufficient to meet its estimated obligations and has undertaken to obtain an actuarial valuation in subsequent years*

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

**Responsibility of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the



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Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated 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.



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CA. Himanshu D. Tanna  
B. Com., F.C.A.



## Kagrana & Associates

Chartered Accountants

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CA. Pritesh B. Dholakia  
B. Com., F.C.A., D.I.S.A. (ICAI)  
CA. Jinesh S. Shah  
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the Consolidated financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2025 and covered under the Act we report that there is no qualification or adverse remarks by the company auditors.
2. As required by 197(16) of the Act based on our audits and referred to in paragraph Matter of emphasis, on separate financial statements of a subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid and provided remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act. Further, we report that two Subsidiaries Company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during



the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of such subsidiaries company.

3. 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- **Balances appearing to the debit or credit of various parties, Loans & Advances, Advance to suppliers and Deposits are subject to confirmation;**

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

**- Decline in the value of the investment in the 100% foreign subsidiary Semi Conductor Junction , USA and Indian Subsidiaries Dynalog Didactics Pvt. Ltd. and Paramount Mechanics Pvt Ltd company is not recognized in the books of accounts. However, In view of the management, the investments are long term and strategic in nature. Hence, no provision is considered necessary to that extent it is in compliance with AS-13" Accounting for investments" prescribed by the Company (Accounts) Rule, 2014.**

**- Carrying value of RS. 764,915/- appearing in Techstructure Solutions Private Limited under Fixed Assets are recorded at cost as against Net realizable value, which are not as per AS -28 – Impairment of Assets.**

- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 with reference to these consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group Company does not have any pending litigations which would impact its financial position;
  - ii. The Holding Company and its subsidiary companies 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.
  - iv. (a) The respective managements of the holding company and its subsidiary Companies, incorporated in India whose financial statement have been audited under the Act has represented to us, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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; and  
(c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The company has declared dividend for the Preference shares issued by the company as per Subscription cum Shareholders Agreement entered between Promoters, Existing



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Shareholders, Dynalog India Ltd and IDBI Capital Markets & Securities Limited (ICMS),  
executed on February 28, 2022 (SSHA) for the year ended 31<sup>st</sup> March, 2025.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which Based on our examination which included test checks, performed by us on the Holding Company and its subsidiaries incorporated in India and audited under the Act, the Holding Company, and its subsidiaries in respect of financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For Kagrana & Associates  
Chartered Accountants  
Firm Registration No. 115467W

*P. B. Dholakia*  
**Pritesh B. Dholakia**  
Partner  
Membership Number: 140041  
Place of Signature: Mumbai  
Date: 26/09/2025  
UDIN No.: 25140041BMLYMB8092



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**Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **DYNALOG (INDIA) LIMITED** ("The Holding Indian Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date. *The Holding company has one Foreign subsidiary at USA for which accounts are incorporated as prepared and certified by the management which are not audited and other relevant records produced before us and information and explanation furnished to us.*

**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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit



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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being



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made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion the Company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KAGRANA & ASSOCIATES**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh Dholakia**

Partner

Membership No: 140041

PLACE: MUMBAI

DATE: 26/09/2025

UDIN: 25140041BMLYMB8092



(Amount Rs'000)

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
(a) Share capital	1	50,007.54	139,917.54
(b) Reserves and surplus	2	282,394.61	147,393.56
		<b>332,402.15</b>	<b>287,311.10</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	101,583.50	61,197.04
		<b>101,583.50</b>	<b>61,197.04</b>
<b>Current liabilities</b>			
(a) Short term borrowings	4	144,724.23	159,485.88
(b) Trade payables	5	109,021.72	74,228.20
(c) Other current liabilities	6	45,216.51	54,966.49
(c) Short Term Provision	7	7,651.93	13,265.96
		<b>306,614.38</b>	<b>301,946.53</b>
<b>TOTAL</b>		<b>740,600.04</b>	<b>650,454.68</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment & Intangible Asset			
(i) Property, Plant & Equipment	8	193,684.95	112,114.94
(ii) Work In Progress		3,388.20	30,360.22
(b) Non-current investments	9	6,948.70	9,448.70
(d) Minority Interest	10	571.76	666.07
(e) Long Term Loans and Advance	11	-	25.00
(f) Deferred tax Assets (Net)	12	591.54	122.12
		<b>205,185.15</b>	<b>152,737.05</b>
<b>Current Assets</b>			
(a) Inventories	13	162,908.67	107,200.46
(b) Trade receivables	14	269,032.81	307,602.85
(c) Cash and Bank Balances	15	47,110.82	45,848.30
(d) Short-term loans and advances	16	56,362.59	37,065.02
		<b>535,414.88</b>	<b>497,716.62</b>
<b>TOTAL</b>		<b>740,600.04</b>	<b>650,453.68</b>
See accompanying notes to the financial statements	26 to 27		

