**P. KRISHNA & CO**

Chartered Accountants
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# Independent Auditor's Report

To,
The Members of
**RAXA SECURITY SERVICES LTD.**
**REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS :**

## OPINION

We have audited the accompanying Ind AS Financial Statements of **RAXA SECURITY SERVICES LTD** ("the Company"), which comprise the Balance Sheet As At March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year ended on that date, 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 Ind AS Financial Statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Profit including other comprehensive income, its Cash Flows and changes in equity 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 Companies Act, 2013. 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 that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the Financial Year ended March 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our audit report.

## OTHER INFORMATION

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ins AS 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.

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In connection with our audit of the Ind AS Financial Statements, Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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.

## RESPONSIBILITIES OF MANAGEMENT FOR 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 Ind AS Financial Statements that give a true and fair view of the financial Position, financial performance including other comprehensive income, Cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2021, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, 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. 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 Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.

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- 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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;

   d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2021, as amended;

   e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report;

   g) 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;

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h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, If any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company during the year ended 31st March 2024.

iv. The Management has represented that, to the best of its knowledge and belief :

a) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) No funds (which are material either individually or in the aggregate)have been received by the Company from any person or entiry, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11€, as provided under (a) and (b) above, contain any material misstatement.

v. During the Year the Company has not declared any dividend.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recrding audit trail facility and the same has 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **P.KRISHNA & Co.,**
Chartered Accountants
Firm's Regn No.005473S

**(A.SREENIVASA RAO)**
PARTNER
M.No.208863
UDIN :24208863BKAUVQ7327

Hyderabad
Date: 29.04.2024

## Annexure "A" to the Independent Auditor's Report

With reference to the Annexure referred to in paragraph 1 under the heading "Report on other legal & Regulatory Requirements" of our Report of even date to the members of **RAXA SECURITY SERVICES LTD,** on the Ind AS Financial statements for the year ended 31st March 2024, We report that :

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

B The Company is maintaining proper records showing full particulars of Intangible assets.

b As explained to us, the management has physically verified some of the Property, Plant and Equipment during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us 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 title deeds of all the immovable properties (other than Properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

d The company did not revalue its Property, Plant and Equipment (including right of use assets) or intangible assets during the year. Accordingly, paragraph 3 (i)(d) of the Order is not applicable.

e According to the information and explanations given to us and on our verification of records of the Company, 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.

(ii) a The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion, the coverage and procedures of such verification is appropriate. The discrepancies noticed on physical verification between the physical stocks and book records were not material.

b The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii)(b) of the Order is not applicable.

(iii) During the year, the Company has made investments to the tune of Rs.17.92 Crores in Overseas Company, which are not prima facia prejudicial to the interests of the company, has not provided any guarantee or security, but has granted loans or advances in the nature of loans, to Related parties whose outstanding balance as at the year end is Rs.178.98 Crores for which the terms of repayment has been complied with

(iv) The Company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments, Loans, Securities and guarantees given have been complied with by the Company.

(v) The Company has not accepted any deposits and also there were no amounts which are deemed to be the deposits. Hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, do not apply to this Company.

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vi) We have broadly reviewed the cost records maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act and are of the opinion that prime facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or Complete.

(vii) a According to the records, the company is generally regular in depositing undisputed statutory dues including Goods and service tax, provident fund, employees' state insurance, Income-tax, duty of customs, cess and all other material statutory dues with the appropriate authorities and there were no arrears of statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

B According to the records of the Company and the information and explanations given to us, the following dues of Income-Tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess have not been deposited on account of any dispute.

| Nature of Dues | Period to which the amount relates | Amount Rs.In Lakhs | Amount Paid Under Protest | Forum where the dispute is pending |
|---|---|---|---|---|
| Income Tax | AY 2018-19 | 115.37 | 25.00 | CIT (Appeals) |
| Income Tax | AY 2019-20 | 289.92 | 50.00 | CIT (Appeals) |
| Income Tax | AY 2020-21 | 75.03 | | CIT (Appeals) |

(viii) According to the information and explanations given to us and based on our verification, there were no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (ii)(b) of the Order is not applicable.

(ix) a The Company has not defaulted in repayment of loans or in the payment of interest thereon to any lender.

b The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

c Term Loans were applied for the purpose for which the loans were obtained

d On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e The Company has not taken any funds from any entity or person on account of or to meet the obligations of associates.

f The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence the requirement to report on clause (ix)(f) of the Order is not applicable to the company.

(x) a In our opinion, according to the information and explanations given to us, and based on the audit procedures performed by us, money raised by way of issue of Compulsory convertible Preference Shares during the year have been applied for the purposes for which they were raised, other than temporary deployment of funds in the normal course of business.

b The Company has not made any Preferential allotment or Private placement of shares or convertible debentures during the year. Accordingly, paragraph 3 (x)(b) of the Order is not applicable.

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(xi) a According to the information and explanations given by the management and based upon the audit procedures performed No fraud by the Company and no material fraud on the Company has been noticed or reported during the year

b No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Governm5ent during the year and up to the date of this report;

c The Company has not established any Vigil mechanism, as it is not mandated by Section 177((9) of the Act. Accordingly, paragraph 3(xi)(c) of the Order is not applicable

(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 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) a In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;

b We have considered the reports of the Internal Auditors 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) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934, and is not a core investment Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi) and its sub-clauses of the Oder are not applicable.

(xvii) The company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We 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.

P. KRISHNA & CO. Hyderabad Chartered Accountants

(xx) The provisions of section 135 are not applicable to the Company and hence reporting underclause 3(xx) and its sub-clauses of the Oder are not applicable.

lace : Hyderabad

Date : 29.04.2024

For **P.KRISHNA & Co.,**
Chartered Accountants
Firm's Regn No.005473S

A Sreenivasa Rao

**(A.SREENIVASA RAO)**
P A R T N E R
M.No.208863

UDIN: 24208863BKAUVQ7327

**Annexure "B" to the Independent Auditors' Report of even date on the Ind AS Financial Statements of RAXA SECURITY SERVICES LTD**

**Report on the Internal Controls on 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 **RAXA SECURITY SERVICES LTD** ("the Company") as of March 31, 2024 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. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthourised 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 March 31, 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 **P.KRISHNA & Co.,**
Chartered Accountants
Firm's Regn No.005473S

Place : Hyderabad

Date : 29.04.2024

**(A.SREENIVASA RAO)**
PARTNER
M.No.208863
UDIN : 24208863BKAUVQ7327

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**CIN No. U74920KA2005PLC036865**

(Rs in Lakhs)