This is the Balance Sheet referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*  
**Pritesh B Dholakia**

Partner

Membership No. : 140041

Place : Mumbai

Dated: 26/09/2025

UDIN: 25140041BMLYMB8092



**For and on behalf of board of directors of  
 Dynalog (India) Limited**

*A. Adhalrao*  
**Akshay Adhalrao**  
 Managing Director  
 DIN:00314926



*A. Adhalrao*  
**Apurva Adhalrao**  
 Director  
 DIN: 01239063

**DYNALOG INDIA LIMITED**

**Consolidated Statement of Profit and Loss Account for the year ended March 31, 2025**

**CIN: U32109MH1985PLC036338**

**Email: madhuri@dynalogindia.com**

**(Amount Rs'000)**

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2025	March 31, 2024
Revenue from Operations	17	934,670.71	974,058.03
Other Income	18	15,707.34	25,170.65
<b>Total Revenue</b>		<b>950,378.05</b>	<b>999,228.68</b>
Purchase	19	605,609.61	660,420.80
Change in Inventory	20	(61,911.44)	(14,696.02)
Direct Expenses	21	55,557.33	55,268.14
Employee Benefit Expenses	22	122,250.03	111,154.07
Finance Costs	23	25,441.35	22,645.11
Depreciation and Amortization Expense	8	10,085.99	11,733.74
Other Expenses	24	108,163.26	91,568.07
Selling & Distribution Expenses	25	18,882.91	21,070.41
<b>Total Expenses</b>		<b>884,079.03</b>	<b>959,164.32</b>
<b>Profit Before Tax</b>		<b>66,299.01</b>	<b>40,064.36</b>
<b>Tax Expense:</b>			
(1) Current tax			
- Income tax Provision for FY 2023-24		(15,162.21)	(16,201.76)
- Income tax P&L Provision (Short) FY 2022-23		-	(259.77)
- Income tax P&L Provision (Short) FY 2023-24		(166.40)	-
(2) Deferred Tax (liabilities)/Assets		469.42	1,871.66
<b>Profit for the year before Minority Interest</b>		<b>51,439.82</b>	<b>25,474.49</b>
Minority Interest		94.31	25.53
<b>Profit for the year carried forward to Surplus</b>		<b>51,345.51</b>	<b>25,448.96</b>
Earnings Per Equity Share		In Rs	In Rs
(1) Basic		11.92	6.36
(2) Diluted		11.92	6.36
<b>See accompanying notes to the financial statements</b>	26 to 27		
Notes referred to above form an integral part of Profit and Loss account			

This is the Profit and Loss Account referred to in our report of even date.

**For Kagrana & Associates**

Chartered Accountants

Firm Registration No: 115467W

*P. B. Dholakia*

**Pritesh B Dholakia**

Partner

Membership No. : 140041

Place : Mumbai

Dated: 26/09/2025

UDIN: 25140041BMLYMB8092



**For and on behalf of board of directors of Dynalog (India) Limited**

*Akshay Adhalrao*

**Akshay Adhalrao**

Managing Director

DIN:00314926



*Apurva Adhalrao*

**Apurva Adhalrao**

Director

DIN: 01239063

Particulars	(Amount Rs'000)	
	For the Year ended March 31, 2025	For the Year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	66,299.01	40,064.36
Adjustments for :		
Depreciation		
Foreign exchange gain	10,085.99	11,733.74
(Profit)/ Loss on Sale of Assets	(2,195.72)	(3,003.70)
(Profit)/loss on sale of Investment	(315.52)	-
Interest Income	(58.24)	9,766.18
Interest Expenses	(1,638.65)	(1,587.29)
Dividend Paid	25,441.35	22,645.11
Dividend Received	5.08	-
Operating Profits Before Working Capital Changes :	(325.99)	-
	97,297.32	79,618.40
(Increase) / Decrease in Inventories		
(Increase) / Decrease in Trade & Other Receivables (including current and non current)	(55,708.21)	(13,709.62)
(Increase) / Decrease in Loans & Advances (including current and non current)	38,570.04	(106,900.93)
(Increase) / Decrease in Long Term Provision	(5,771.57)	28,600.63
Increase / (Decrease) in Trade Payables & Other Current Liabilities	-	(1,771.19)
	27,239.25	9,312.42
<b>Cash Generated from Operations</b>	101,626.83	(4,850.28)
Direct Taxes Paid (net of refund)	20,942.65	7,935.28
<b>Net Cash Flow from / (used) Operating Activities:</b>	80,684.19	(12,785.56)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(64,835.77)	(37,321.64)
Sale of Fixed Assets	467.30	40.00
Dividend Received	325.99	-
Interest Received	1,638.65	1,587.29
Sales of Investment	2,558.24	-
Purchase of Investments	(13,500.00)	(7,200.00)
<b>Net Cash Flow from / (used) in Investment Activities :</b>	(73,345.59)	(42,894.34)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Secured Loan (Short term and long term)	25,624.80	69,092.99
Increase / (Decrease) in Foreign Currency Translation Reserve	(1,504.46)	(334.53)
Finance Expenses	(25,441.35)	(22,645.11)
Redemption of Preference Share at Face Value	(99,900.00)	-
Premium on Redemption of Preference Share	(54,850.00)	-
Proceeds from issuance of convertible Preference share	150,000.00	-
Dividend paid	(5.08)	-
<b>Net Cash Flow from / (used) in Financing Activities :</b>	(6,076.08)	46,113.35
<b>Net Increase/(Decrease) in Cash and Cash Equivalents :</b>	1,262.52	(9,566.56)
Cash & Cash Equivalents at Opening	45,848.30	55,414.86
Cash & Cash Equivalents at Closing	47,110.82	45,848.30
<b>Net Increase/(Decrease) in Cash and Cash Equivalents :</b>	1,262.32	(9,566.26)

(For closing Cash and Cash Equivalents and others Refer Note 17)

As per our report of even date

Kagrana & Associates  
 Chartered Accountants  
 Firm Registration No: 115467W

P. B. Dholakia  
 Partner  
 Membership No. : 140041  
 Place : Mumbai  
 Dated: 26/09/2025  
 UDIN: 25140041BMLYMB8092



For and on behalf of board of directors of  
 Dynalog (India) Limited

Akshay Adhalrao  
 Managing Director  
 DIN:00314926

Apurva Adhalrao  
 Director  
 DIN: 01239063



**DYNALOG INDIA LIMITED**  
Annexures to the Balance Sheet

Particulars	(Amount Rs'000)	
	As at March 31, 2025	As at March 31, 2024
<b>Note 1: Share Capital</b>		
<b>Authorised Capital</b>		
3,70,02,000 Equity Shares of Rs. 10 each (Previous Year: 40,02,000 Equity Shares of Rs. 10 each)	370,020.00	40,020.00
Current Year Nil (Previous Year: 18,00,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)		180,000.00
	370,020.00	220,020.00
<b>Issued Capital</b>		
50,00,754 (PY40,01,754) Equity Shares of Rs. 10 each fully paid up	50,007.54	40,017.54
Current Year NIL (PY: 17,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)		179,900.00
	50,007.54	219,917.54
<b>Subscribed and Paid up</b>		
50,00,754 (PY40,01,754) Equity Shares of Rs. 10 each fully paid up	50,007.54	40,017.54
Current Year Nil (Previous Year: 9,99,000, 0.01% Optionally convertible preference shares of Rs. 100 Each)	-	99,900.00
	50,007.54	139,917.54

(1.1) The Company has Equity Shares, having a face value of Rs.10/- . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

(1.2) - Pursuant to the approval of shareholders, the Authorized Capital of the company has increased by Rs. 150,000,000/- in Extra-ordinary General Meeting held on July 23, 2024.