**Statement of standalone financial results for Quarter and Year ended March, 2024**

| | Particulars | Quarter ended | | | Year ended | |
|---|---|---|---|---|---|---|
| | | March 31,2024 | Dec 31,2023 | March 31,2023 | March 31,2024 | March 31,2023 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited |
| 1 | **Income** | | | | | |
| | a) Revenue from operations | 8,247.13 | 8,067.73 | 6,984.73 | 31,729.34 | 26,245.84 |
| | b) Other income | 587.44 | 574.55 | 592.30 | 2,391.91 | 2,350.69 |
| | **Total Income** | **8,834.57** | **8,642.28** | **7,577.03** | **34,121.26** | **28,596.53** |
| 2 | **Expenses** | | | | | |
| | (a) Employee benefits expense | 6,939.76 | 7,223.19 | 5,640.44 | 26,832.29 | 22,165.72 |
| | (b) Cost of materials consumed | 470.24 | 327.16 | 203.92 | 1,163.03 | 720.19 |
| | (c) Other Expenses | 619.72 | 516.65 | 757.75 | 2,350.14 | 2,234.47 |
| | **Total Expense** | **8,029.72** | **8,067.00** | **6,602.11** | **30,345.46** | **25,120.37** |
| 3 | **Earnings /(loss) before finance cost, tax, depreciation and amortisation expenes (EBITDA) and exceptional items(1-2)** | **804.85** | **575.28** | **974.92** | **3,775.79** | **3,476.16** |
| 4 | Finance costs | 1,150.25 | 590.14 | 1,034.46 | 3,101.92 | 2,995.60 |
| 5 | Depreciation and amortisation expenses | 46.51 | 34.99 | 30.78 | 143.65 | 117.76 |
| 6 | Profit/(loss) from continuing operations before exceptional items and tax expenses (3 ± 4 ± 5) | **(391.91)** | **(49.85)** | **(90.32)** | **530.23** | **362.80** |
| 7 | Exceptional items | - | - | - | - | - |
| 8 | **(Loss)/Profit from continuing operations before tax expenses (6 ± 7)** | **(391.91)** | **(49.85)** | **(90.32)** | **530.23** | **362.80** |
| 9 | **Tax expenses of continuing operations** | | | | | |
| | (a) Current tax | (130.67) | 15.00 | (36.37) | 75.00 | 95.88 |
| | (b) Adjustment of tax relating to earlier periods | (75.73) | - | - | (75.73) | - |
| | (c) MAT Credit | - | - | - | - | - |
| | (b) Deferred tax | (97.51) | (49.80) | 1.61 | (224.40) | (104.55) |
| 10 | **(Loss)/Profit after tax from continuing operations (8 ± 9)** | **(87.99)** | **(15.05)** | **(55.56)** | **755.36** | **371.48** |
| 11 | **Other Comprehensive Income** | | | | | |
| | Items that will not be reclassified to profit or loss (net of tax) | (112.09) | (55.52) | (9.77) | (226.24) | (56.34) |
| 12 | **Total other comprehensive income, net of tax for the respective periods/Year** | **(112.09)** | **(55.52)** | **(9.77)** | **(226.24)** | **(56.34)** |
| 13 | **Total comprehensive income for the respective periods/Years (10 ± 12)** | **(200.08)** | **(70.57)** | **(65.33)** | **529.12** | **315.14** |
| 14 | Paid-up equity share capital (face value Rs.10 per share) | 3,643.95 | 3,643.95 | 3,643.95 | 3,643.95 | 3,643.95 |
| 15 | **Weighted average number of shares used in computing Earnings per share** | 364.40 | 364.40 | 364.40 | 364.40 | 364.40 |
| 16 | **Earnings per equity share** | | | | | |
| | Basic & diluted EPS ( In Rs.) | (0.24) | (0.04) | (0.15) | 2.07 | 1.02 |

**Note1** The above financial results of Raxa Security Services Limited ('the Company') have been approved by the board on April 26, 2024.

**Note 2** **Basis of preparation of special purpose financial information**
The financial information have been prepared under the recognition and measurement principles to comply in all material respects with the notified Accounting Standards by the Companies (Indian Accounting Standards) Rules, 2015 amended by Companies (Indian Accounting Standards) (Amendments) Rules, 2016 under Section 133 of the Companies Act, 2013 ('the Act'). The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Note 3** Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any impact on recognition and measurement of revenue and related items in the financial results.

**Note 4** Previous period figures are regrouped /reclassified, wherever necessary to confirm to those of current period.

**For M/S. P. Krishna & Co**
Chartered Accountants
Firm's Regn No.005473S

P. KRISHNA & CO. Hyderabad Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863
UDIN : 24208863BKAUVQ7327

**For and on behalf of the Board of Directors of**
**Raxa Security Services Limited**

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer
PAN No. AFMPD1247F

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495E

**Chandra Sekhara Reddy Battula**
Company Secretary
PAN No. AGCPB4647G
Membership No: A14609

Place: New Delhi
Date: 29 April, 2024

Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**Balance Sheet as at 31st March, 2024(CIN No. U74920KA2005PLC036865)**

(Rs in Lakhs)

| | Particulars | Notes | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **(1) Non-current assets** | | | |
| | Property, Plant and Equipment | 1 | 2,791.24 | 2,746.18 |
| | Financial Assets | | | |
| | (i) Loans | 10 | 16,496.27 | 16,518.88 |
| | (ii) Investments | 6 | 1,791.60 | - |
| | Income tax assets | 3 | 396.79 | 308.02 |
| | Deferred tax asset (net) | 4 | 695.30 | 470.90 |
| | Other non-current assets | 2 | 44.01 | 50.39 |
| | | | **22,215.22** | **20,094.38** |
| | **(2) Current assets** | | | |
| | Inventories | 5 | 7.09 | 12.03 |
| | Financial Assets | | | |
| | (i) Investments | 6 | 1,337.78 | 280.63 |
| | (ii) Trade Receivables | 7 | 6,478.68 | 5,240.81 |
| | (iii) Cash and cash equivalents | 8 | 934.88 | 8,478.09 |
| | (iv) Bank balances other than cash and cash equivalents | 9 | 654.47 | 354.90 |
| | (v) Loans and advances | 10 | 1,690.98 | 1,674.70 |
| | (vi) Others financial assets | 11 | 6,465.31 | 4,669.38 |
| | Other current assets | 2 | 692.23 | 1,049.82 |
| | | | **18,261.42** | **21,760.36** |
| | **Total Assets** | | **40,476.64** | **41,854.73** |
| II | **EQUITY AND LIABILITIES** | | | |
| | **(1) Equity** | | | |
| | Equity Share capital | 12 | 3,643.95 | 3,643.95 |
| | Other Equity | 13 | 3,727.47 | 3,198.35 |
| | | | **7,371.42** | **6,842.30** |
| | **LIABILITIES** | | | |
| | **(2) Non-current liabilities** | | | |
| | Financial Liabilities | | | |
| | (i) Borrowings | 14 | 21,292.11 | 22,070.63 |
| | (ii) Others | 16 | 138.98 | 477.19 |
| | Provisions | 18 | 1,960.28 | 1,618.46 |
| | | | **23,391.37** | **24,166.28** |
| | **(3) Current liabilities** | | | |
| | Financial Liabilities | | | |
| | (i) Borrowings | 14 | 2,200.00 | 4,471.42 |
| | (ii) Trade Payables | 15 | | |
| | Due to micro enterprises and small enterprises | | 122.56 | 72.29 |
| | Due to others | | 835.17 | 1,233.23 |
| | (iii) Others | 16 | 3,985.53 | 2,559.28 |
| | Provisions | 18 | 1,613.32 | 1,384.67 |
| | Other current liabilities | 17 | 957.26 | 1,125.25 |
| | | | **9,713.85** | **10,846.14** |
| | **Total Equity and Liabilities** | | **40,476.64** | **41,854.73** |

The accompanying notes are an integral part of the financial statements.

**For M/S. P. Krishna & Co**
ICAI Firm's Regn No.005473S
Chartered Accountants

P. KRISHNA & CO. Hyderabad Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863
UDIN:24208863BKAUVQ7327

**For and on behalf of the Board of Directors of**
**Raxa Security Services Limited**

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer
PAN No. AFMPD1247F

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495B

**Chandra Sekhara Reddy Battula**
Company Secretary
PAN No. AGCPB4647G
Membership No: A14609

Raxa Security Services Ltd.