Pursuant to the approval of Board of Directors and shareholders in Extraordinary General Meeting held on August 12, 2024, at a shorter notice, Company offered to issue 1,200,000 Compulsory Convertible Preference Shares at a face value of Rs. 125/- each and allotted 12,00,000 Compulsory Convertible Preference Shares to Aegis Investment Fund, PCC at a Board Meeting held on August 21, 2024 at face value of Rs. 125/- each.

The Company has redeemed 9,99,000, 0.01% Optionally Convertible Preference Shares of Rs. 100/- held by IDBI Capital Markets & Securities Limited (Investment Manager on behalf of Maharashtra Defence and Aerospace Venture Fund) on August 23, 2024. Pursuant to the approval of shareholders in the Annual General Meeting held on September 30, 2024, Authorized Share Capital has been reclassified. On October 19, 2024, the Company has converted 1,200,000, Compulsory Convertible Preference Shares into 999,000 Equity Shares having face value of Rs. 10/- each at a premium of Rs. 140.15/- each.

In view of Clause 1.2 hereinabove, Authorized Share Capital of the Company has been reclassified FROM INR 37,00,20,000/- divided into (1) 2,20,02,000 Equity Shares of INR 10/- each and (2) 12,00,000 Compulsory Convertible Preference Shares of INR 125/- each TO INR 37,00,20,000/- divided into (1) 3,70,02,000 Equity Shares of INR 10/- each at the Extra-ordinary General Meeting held on December 09, 2024.

(1.3) The reconciliation of number of Equity shares outstanding as on March 31, 2025 and March 31, 2024 is set below:-

Particulars	As at March 31, 2025	As at March 31, 2024
Number of Equity shares at the beginning		
Add/less: Equity Shares Issued/ buyback / redeemed during the year	4,001,754 999,000	4,001,754
Number of shares at the end	5,000,754	4,001,754

(1.4) The reconciliation of number of Preference shares outstanding as on March 31, 2025 and March 31, 2024 is set below:-

Particulars	As at March 31, 2025	As at March 31, 2024
Number of Optionally Preference shares of Rs.100 Per share at the beginning	999,000	999,000
Add: Compulsory Convertible Preference Shares of Rs.125 Per share issued during the period	1,200,000	-
Less: Optionally Convertible Preference Shares of Rs. 100 per share redeemed during the period	999,000	-
Less: Compulsory Convertible Preference Shares of Rs. 125 converted during the period	1,200,000	-
Number of shares at the end	-	999,000

During the period under review, the Company has entered into Share Subscription Agreement and Shareholders Agreement entered between Shivaji Adhalrao, Akshay Adhalrao, Dynalog India Ltd and Aegis Investment Fund, PCC executed on August 12, 2024. The Company has issued 1,200,000, Compulsory Convertible Preference Shares of Rs. 125/- each on August 21, 2024 to Aegis Investment Fund, PCC and on October 19, 2024 CCPS were converted into 999,000 Equity Shares of Rs. 10/- each at a premium of Rs. 140.15/- each.

(1.5) Shares held by each shareholder holding more than 5% shares



*[Handwritten signature]*

Name of Shareholders	As at March 31, 2025		As at March 31, 2024	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Mr. Shivaji Adhalrao	35.68	1,784,398	44.59	1,784,398
Shivaji Adhalrao HUF	21.23	1,061,704	26.53	1,061,704
Kalpana Adhalrao	15.45	772,446	21.80	872,488
Apurva Adhalrao	5.31	265,426	6.63	265,426
Aegis Investment Fund, PCC	19.98	999,000		
(1.6) Shares held by each Promoter holding more than 5% shares				

Name of Promoter	As at March 31, 2025		As at March 31, 2024	
	% of Total Shares	Number of Shares	% of Total Shares	Number of Shares
Mr. Shivaji Adhalrao	35.68	1,784,398	44.59	1,784,398
Kalpana Adhalrao	15.45	772,488	21.80	872,488
Shivaji Adhalrao HUF	21.23	1,061,704	26.53	1,061,704
Apurva Adhalrao	5.31	265,426	6.63	265,426

**Note 2: Reserves and Surplus**

	As at March 31, 2025	As at March 31, 2024
(a) Securities Premium		
As per last Balance Sheet	82.44	82.44
Add: Addition during the year	140,092.44	-
Less: During the year	(82.44)	
	140,092.44	82.44
(b) Foreign Currency Translation Reserve		
As Per Last Balance Sheet	(7,484.75)	(7,150.23)
Add: Foreign Difference	(1,504.46)	(334.52)
Add: Addition during the year	(8,989.21)	(7,484.75)
(c) Retained Earning		
Short/Excess provision of Income Tax	154,795.88	129,356.91
Add: Addition during the year	-	-
Less : Preference Dividend Payable	51,345.51	25,448.96
Less : Premium paid on redemption of Pref. shares	(54,850.00)	(9.99)
	151,291.39	154,795.88
	282,394.61	147,393.56

Notes:

a) Security premium represents the premium received on issue of shares over and above the face value of Equity Shares. Such amount is available for utilization in accordance of the Provisions of the Companies Act, 2013.

**Note 3: Long-Term Borrowings**

	As at March 31, 2025	As at March 31, 2024
<b>Secured Loans</b>		
-Term Loan from Bank	61,569.03	57,535.81
- From Financial Institution	39,865.59	2,991.83
<b>Unsecured Loan</b>		
- From Directors	148.88	669.40
	101,583.50	61,197.04

( Note : for Details refer Note 28.9 of Notes to accounts)

Working capital facilities are secured by :-

- First pari passu charge with COSMOS bank and HDFC bank on Inventory and bookdebts.
- Second pari passu charge with following properties as listed in the note no. 27.10
- Personal gurantee of All the Directors & Promoter of the company.



*[Handwritten signature]*

**Note 4: Short-Term Borrowings**

	As at March 31, 2025	As at March 31, 2024
<b>Secured</b>		
- Cash Credit banks/ Credit Card	84,323.41	76,323.71
- Others	60,400.83	83,162.18
	<b>144,724.23</b>	<b>159,485.88</b>

Working capital Loan : Working capital facilities are secured by :-  
 (i) First pari passu charge with COSMOS bank and HDFC bank on Inventory and book debts.  
 (ii) Second pari passu charge with following properties as listed in the note no. 27.10  
 (iii) Personal guarantee of All the Directors & Promoter of the company

**Note 5: Trade Payables**

	As at March 31, 2025	As at March 31, 2024
<b>Sundry Creditors</b>		
- <b>MSME</b>		
a) Less than 1 year	660.22	-
- <b>Other Creditors</b>		
a) Less than 1 year	-	73,836.20
b) 1-2 yrs	55,098.20	-
c) 2-3 yrs	-	-
d) More than 3 yrs	53,263.29	390.00
	<b>109,021.72</b>	<b>74,226.20</b>

Note :  
Sundry creditors includes balance with related parties refer Note.27.7

**Note 6: Other Current Liabilities**

	As at March 31, 2025	As at March 31, 2024
<b>Other Payables</b>		
- Statutory Liabilities ( Including Provident Fund , Tax deducted at source, Goods and Services tax and Others)	12,550.14	11,201.04
- Advance Received From Customers	41.09	270.81
- Security Deposits	20,808.10	24,992.64
- Other Current Liability	3,940.00	1,886.63
	7,877.18	16,615.36
	<b>45,216.51</b>	<b>54,966.49</b>

Note:  
a) Security Deposits received against Renting of immovable property

**Note 7: Short Term Provision**

	As at March 31, 2025	As at March 31, 2024
<b>Short Term provision</b>		
- Income Tax Provision (Net of TDS Receivable and Advance tax of Rs.31,52,562/-, Previous Year Rs.38,25,382/-)	7,651.93	13,265.96
	<b>7,651.93</b>	<b>13,265.96</b>