Place: New Delhi
Date: 29 April, 2024

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**Statement of Profit and Loss for the Year Ended 31st March, 2024 (CIN No. U74920KA2005PLC036865)**

**(Rs in Lakhs)**

| | Particulars | Notes | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue From Operations | 19 | 31,729.34 | 26,245.84 |
| | Other Income | 20 | 2,391.91 | 2,350.69 |
| | **Total Income (I)** | | **34,121.26** | **28,596.53** |
| II | **EXPENSES** | | | |
| | Employee Benefits Expense | 21 | 26,832.29 | 22,165.72 |
| | Cost of Material Consumed | 22 | 1,163.03 | 720.19 |
| | Other Expenses | 23 | 2,350.14 | 2,234.47 |
| | **Total Expense** | | **30,345.46** | **25,120.37** |
| III | **Earnings /(loss) before finance cost, tax, depreciation and amortisation expenes (EBITDA) and exceptional items** | | **3,775.79** | **3,476.16** |
| | Finance Costs | 24 | 3,101.92 | 2,995.60 |
| | Depreciation and amortization expense | 25 | 143.65 | 117.76 |
| IV | **Profit/ (loss) before exceptional items and tax from continuing operations** | | **530.23** | **362.80** |
| | Exceptional Items | | - | - |
| V | **Profit/ (Loss) before tax from continuing operations** | | **530.23** | **362.80** |
| VI | **Tax expense:** | | | |
| | Current Tax | | 75.00 | 95.88 |
| | Adjustment of tax relating to earlier periods | | (75.73) | - |
| | Deferred tax expense | | (224.40) | (104.55) |
| VII | **Profit/ (loss) for the period from continuing operations (A)** | | **755.36** | **371.48** |
| VIII | **Other Comprehensive Income** | | | |
| | A Items that will be reclassified to profit or loss | | - | - |
| | Items that will not be reclassified to profit or loss | | | |
| | Re-measurement losses on defined benefit plans | | (226.24) | (56.34) |
| | Income tax effect | | - | - |
| IX | **Total Comprehensive Income for the Year(VII + VIII)** | | **529.12** | **315.14** |
| X | Paid-up equity share capital (face value Rs.10 per share) | | 3,643.95 | 3,643.95 |
| XI | **Weighted average number of shares used in computing Earnings per share( In Lakhs)** | | 364.40 | 364.40 |
| XII | **Earnings per equity share** | | | |
| | i) Basic & diluted EPS ( In Rs.) | | **2.07** | **1.02** |

The accompanying notes are an integral part of the financial statements.

**For M/S. P. Krishna & Co**
ICAI Firm's Regn No.005473S
Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863

UDIN : 24208863BKAUVQ7327

P. Krishna & Co. Hyderabad Chartered Accountants

Place: New Delhi
Date: 29 April, 2024

**For and on behalf of the Board of Directors of**
**Raxa Security Services Limited**

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495B

**Chandra Sekhara Reddy Battula**

Company Secretary
PAN No. AGCPB4647G
Membership No: A14609

Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**Statement of Cash Flow for the Year ended 31st March, 2024 (CIN No. U74920KA2005PLC036865)**

**(Rs in Lakhs)**

| | Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| A | **CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES** | | |
| | Profit/ (Loss) before tax from continuing operations | 530.23 | 362.79 |
| | **Adj. to reconcile profit before tax to net cash flows** | | |
| | Depreciation of property, plant and equipment | 143.65 | 117.76 |
| | Provisions no longer required written back | - | (14.63) |
| | Bad debt written off | (0.00) | - |
| | Gain on sale or disposal of investments (net) | (40.99) | (20.84) |
| | Dividend on Preference Share Capital | - | - |
| | Finance costs | 3,101.92 | 2,995.60 |
| | Finance income | (2,347.79) | (2,307.63) |
| | **Operating profit before working capital changes** | **1,387.01** | **1,133.05** |
| | **Movements in working capital :** | | |
| | Inventories | 4.93 | 14.24 |
| | Trade receivables | (1,237.86) | 511.36 |
| | Other financial assets | 49.12 | (1,672.86) |
| | Other current assets | 363.98 | (179.89) |
| | Trade payable | (347.78) | 123.55 |
| | Other current financial liabilities | 20.73 | 494.84 |
| | Provisions - current | 344.24 | 203.50 |
| | Other current liabilities | (167.99) | 145.72 |
| | **Cash generated from operations** | **416.38** | **773.50** |
| | Direct taxes paid | (88.04) | 135.46 |
| | **Net cash flow (used in) / from operating activities (A)** | **328.34** | **908.96** |
| B | **CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment | (188.72) | (78.98) |
| | Change in Share Capital | - | - |
| | Gain on disposal of assets (net) | - | - |
| | Gain on sale of investments | | - |
| | Advances written off | - | |
| | Provision for Doubtful Debts | | |
| | Sale / (purchase) of investments (net) | (1,016.15) | 566.45 |
| | (Investments) / redemption of bank deposits (net) | (299.57) | 15.74 |
| | Loans to related party and others | (1,877.45) | (11.23) |
| | Loans repaid by related party and others | 92.17 | 1,200.00 |
| | Finance income received | 502.74 | 3,231.10 |
| | **Net cash flow from investing activities (B)** | **(2,786.98)** | **4,923.09** |
| C | **CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES** | | |
| | Proceeds from borrowings | (3,049.95) | 5,320.26 |
| | Finance costs paid | (2,034.63) | (2,900.85) |
| | **Net cash flow income (used in) / from financing activities (C)** | **(5,084.58)** | **2,419.41** |
| | **Net increase / (decrease) in cash and cash equivalents (A + B + C)** | **(7,543.22)** | **8,251.46** |
| | Cash and cash equivalents as at beginning of the Year | 8,478.09 | 226.61 |
| | **Cash and cash equivalents as at End of the Year** | **934.88** | **8,478.09** |
| | **COMPONENTS OF CASH AND CASH EQUIVALENTS** | **March 31, 2024** | **March 31, 2023** |
| | Balances with banks: | | |
| | - on current accounts | 934.88 | 978.09 |
| | - Deposits with original maturity of less than three months | 0.00 | 7,500.00 |
| | **Total cash and cash equivalents** | **934.88** | **8,478.09** |

The accompanying notes are an integral part of financial statements.

**For M/S. P. Krishna & Co**
ICAI Firm's Regn No.005473S
Chartered Accountants

P. KRISHNA & CO. Hyderabad Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863

UDIN : 24208863BKAUVQ7327

**Place: New Delhi**
Date: 29 April, 2024

**For and on behalf of the Board of Directors of**
**Raxa Security Services Limited**

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer
PAN No. AFMPD1247F

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495B

**Chandra Sekhara Reddy Battula**
Company Secretary
PAN No. AGCPB4647G
Membership No. A14609

Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**Statement of Changes in Equity for the year ended 31st March 2024(CIN No. U74920KA2005PLC036865)**

**(Rs in Lakhs)**

| Particulars | Equity share capital | Reserves and surplus | | Items of OCI | Total Equity |
|---|---|---|---|---|---|
| | | Securities premium | Retained earnings | Re-measurement losses | |
| ***Opening Balance April, 2022*** | **3,643.95** | **553.85** | **3,410.19** | **(1,080.84)** | **6,527.15** |
| Profit for the period | - | - | 371.47 | - | 371.47 |
| Other comprehensive income | - | - | - | (56.34) | (56.34) |
| **Total comprehensive income** | - | - | **371.47** | **(56.34)** | **315.13** |
| **As at 31st March 2023** | **3,643.95** | **553.85** | **3,781.66** | **(1,137.18)** | **6,842.28** |
| Profit for the period | - | - | 755.36 | - | 755.36 |
| Other comprehensive income | - | - | - | (226.24) | **(226.24)** |
| **Total comprehensive income** | - | - | **755.36** | **(226.24)** | **529.12** |
| ***As at 31st march 2024*** | **3,643.95** | **553.85** | **4,537.02** | **(1,363.42)** | **7,371.41** |

The accompanying notes are an integral part of the financial statements.