**Note 9: Non-Current Investments**

	As at March 31, 2025	As at March 31, 2024
<b>Investment in Equity Instruments ( Unquoted )</b>		
Cosmos Bank Shares	2,151.20	2,151.20
Semiconductor Junction Inc. USA	-	-
Sharad Sahakari Bank Shares	50.00	50.00
Bhairavnath Bank Share	27.50	27.50
Wooden Boxes Mfg. Co-Op. Ind. Estate Shares	20.00	20.00
<b>Investment</b>		
- Mutual Fund	4,700.00	7,200.00
(Market value as on 31.03.2025 is Rs.48,50,000/-)		
	<b>6,948.70</b>	<b>9,448.70</b>



<b>Note 10: Minority Interest</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Minority Interest			
- Dynalog Didactic Solutions Private Limited		-	-
-Paramount Mechanics Pvt Ltd		147.32	235.21
<b>Total</b>		<b>424.44</b>	<b>430.86</b>
		<b>571.76</b>	<b>666.07</b>
<b>Note 11: Long-Term Loans and Advances</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Security Deposits		-	25.00
		-	<b>25.00</b>
<b>Note 12: Deferred Tax Liabilities/(Assets) (Net)</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Deferred Tax Liability/(Assets)		591.54	122.12
		<b>591.54</b>	<b>122.12</b>
<b>Note 13: Inventories</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Closing Stock (Material in transit)			
a) Raw Material		-	-
b) Finished Goods		47,997.11	58,872.26
b) WIP ( Within 1 Yrs)		93,939.37	46,921.42
(As quantified, valued and certified by the Management)		20,972.19	1,406.79
		<b>162,908.67</b>	<b>107,200.46</b>
<b>Note 14: Trade Receivables</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Trade receivables – considered good			
- Less than 6 months		230,956.13	281,171.47
- 6 months - 1 year		19,891.05	345.51
-1-2 years		2,537.49	3,375.56
- 2-3 years		15,648.15	22,710.31
		<b>269,032.81</b>	<b>307,602.85</b>
Note Trade Receivable Includes Trade receivable from related parties refer notes no. 27.8			
<b>Note 15: Cash and Bank Balances</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Cash and Cash Equivalent			
Balance with Banks		10,849.91	10,636.86
Cash on Hand		696.52	597.84
<b>Others</b>			
Balance with Banks			
- Margin Money Deposit		35,564.40	34,613.60
		<b>47,110.82</b>	<b>45,848.30</b>
Fixed deposits With Bank represent margin money against various facility availed.			
<b>Note 16: Short-Term Loans, Advances &amp; Other Current Assets</b>		<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Unsecured, Considered Good			
- Advance to Supplier		11,913.83	10,148.08
- Advance to Supplier to Related Party		536.15	3,783.03
- Loans and Advances to Employees		2,660.24	3,642.88
- Loans and Advances to Related Party		2,091.42	3,293.42
- Loans and Advances to Others		816.09	486.11
- Advance Recoverable in cash or kind		3,717.48	1,357.83
- Security Deposits		21,075.86	14,354.66
- GST Receivable		51.52	-
- Short Term Investement (Less than 12 monhs) (Market Value Rs. 1,46,01,532/-)		13,500.00	-
		<b>56,362.59</b>	<b>37,066.02</b>



**DYNALOG INDIA LIMITED**  
Annexures to the Profit and Loss Statement

(Amount Rs'000)

**Note 17: Revenue From Operations**

	As at March 31, 2025	As at March 31, 2024
Local Sales	923,518.75	969,680.28
Service Sales	11,151.96	4,377.75
	<b>934,670.71</b>	<b>974,058.03</b>

**Note 18 : Other Incomes**

	As at March 31, 2025	As at March 31, 2024
<b>Interest Income</b>		
- From Banks	1,634.10	1,579.25
Income (Others)	4.55	8.04
<b>Other Non-Operating Income</b>		
- Other Dividend Income	325.99	138.40
- Other Income (Rent)	8,818.97	5,148.86
- Net gain or loss on foreign currency transaction and translation	2,195.72	3,003.70
- Other Income	2,728.01	15,292.41
	<b>15,707.34</b>	<b>25,170.65</b>

**Note 19 : Purchase**

	As at March 31, 2025	As at March 31, 2024
<b>Purchase of Traded Goods</b>		
Import Purchase	445,730.75	510,406.37
Local Purchase	159,878.87	150,014.43
	<b>605,609.61</b>	<b>660,420.80</b>

**Note 20 : Change in Inventory**

	As at March 31, 2025	As at March 31, 2024
Opening Stock	100,997.23	86,301.21
Closing Stock	(162,908.67)	(100,997.23)
	<b>(61,911.44)</b>	<b>(14,696.02)</b>

**Note 21 : Direct Expenses**

	As at March 31, 2025	As at March 31, 2024
Clearing, forwarding charges & Custom Duty	490.51	474.75
Freight charges	13,455.06	13,152.54
Custom Duty	27,780.88	29,305.30
Other Charges	13,830.88	12,335.55
	<b>55,557.33</b>	<b>55,268.14</b>



**DYNALOG INDIA LIMITED**  
**Annexures to the Profit and Loss Statement**

(Amount Rs'000)

<b>Note 22: Employee Benefit Expenses</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Salaries and Wages	105,402.49	91,374.46
Stipend	248.78	
Performance Bonus	-	4,053.53
Staff Welfare Expenses	9,532.52	4,043.45
Contribution to P.F. and other funds	3,570.23	3,245.96
Contribution to Gratuity Fund	750.00	7,219.92
Medical Reimbursement	463.74	203.37
Director Seating Fees	830.00	250.00
Recruitment Charges	1,076.36	226.35
Diwali Gift	375.90	537.03
	<b>122,250.03</b>	<b>111,154.07</b>
<b>Note 23: Finance Costs</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Interest Expense	21,571.16	17,534.09
Interest on Late payment of GST	483.64	182.29
Interest on Late payment of TDS	24.47	71.14
Interest on Late payment of PF	-	0.35
Interest on Late payment of Custom Duty	0.12	-
Interest on LBT assessment dues paid	-	1,293.07
Interest on Sales tax dues	-	407.63
Other Bank charges	3,361.96	3,156.55
	<b>25,441.35</b>	<b>22,645.11</b>
<b>Note 24: Other Expenses</b>	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Power and Fuel	7,482.49	5,448.49
Rent	13,312.36	15,203.14
Insurance	2,075.12	2,068.61
Rates and taxes (excluding taxes on income)	560.70	387.38
Auditors' Remuneration		
- For Audit fees	450.00	410.00
Legal and Professional Charges	3,928.13	2,583.04
Communication Expenses	914.62	916.71
Repairs & Maintenance	5,175.75	3,003.79
Repair & Maintenance_Lease out Property	338.24	544.50
Conveyance	3,500.70	2,185.90
Software Charges	1,963.34	3,801.21



**DYNALOG INDIA LIMITED****Annexures to the Profit and Loss Statement****(Amount Rs'000)**

Printing & Stationery	1,816.95	1,079.92
Office Expenses	3,948.71	2,648.70
Consultancy Charges	20,676.96	10,160.48
Membership & Subscription	1,173.62	890.06
Security Guard Expenses	2,568.27	1,387.49
Conference/ Exhibition Charges	5,574.99	4,632.78
Postage & Courier	892.17	86.87
Registration Charges	1,742.37	507.80
Bad debts	1,847.56	338.19
Traveling Expenses - Local & Foreign	20,752.83	14,150.35
Hire Charges for Computers and Laptops	276.57	413.58
DONATION	300.00	2,300.00
Return Filing Fees	0.60	45.00
Sundry Balance W/off	46.16	581.31
Society Maintenance	1,313.60	1,220.45
Prior Period Expense	110.22	50.37
Sales Tax Dues Paid	-	647.50
Storage	516.95	252.36
Stamp Duty	300.20	175.60
Loss on sale of Asset	-	9,766.18
Packing Supplies	-	22.47
Keyman Insurance Policy	2,749.88	-
Internet Service charges	46.60	44.88
Meals & Entertainment	48.14	143.90
Miscellaneous expense	1,758.49	3,469.08
	<b>108,163.26</b>	<b>91,568.07</b>