**For M/S. P. Krishna & Co**
ICAI Firm's Regn No.005473S
Chartered Accountants

P. KRISHNA & CO. Hyderabad Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863
UDIN: 24208863BKAUVQ7327

Place: New Delhi
Date: 29 April, 2024

**x**

**For and on behalf of the Board of Directors of**
**Raxa Security Services Limited**

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer
PAN No. AFMPD1247F

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495B

**Chandra Sekhara Reddy Battula**
Company Secretary
PAN No. AGCPB4647G
Membership No: A14609

Raxa Security Services Ltd.

Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**(CIN:U74920KA2005PL3036865)**
**Notes to accounts for the Year ended 31-March-2024**

**1 Property, Plant and Equipment**

(Rs in Lakhs)

| Particulars | Land - Freehold | Roads & Buildings | Plant & machinery | Office equipment | Furniture & fixtures | Electrical fittings | Vehicles | Computers | Live Stock | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | |
| **As at 31.03.2022** | **649.38** | **2,451.02** | **109.67** | **76.13** | **115.09** | **103.28** | **87.17** | **84.30** | **26.69** | **3,702.73** |
| Additions | - | - | - | 28.85 | 2.90 | 1.70 | 21.09 | 22.24 | - | 76.78 |
| Disposals | - | - | | - | - | - | - | - | - | - |
| **As at 31.03.2023** | **649.38** | **2,451.02** | **109.67** | **104.98** | **117.99** | **104.98** | **108.26** | **106.53** | **26.69** | **3,779.50** |
| Additions | - | - | 8.19 | 6.48 | 29.51 | 1.96 | 26.62 | 128.63 | - | 201.38 |
| Disposals | - | - | 7.01 | 0.13 | - | - | 64.15 | - | 11.44 | 82.73 |
| **As at 31.03.2024** | **649.38** | **2,451.02** | **110.85** | **111.34** | **147.50** | **106.94** | **70.72** | **235.16** | **15.25** | **3,897.89** |
| **Depreciation** | | | | | | | | | | |
| **As at 31.03.2022** | - | **469.17** | **78.62** | **45.52** | **102.40** | **99.45** | **35.21** | **60.71** | **26.69** | **917.76** |
| Charge for the year | - | 67.02 | 11.33 | 9.45 | 4.13 | 0.87 | 11.12 | 13.84 | - | 117.76 |
| Deductions | - | - | - | 0.00 | - | - | - | - | - | 0.00 |
| **As at 31.03.2023** | - | **536.20** | **89.96** | **54.97** | **106.53** | **100.32** | **46.32** | **74.55** | **26.69** | **1,035.52** |
| Charge for the year | - | 67.02 | 11.01 | 10.62 | 6.48 | 1.89 | 12.62 | 33.35 | - | 143.67 |
| Deductions | - | - | 7.01 | 0.02 | - | - | 53.43 | - | 11.44 | 71.89 |
| **As at 31.03.2024** | - | **603.22** | **93.96** | **65.57** | **113.01** | **102.21** | **5.52** | **107.90** | **15.25** | **1,106.65** |
| **Net block** | | | | | | | | | | |
| **As at 31.03.2024** | **649.38** | **1,847.80** | **16.89** | **45.76** | **34.49** | **4.73** | **65.20** | **127.26** | **0.00** | **2,791.24** |
| **As at 31.03.2023** | **649.38** | **1,914.82** | **19.71** | **50.02** | **11.46** | **4.67** | **61.94** | **31.98** | **0.00** | **2,746.18** |

P. KRISHNA & CO. Hyderabad Chartered Accountants

Raxa Security Services Ltd.

Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
**(CIN:U74920KA2005PL3036865)**
**Notes to accounts for the Year ended 31-March-2024**

## 2 Other assets

**(Rs in Lakhs)**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Advances other than capital advance** | | | | |
| Advances to suppliers | - | - | 185.09 | 239.47 |
| Advances to employees | - | - | 352.49 | 570.36 |
| Less: provision for doubtful advances | - | - | - | - |
| **Total A** | **-** | **-** | **537.59** | **809.83** |
| **Others** | | | | |
| Prepaid expenses | - | - | 154.78 | 239.99 |
| Balance with statutory / government Authorities | 44.01 | 50.39 | - | - |
| **Total B** | **44.01** | **50.39** | **154.78** | **239.99** |
| **Total other assets (A+B)** | **44.01** | **50.39** | **692.37** | **1,049.82** |

## 3 Income tax assets

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Income tax refund | (0.00) | -0.00 |
| TDS receivable | 396.79 | 328.89 |
| Advance Tax | 75.00 | 75.00 |
| Provisions-Income Tax | (75.00) | (95.88) |
| **Income tax assets** | **396.79** | **308.02** |

## 4 Deferred tax asset / liability

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Deferred tax assets (Net) | 695.30 | 470.90 |
| **Deferred tax asset / liability (net)** | **695.30** | **470.90** |

## 5 Inventories

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Uniform / Other Accessories | 7.09 | 6.08 |
| Trading Goods | - | 5.94 |
| **Total Inventories (Valued at lower of cost or NRV)** | **7.09** | **12.03** |

## 6 Financial assets - Investments

**(Rs in Lakhs)**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Investments at cost** | | | | |
| Investment in Mutual Fund<br>- Aditya Birla Sun Life Mutual Fund<br>(units 103299.15 NAV @ 1295.05 as on 31/12/2023)<br>(Units 23119.837 NAV @ 1211.4461 as on 31/03/2023) | - | - | 1,337.78 | 280.95 |
| Investment in Equity of KLOUDSPOT INC | 1,791.60 | - | - | - |
| **Total Investments** | **1,791.60** | **-** | **1,337.78** | **280.95** |

P. KRISHNA & CO. Hyderabad Chartered Accountants

Raxa Security Services Ltd.

Raxa Security Services Limited
No. 25/1, Skip House, Museum Road, Bangalore - 560025
(CIN:U74920KA2005PL3036865)
Notes to accounts for the Year ended 31-March-2024

## 7 Trade Receivables

(Rs in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Trade receivables** | | |
| **Secured, considered good** | | |
| Related parties - Trade Receiables | 2,559.84 | 3,228.63 |
| **Unsecured, considered good** | | |
| Other receivables-Trade Receivables | 4,044.14 | 2,137.50 |
| Less: Allowances for doubtful receivables, including allowance for expected credit losses | (125.31) | (125.31) |
| **Total Trade receivables** | **6,478.68** | **5,240.81** |

Non trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.Trade receivables are non-interest bearing.