**Note 25: Selling and Distribution Expenses**

	<b>As at March 31, 2025</b>	<b>As at March 31, 2024</b>
Business Promotion	4,203.13	4,842.69
Advertisement Expenses	1,615.35	2,068.96
Late Delivery Charges	4,179.73	1,800.14
Export business promotion exp	2,799.63	4,012.69
Commission paid	1,522.05	3,613.92
Freight Charges ( Sales)	4,563.03	4,732.02
	<b>18,882.91</b>	<b>21,070.41</b>



**DYNALOG INDIA LIMITED**

Annexures to the Balance Sheet as at March 31, 2025

Note 10 :- Property, Plant & Equipment & Intangible asset

Particulars	Gross Block						Depreciation/ Amortization			(Amount in Rs'000)	
	Cost as at April 1, 2024	Addition/ Adjustment during period	Deletion / Adjustment during period	Total as at March 31, 2025	Upto April 1, 2024	For the period	Deletion/ Adjustment	Upto March 31, 2025	As at March 31, 2025	As at March 31, 2024	
	<b>INDIA</b>										
Property, Plant & Equipment											
Furniture	28,061.60	1,708.66		29,770.26	24,479.70	375.88		24,855.58	4,914.68	3,581.90	
Office Equipment (Bangalore)	23,283.32	554.85		23,838.17	16,860.98	954.87		17,815.84	6,022.33	6,422.35	
Civil Work_Bhosari Plant	528.90			528.90	486.76	4.06		490.82	38.07	42.14	
Electrical Fitting_Bhosari		22,546.93		22,546.93	-	1,199.98		1,199.98	21,346.95	-	
Furniture & Fixture_Bhosari	18,350.01	18,350.01		18,350.01	-	521.76		521.76	17,828.25	-	
Office Equipment_Bhosari	19,786.70	19,786.70		19,786.70	-	446.70		446.70	19,340.00	-	
Computers	8,408.61	8,408.61		8,408.61	-	613.75		613.75	7,794.86	-	
Motor Car	19,503.93	3,311.89		22,815.82	15,986.71	980.09		16,966.80	5,849.02	3,517.23	
Electrical Fitting	29,036.70	7,915.39	151.79	36,800.30	12,580.36	3,522.72		16,103.08	20,697.22	16,456.33	
Electrical Fitting (Bangalore)	8,666.77	54.46		8,721.23	7,375.32	454.43		7,829.75	891.48	1,291.44	
Plant and Machinery	1,282.43			1,282.43	705.83	140.08		845.91	436.51	576.59	
Factory Premises (Vikhroli)	3,811.69	8,836.77		12,648.46	2,028.12	531.29		2,559.41	10,089.05	1,793.57	
Office Premises (Bangalore)	26,591.79			26,591.79	20,631.81	125.40		20,757.21	5,834.57	5,959.97	
Factory Premises (Pune)	62,755.23			62,755.23	7,562.69	-		7,562.69	55,192.54	55,192.54	
Mobile Asset	15,772.96			15,772.96	-	-		-	15,772.96	15,772.96	
	927.58	333.52		1,261.10	174.56	214.99		389.55	871.54	753.02	
COMPUTER	416.97			416.97	411.34			411.34	5.63	5.63	
COMPUTER SOFTWARE	514.72			514.72	507.51			507.51	7.20	7.20	
ELECTRICAL INSTALLATION	518.01			518.01	352.66			352.66	165.35	165.35	
FURNITURE & FIXTURE	2,380.12			2,380.12	1,904.24			1,904.24	475.88	475.88	
OFFICE EQUIPMENT	606.48			606.48	495.62			495.62	110.86	110.86	
<b>USA</b>											
Computer											
Furniture & Equipment	2,342.13			2,342.13	2,342.13			2,342.13	-	-	
<b>Current Year</b>	227,001.29	91,807.79	151.79	318,657.29	114,886.35	10,085.99	-	124,972.34	193,684.95	112,114.94	
Work in progress		3,388.20		3,388.20					3,388.20	30,360.22	
<b>Previous Year</b>	258,943.81	6,961.41	38,903.93	227,001.29	132,250.37	11,733.73	29,097.75	114,886.35	112,114.94	126,693.44	



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