## 8 Financial Assets - Cash and Cash Equivalent

(Rs in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Balances with Banks | | |
| - Deposits with original maturity of less than three months | 0.00 | 7,500.00 |
| - In current accounts | 934.88 | 978.09 |
| Cash on hand | - | - |
| **Total Cash and Cash Equivalent** | **934.88** | **8,478.09** |

## 9 Financial Assets - Bank balances other than cash and cash equivalents

(Rs in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Balances with Banks** | | |
| - Deposits with remaining maturity of more than 12 months | 330.00 | - |
| -Margin money deposits | 324.47 | 354.90 |
| **Total Bank balances other than cash and cash equivalents** | **654.47** | **354.90** |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(Rs in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Balances with banks:** | | |
| - In current accounts | 934.88 | 978.09 |
| - Deposits with original maturity of less than three months | 0.00 | 7,500.00 |
| **Cash and cash equivalents for statement of cash flow** | **934.88** | **8,478.09** |

Raxa Security Services Limited
No. 25/1, Skip House, Museum Road, Bangalore - 560025
(CIN:U74920KA2005PL3036865)
Notes to accounts for the Year ended 31-March-2024

**10 Financial Assets - Loans**

(Rs in Lakhs)

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Security Deposit** | | | | |
| Deposits with Others-Lease | 138.45 | 68.88 | - | - |
| Security deposit includes deposits with related parties | | | 0.15 | - |
| **Total (A)** | **138.45** | **68.88** | **0.15** | **-** |
| Unsecured, considered good<br>Loan to related parties - Good | 16,357.83 | 16,450.00 | 1,540.00 | 1,540.00 |
| **Other loans**<br>Unsecured, considered good<br>Loan to employees | - | - | 150.83 | 134.71 |
| | 16,357.83 | 16,450.00 | 1,690.83 | 1,674.71 |
| Provision for doubtful deposits | - | - | - | - |
| **Total (B)** | **16,357.83** | **16,450.00** | **1,690.83** | **1,674.71** |
| **Total (A+B)** | **16,496.27** | **16,518.88** | **1,690.98** | **1,674.71** |
| **Security deposit includes deposits with related parties:** | | | | |
| GMR Krishnagiri SEZ Limited (GKSL) | 14,500.00 | 14,500.00 | - | - |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 1,857.83 | 1,950.00 | - | - |
| **Total** | **16,357.83** | **16,450.00** | **-** | **-** |
| **Loan to related parties considered good include :** | | | | |
| GMR Infrastructure Limited (GIL - SIL JV) | - | - | 450.00 | 450.00 |
| GMR Power and Urban Infra Limited | - | - | 700.00 | 700.00 |
| GMR Highways Limited | - | - | 390.00 | 390.00 |
| **Total** | **-** | **-** | **1,540.00** | **1,540.00** |

**Security deposit includes deposits with related parties:**
**GMR Krishnagiri SEZ Limited**

Capital advance of Rs 150.00 Cr given to GMR Krishnagiri SEZ Limited (GKSL) for identifying and developing premises for offering new business opportunities and intends to avail the premises for its own use/training center. The amount placed as security deposit shall continue to be held by GKSL until the termination of memorandum or the definitive documents, as may be mutually agreed. The security deposit shall be in the nature of interest bearing deposit. This Memorandum will terminate on the date of execution of the Defenative Documents or as mutually agreed between the parties. In the event that GKSL fails to consummate the development within a reasonably expected time, but no later than 3 years or such further period as mutually extended by RAXA and GKSL, Security deposit will be returned along with interest as mutually agreed.

**GMR Airports Infrstructure Limited (Formerly Known as GMR Infrastructure Limited):**

Security deposit placed with GMR Airports Infrastructure Limited of Rs.1857.83 Lacs (March 31, 2023 Rs. 1,950.00 Lacs) at an interest rate of 11.35% is subject to first charge to secure term loan received from Yes Bank.

**GIL - SIL JV :**

Loans to related parties includes loan given to GMR Infrastructure Limited of Rs. 450.00 Lacs (March 31, 2023 Rs. 450.00 Lacs) at an interest rate of 12.5% payable as per agreement

**GMR Power and Urban Infra Limites :**

Loan to related parties includes loan given to GMR Power and Urban Infra Limited of Rs. 400.00 Lacs (March 31, 2023 Rs.400.00Lacs) at an interest rate of 12.25% payable as per agreement

Loan to related parties includes loan given to GMR Power and Urban Infra Limited of Rs. 300.00 Lacs (March 31, 2023 Rs.300.00 Lacs) at an interest rate of 12.5% payable as per agreement

**GMR Highways Limited**

Loans to related parties includes loan given to GMR HIGHWAYS LIMITED of Rs. 390.00 Lacs (March 31, 2023 Rs. 390.00 Lacs ) at an interest rate of 12.5% payable as per agreement.

**11 Financial Assets - Others**

(Rs in Lakhs)

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Carried at amortised cost** | | | | |
| Interest accrued on fixed deposits | - | - | 30.04 | 21.93 |
| Interest accrued on loans | - | - | 4,814.09 | 2,977.14 |
| Unbilled Revenue | - | - | 1,621.18 | 1,670.31 |
| **Total other financial assets** | **-** | **-** | **6,465.31** | **4,669.38** |

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Raxa Security Services Ltd.

**Raxa Security Services Limited**
**No. 25/1, Skip House, Museum Road, Bangalore - 560025**
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(Rs in Lakhs)

**12 Equity Share Capital**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Authorised :** | | |
| 4,00,00,000 Equity Shares of Rs.10/- Each | 4,000.00 | 4,000.00 |
| | 4,000.00 | 4,000.00 |
| **Issued, subscribed and fully paid up:** | | |
| 3,64,39,540 (31st March 2022: 3,64,39,540) Equity Shares of Rs.10/- Each Fully paid | 3,643.95 | 3,643.95 |
| | - | - |
| **Total Equity Share Capital** | **3,643.95** | **3,643.95** |

**a. Reconciliation of Shares Outstanding at the beginning and end of the reporting year**

| Equity Shares | 31-Mar-24 | | 31-Mar-23 | |
|---|---|---|---|---|
| | In Nos' | Value | In Nos' | Value |
| At the beginning of the year | 3,64,39,540 | 3,643.95 | 3,64,39,540 | 3,643.95 |
| Issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | **3,64,39,540** | **3,643.95** | **3,64,39,540** | **3,643.95** |

**b. Terms/Rights Attached to equity Shares**

The Company has only one class of equity shares having par value of Rs 10 per share. 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 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.

**c. Shares held by holding /ulitmate holding company /holding company and/or their subsidiaries/associates.**

| Name of Shareholder | 31-Mar-24 | | 31-Mar-23 | |
|---|---|---|---|---|
| | No. of Shares held | Amount | No. of Shares held | Amount |
| GMR Aiports Infrastructure Limited (Formerly known as GMR Infrastructure Limited) | 3,64,38,940 | 3,643.89 | 3,64,38,940 | 3,643.89 |
| | **3,64,38,940** | **3,643.89** | **3,64,38,940** | **3,643.89** |

**d. Details of Shareholders holding more than 5% of equity shares in the Company**

| Name of Shareholder | 31-Mar-24 | | 31-Mar-23 | |
|---|---|---|---|---|
| | No. of Shares held | % Holding in Class | No. of Shares held | % Holding in Class |
| GMR Aiports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 3,64,38,940 | 100% | 3,64,38,940 | 100% |
| | **3,64,38,940** | **100%** | **3,64,38,940** | **100%** |

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

**e. Details of Promoter Shareholding**

| Name of Shareholder | 31-Mar-24 | | 31-Mar-23 | |
|---|---|---|---|---|
| | No. of Shares held | Amount | No. of Shares held | Amount |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 3,64,38,940 | 3,643.89 | 3,64,38,940 | 3,643.89 |
| Mr.G M Rao (Nominee of GIL) | 100 | 0.01 | 100 | 0.01 |
| Mrs.G Varalakshmi (Nominee of GIL) | 100 | 0.01 | 100 | 0.01 |
| | **3,64,39,140** | **3,643.91** | **3,64,39,140** | **3,643.91** |

**13 Other Equity**

(Rs in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Surplus in the statement of profit and loss** | | |
| Balance as per last financial statements | 3,781.68 | 3,410.21 |
| Add: Net profit for the year | 755.36 | 371.47 |
| **Net surplus in the statement of profit and loss** | **4,537.04** | **3,781.68** |
| **Securities premium** | **553.85** | **553.85** |
| **Other items of Comprehensive Income** | | |
| Opening balance of OCI | (1,137.18) | (1,080.84) |
| Re-measurement (losses) / gains on post employment defined benefit plans | (226.24) | (56.34) |
| **Closing balance of OCI** | **(1,363.42)** | **(1,137.18)** |
| | - | - |
| **Total Other Equity** | **3,727.47** | **3,198.35** |

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Raxa Security Services Ltd.

**Raxa Security Services Limited**
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**(CIN:U74920KA2005PL3036865)**
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**14 Financial liabilities - Borrowings** **(Rs in Lakhs)**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Term Loans:** | | | | |
| From banks | | | | |
| Indian rupee term loan from banks (Secured) | 7,300.00 | 11,189.98 | 2,200.00 | 4,471.10 |
| Indian rupee term loan from banks (Secured) (C ) | | | | |
| **Loans from related parties** | | | | |
| Loans from Group Company (M/s GMR Airports Infrastructure Limited) | 12,152.11 | 10,880.65 | - | - |
| **Other Loans** | | | | |
| Overdraft - YES Bank | - | - | - | 0.32 |
| **10%-Compulsorily convertible Preference Shares** | 1,840.00 | - | - | - |
| **Total Borrowings** | **21,292.11** | **22,070.63** | **2,200.00** | **4,471.42** |

**Hero Fin Corp Limited:** Loan from Hero Fin Corp Rs. 95 Crore carries an interest rate of 13.75% p.a. payable on monthly basis.The Loan is repayable in 11 quarterly instalments commencing from June 2024. The Loan is secured by way of mortgage of Land and Building located at Kodur Village, Ananthapur Dist., AP, owned by the borrower, Exclusive charge on fixed and current assets, both present and future, of the borrower by way of deed of hypothecation;Corporate Guarantee of GMR Airport Infrastructure Limited (GAIL),Demand Promissory Note, Letter of Continuity ,ISRA equivalent to 3 months interestExclusive Charge by way of Pledge of Equity Shares of the Borrower a.) Upfront pledge of 100% shares of the borrower b.) 70% shares to be released post creation of Corporate Guarantee of GMR Airport Infrastructure Limited (GAIL),and Exclusive Minimum Cover of 1.5X shall be provided by the Raxa Property.

**Yes bank loan terms:** Loan from YES bank of Rs 75 Crore carries an interest rate of 10.40% p.a. (1 year MCLR rate plus 1.45%) payable on monthly basis. The loan is repayable in 28 quarterly instalments commencing from October 2017. The loan is secured by way of a irrevocable Corporate Guarantee issued by GMR Airports Infrastrucure Limited (Formerly Known as GMR Infrastructure Limited), charge on present and future assets of the company created out of the term loan, charge on 10% of FD margin of the outstanding facility amount, mortgage of various immovable properties of the group and pledge of the shares of various companies of the group. Additional Loan created against moratorium benefit of Rs. 10.47 Crores on existing loan of Rs.150 Crore carrying the as is Interest rate and term and conditions. Additional Loan created against moratorium benefit of Rs. 10.47 Crores on existing loan of Rs. 150 Crore carrying the as is Interest rate and term and conditions

Additional Loan created against moratorium benefit of Rs. 3.47 Crores on existing loan of Rs. 75 Crore carrying the as is Interest rate and term and conditions.

Loan from YES bank of Rs. 150 Crore carries an interest rate of 12.30% p.a (1 year MCLR rate plus 3.20%) payable on monthly basis. The loan is repayable in 24 half-yearly instalments commencing from May, 2018. The loan is secured by way of a irrevocable Corporate Guarantee issued by GMR Airports Infrastrucure Limited (Formerly Known as Infrastructure Limited), charge on assets of the company created out of the term loan, charge on 6% of margin in form of Current Investment of the outstanding facility amount, mortgage of various immovable properties of the group and pledge of the shares of various companies of the group.

Additional Loan created against moratorium benefit of Rs. 10.47 Crores on existing loan of Rs. 150 Crore carrying the as is Interest rate and term and conditions. The Entire Loan has been paid on 12th Feb 2024.

**Unsecured loan from M/s GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited):** Loan taken from GIL at a simple interest rate of 12.25% p.a for a period of 5 years. Principal and interest repayable at the end of loan term. Additional Loan of Rs.85.20 Cr taken from GIL at a simple interest rate of 7.25% p.a

**10%-Compulsorily convertible Preference Shares:** 10% Compulsorily convertible Preference Shares of Rs.18.40 Cr issue on 12th Dec 2023 to Innovation Fund-I (By Innovex Capital), a SEBI Registered Category II AIF. The Preferntial Dividend Shall be cumulated every year irrespective of its declaration by the Board/Shareholders.

**15 Financial liabilities - Trade payables** **(Rs in Lakhs)**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Trade Payable | | | | |
| - Micro, Small and Medium Enterprises | - | - | 122.56 | 72.29 |
| - Related parties | - | - | 9.40 | 115.16 |
| - Other payables | - | - | 825.78 | 1,118.07 |
| **Total Trade payables** | - | - | **957.73** | **1,305.52** |

**16 Other Financial Liabilities** **(Rs in Lakhs)**

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Other financial liabilities at amortised cost** | | | | |
| Security Deposit from Customers* | 138.98 | 477.19 | - | - |
| Payable to Employees | - | - | 2,485.89 | 2,126.95 |
| Retention Money from Suppliers / Contractors | - | - | - | - |
| Interest Payable | - | - | 1,499.64 | 432.33 |
| **Total other financial liabilities at amortised cost** | **138.98** | **477.19** | **3,985.53** | **2,559.28** |

*Security Deposits from Customers will be paid at the time of termination of contract.

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Raxa Security Services Ltd.

**17 Other Liabilities** (Rs in Lakhs)

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Advance from customer** | - | - | - | 336.87 |
| **Statutory liabilities** | | | | |
| Provident fund payable | - | - | 336.82 | 351.09 |
| GST Payable | - | - | 477.54 | 297.91 |
| Tax deducted at source payable | - | - | 68.32 | 58.45 |
| ESI and PT payable | - | - | 56.25 | 50.47 |
| Other Liabilities | - | - | 18.33 | 30.46 |
| **Total Other Liabilities** | **-** | **-** | **957.26** | **1,125.25** |

**18 Provisions** (Rs in Lakhs)

| Particulars | Non - Current | | Current | |
|---|---|---|---|---|
| | 31-Mar-24 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| **Provision for employee benefits** | | | | |
| Provision for Gratuity | 1,960.28 | 1,618.46 | 671.25 | 586.69 |
| Provision for Compensated Absences | - | - | 941.19 | 796.48 |
| Provisions Spr annuation | - | - | 0.88 | 1.51 |
| **Total Provisions** | **1,960.28** | **1,618.46** | **1,613.32** | **1,384.67** |

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**19 Revenue from Operations** (Rs in Lakhs)

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Manpower Security Services | 29,395.99 | 24,722.48 |
| Income From System and other Services | 2,333.36 | 1,523.36 |
| **Total Revenue from Operations** | **31,729.34** | **26,245.84** |

**20 Other Income** (Rs in Lakhs)

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Inter corporate loans and deposits(Interest) | 2,192.19 | 2,248.05 |
| Interest on bank deposits | 139.63 | 22.23 |
| Interest on income tax refund | 15.97 | 37.35 |
| Other Interest | 0.17 | - |
| Miscellaneous income | 1.54 | 0.38 |
| Profit on sale of Mutual Funds | 40.99 | 20.84 |
| Other income -Scrap | 0.40 | 6.82 |
| Profit on sale of fixed assets (net) | 1.01 | 0.39 |
| Provisions no longer required | - | 14.63 |
| **Total Other Income** | **2,391.91** | **2,350.69** |

**21 Employee Benefits Expense** (Rs in Lakhs)

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Salaries, wages and bonus | 23,864.57 | 19,441.42 |
| Contribution to provident and other fund | 2,520.39 | 2,234.15 |
| Gratuity expenses | 418.35 | 374.96 |
| Staff welfare expense | 28.98 | 122.07 |
| **Total Employee Benefits Expense** | **26,832.29** | **22,172.61** |

**Gratuity and other post-employment benefit plans**

**a) Defined contribution plans**

The Company has recognized, in the statement of Profit and Loss contribution to Provident and other funds under employee benefit expense, being expenses debited under the following defined contribution plan:

| Particulars | Provident fund | |
|---|---|---|
| | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
| Provident Fund and Employee's Pension Scheme | 2,022.54 | 1,754.59 |
| **Total** | **2,022.54** | **1,754.59** |

**a) Defined benefit plans**

**Gratuity**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

**Statement of profit and loss**

(i) Net employee benefit expense (recognized in Employee Cost) for the Year ended 31st march 2024

| Particulars | Gratuity | |
|---|---|---|
| | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
| Current Service Cost | 308.12 | 281.45 |
| Net Interest Cost | 145.64 | 113.14 |

(ii) Remeasurement of (gain)/loss recognised in the other comprehensive income

| Particulars | Gratuity | |
|---|---|---|
| | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
| Actuarial (gain)/ loss on obligations | 226.24 | 56.34 |

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**Notes to accounts for the Year ended 31-March-2024**

**Balance sheet**

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Defined benefit obligation | (2,783.40) | (2,378.96) |
| Fair value of plan assets | 151.86 | 173.81 |
| **Plan asset / (liability)** | **(2,631.53)** | **(2,205.14)** |

**Changes in the present value of the defined benefit obligation are as follows:**

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Opening defined benefit obligation | 2,378.95 | 2,087.47 |
| Interest cost | 156.50 | 113.14 |
| Current service cost | 308.12 | 281.45 |
| Past service cost - plan amendments | 0.00 | 0.00 |
| Acquisition cost | 0.00 | (21.46) |
| Benefits paid (including transfer) | (286.42) | (141.46) |
| Actuarial losses/ (gain) - experience | 219.11 | 115.72 |
| Actuarial losses/ (gain) -demographic assumptions | 0.00 | 5.97 |
| Actuarial losses/ (gain) - financial assumption | 7.13 | (67.72) |
| **Closing defined benefit obligation** | **2,783.39** | **2,373.11** |

**Changes in the fair value of plan assets are as follows:**

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Opening fair value of plan assets | 173.81 | 27.80 |
| Acquisition Adjustment | - | - |
| Interest income on plan assets | 10.86 | 5.84 |
| Contributions by employer | 253.61 | 283.99 |
| Return on plan assets greater/ (lesser) than discount rate | - | (2.37) |
| Benefits paid (including transfer) | (286.42) | (141.46) |
| **Closing fair value of plan assets** | **151.86** | **173.81** |

**Experience adjustments for the current and previous years are as follows:**

| Particulars | As at 31-Mar-24 | As at 31-Mar-23 |
|---|---|---|
| Defined benefit obligation | (2,783.40) | (2,378.96) |
| Plan assets | 151.86 | 173.81 |
| Funded status | (2,631.53) | (2,205.14) |
| Experience (loss) adjustment on plan liabilities | 219.11 | 115.72 |
| Experience gain/ (loss) adjustment on plan assets | 0.00 | 0.00 |
| Actuarial gain due to change in assumptions | 226.24 | 56.34 |

**The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:**

| Particulars | Gratuity | |
|---|---|---|
| | As at 31-Mar-24 | As at 31-Mar-23 |
| Discount rate (in %) | 7.00% | 7.10% |
| Salary Escalation (in %) | 3.00% | 3.00% |
| Attrition rate (in %) | 30.00% | 30.00% |
| Medical cost trend rate (in %) | Indian Assured Lives Mortality (2006-08) (modified) Ult | Indian Assured Lives Mortality (2006-08) (modified) Ult |

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**A quantitative sensitivity analysis for significant assumption as at 31st March 2024 is as shown below:**
**Gratuity Plan**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Discount Rate | 7.00% | 7.10% |
| Effect on DBO due to 1% increase in Discount Rate | (69.52) | (57.97) |
| Effect on DBO due to 1% decrease in Discount Rate | 73.65 | 61.38 |
| Salary Escalation Rate | 3.00% | 3.00% |
| Effect on DBO due to 1% increase in Salary Escalation Rate | 75.91 | 63.40 |
| Effect on DBO due to 1% decrease in Salary Escalation Rate | -72.85 | (60.87) |
| Attrition Rate | 30.00% | 30.00% |
| Effect on DBO due to 1% increase in Attrition Rate | 0.47 | -14.40 |
| Effect on DBO due to 1% decrease in Attrition Rate | (0.87) | (25.03) |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**22 Cost of Material Consumed** **(Rs in Lakhs)**

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Cost of Material Consumed | 1,163.03 | 720.19 |
| **Total Expenditure on Technical Projects** | **1,163.03** | **720.19** |

**Changes in inventories of trading goods and work-in-progress**

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| **Closing stock** | | |
| Work in Progress | - | - |
| Trading Goods | - | 5.94 |
| | **-** | **5.94** |
| **Less :** | | |
| **Opening stock** | | |
| Work in Progress | - | - |
| Trading Goods | 5.94 | 6.62 |
| | **5.94** | **6.62** |
| **(Increase) / decrease** | | |
| Work in Progress | - | - |
| Trading Goods | 5.94 | 0.68 |
| **Changes in inventories of trading goods and work-in-progress** | **5.94** | **0.68** |

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**23 Other Expenses** (Rs in Lakhs)

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Consumption of Stores and Spares | 5.50 | 0.05 |
| Advertising and Business promotion | 35.73 | 33.04 |
| Electricity and water charges | 31.50 | 34.81 |
| Food Expense | 240.69 | 233.10 |
| Uniform Expense | 216.27 | 178.34 |
| Insurance | 8.14 | 46.40 |
| Repairs and maintenance - P&M | 1.81 | 2.36 |
| Repairs and maintenance - Building | 51.43 | 11.67 |
| Repairs and maintenance - Others | 89.11 | 73.18 |
| Rates & Taxes | 61.35 | 91.92 |
| Rent | 89.84 | 27.28 |
| Training Expenses | 169.87 | 107.10 |
| Vehicle Running & Maintenance | 26.97 | 42.46 |
| Printing & Stationery | 18.91 | 19.18 |
| Recuritment | 29.59 | 18.53 |
| Books & Periodicals | - | 0.04 |
| Communication | 24.43 | 27.27 |
| Travelling & conveyance | 305.78 | 364.14 |
| Manpower hire charges | 229.31 | 237.16 |
| Membership & Subscription | 8.26 | 4.62 |
| Legal and professional fees | 609.73 | 575.66 |
| Auditors' Remuneration | 2.65 | 2.65 |
| Directors Sitting Fee | 2.35 | 1.55 |
| Bidding expenses | 5.42 | 0.12 |
| Brokerage & commission | 1.50 | - |
| Meeting and seminar | - | 0.01 |
| Expenditure on technical projects | 54.30 | 67.41 |
| Charities & Donations | 5.92 | 9.11 |
| Miscellaneous & Other Expenses | 23.77 | 25.30 |
| **Total Other Expenses** | **2,350.14** | **2,234.47** |

**24 Finance Costs**

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Interest expense: | | |
| Interest on loan | 2,709.58 | 2,832.33 |
| Bank charges | 215.43 | 163.27 |
| Interest on Others | 176.91 | - |
| **Total Finance Costs** | **3,101.92** | **2,995.60** |

**25 Depreciation and amortization expense**

| Particulars | Year Ended 31-Mar-24 | Year Ended 31-Mar-23 |
|---|---|---|
| Depreciation of Property, Plant & Equipment | 143.65 | 117.76 |
| **Total Depreciation and amortization expense** | **143.65** | **117.76** |

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**26 Contingent Liabilities:**

Bank Guarantees issued by bank on behalf of company Rs. 324.47 Lakhs (PY Rs. 350 Lakhs) outstanding as on 31.03.2024

Demand of Rs. 90.37 Lakhs, Rs. 239.92 Lakhs and Rs. 75.02 Lakhs for AY 2018-19, 2019-20 and 2020-21 respectively towards Income Tax.

**27 Capital Commitments** **(Rs in Lakhs)**

| Particulars | Year ended 31-March-24 | Year ended 31-Mar-23 |
|---|---|---|
| Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances) | - | - |

**28 Segment Reporting**
The Company operates in single segment i.e. provision of security and other related services and hence there are no reportable segments as per the requirements of standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

**29 Related Party Transactions**

**(a) Name of Related Parties and description of relationship:**

(i) **Enterprises that control the Company**
GMR Enterprise Private Limited (GEPL) (Ultimate Holding Company)
GMR Aiports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited)
(Intermediate Holding Company)

(ii) **Fellow Subsidiary Companies ( Where Transactions have taken place)**

Delhi International Airport Limited (DIAL)
GMR Hyderabad International Airport Limited (GHIAL)
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
Delhi Airport Parking Services Private Limited (DAPSL)
GMR Kamalanga Energy Limited (GKEL)
GMR Warora Energy Limited (GWEL)
GMR POWER AND URBAN INFRA LIMITED (GPUIL)
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
GMR Airports Limited (GAL)
GMR Goa International Airport Limited (GGIAL)
GMR Pochanpalli Expressways Limited (GPEPL)
GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
Hyderabad Duty Free Retail Limited (GHRL)
GMR Airport Developers Limited (GADL)
GMR Hyderabad Aviation SEZ Limited (GHASL)
GMR Krishnagiri SIR Limited(GKSIR)
GMR Chennai Outer Ring Road Private Limited (GCORRPL)
GMR Hyderabad Aerotropolis Limited(GHAL)
Honey Flower Estates Private Limited (HFEPL)
GMR Aviation Private Limited (GAPL)
GMR Hospitality and Retail Limited(GHRL)
GMR Air Cargo & Aerospace Engineering Limited (GACAEL)
GMR SEZ & port Holdings Limited (GSPHL)
GMR Energy Trading Limited (GETL)
GMR Corporate Affairs Limited (GCAL)
GMR Highways Limited (GHL)
GMR Vemagiri Power Generation Limited (GVPGL)
GMR Generation Assets Limited (GGAL)
GMR Business Process and Services Private Limited (GBPSPL)
GMR League Games Priavte Limited

iii) **Associates/JV/Fellow Subsidiary of Holding Company/Ultimate Holding Company**
GMR Rajahmundry Energy Limited (GREL)
Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
TIM Delhi Airport Advertising Private Limited (TIM)
GMR Infrastructure Limited-SIL JV (GIL-SIL JV)
GMR Megawide Cebu Airport(GMCAC)
JSW GMR Cricket Pvt Ltd
Anahata Creations LLP

(iv) **Enterprises under the same management**
GMR Varalakshmi Foundation (GVF)
GMR Institute Of Technology (GIT)
GMR School Of Business (GSB)
GMR Family Fund Trust (GFFT)
GMR VARALAKSHMI DAV PUBLIC SCHOOL
Sri GCSR College
SEETHAMAHALAKSHMI DAV PUBLIC SCHOOL
GMR Varalakshmi Foundation (CSW)

(v) **Key management personnel and their relatives**
Dr. Ashwani Lohani (Director)
Mr. G Subba Rao (Director)
Mr. M R Reddy (Director)
Mr. H J Dora (Director)
Mr. G U G Sastry (CEO upto 31/12/2023)
Mr. Amit Dar (CEO w.e.f. 01/01/2024)
Mr. Sunil Kumar Jain (CFO)
Mr. Rakesh Kumar Singh (Company Secretary upto 29/08/2023 )
Mr. Chandra Sekhara Reddy (Company Secretary w.e.f. 11/01/2024 )

(v) **Person who have significant influence in the company**
Mr. G M Rao (Group Chairman)
Ms. G Varalakshmi ( Group Chairman Relative)

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## (b) Summary of transactions with the above related parties is as follows:

(Rs in Lakhs)

| Entity Name | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| **Revenue from Operations** | | |
| Delhi International Airport Limited (DIAL) | 4,097.68 | 2,685.93 |
| GMR Hyderabad International Airport Limited (GHIAL) | 2,907.31 | 1,825.51 |
| Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM) | 958.34 | 615.93 |
| GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) | 562.57 | 373.61 |
| Delhi Airport Parking Services Private Limited (DAPSL) | 1,095.63 | 631.74 |
| GMR Kamalanga Energy Limited (GKEL) | 825.97 | 561.05 |
| GMR Warora Energy Limited (GWEL) | 597.70 | 390.07 |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 209.31 | 51.53 |
| GMR POWER AND URBAN INFRA LIMITED(GPUIL) | 530.81 | 411.22 |
| GMR Ambala Chandigarh Expressways Private Limited (GACEPL) | 216.63 | 144.27 |
| GMR Airports Limited (GAL) | 92.57 | 140.42 |
| GMR Goa International Airport Limited (GGIAL) | 1,103.92 | 310.44 |
| GMR Pochanpalli Expressways Limited (GPEPL) | 103.51 | 70.71 |
| GMR Bajoli Holi Hydropower Private Limited (GBHHPL) | 79.68 | 73.37 |
| TIM Delhi Airport Advertising Private Limited (TIM) | 70.81 | 45.34 |
| GMR Airport Developers Limited (GADL) | 120.00 | 81.41 |
| GMR Hyderabad Aviation SEZ Limited (GHASL) | 41.09 | 31.81 |
| GMR Krishnagiri SIR Limited(GKSIR) | - | 17.49 |
| GMR Institute of Technology (GIT) | 67.12 | 46.32 |
| GMR Varalakshmi Foundation (GVF) | 99.18 | 82.47 |
| GMR Chennai Outer Ring Road Private Limited (GCORRPL) | 92.00 | 19.14 |
| GMR Hyderabad Aerotropolis Limited(GHAL) | 84.73 | 13.26 |
| GMR School of Business (GSB) | 12.60 | 7.81 |
| Honey Flower Estates Private Limited (HFEPL) | 11.61 | 7.63 |
| GMR Aviation Private Limited (GAPL) | 14.19 | 8.27 |
| GMR Hospitality and Retail Limited(GHRL) | 85.73 | 46.70 |
| GMR VARALAKSHMI DAV PUBLIC SCHOOL | 8.12 | 7.84 |
| Sri GCSR College | 10.36 | 6.09 |
| SEETHAMAHALAKSHMI DAV PUBLIC SCHOOL | 10.67 | 6.12 |
| GMR Varalakshmi Foundation (CSW) | 6.83 | 9.55 |
| GMR Air Cargo & Aerospace Engineering Limited (GACAEL) | 199.49 | 132.66 |
| GMR SEZ & port Holdings Limited (GSPHL) | 19.67 | 40.69 |
| GMR HIGHWAYS LTD | 2.50 | - |
| GMR Corporate Affairs Limited (GCAL) | - | 8.40 |
| G MALLIKARJUNA RAO | 0.82 | -0.09 |
| GMR MEGAWIDE CEBU AIRPORT(GMCAC) | 39.71 | - |
| JSW GMR Cricket Pvt Ltd | 62.21 | - |
| GMR LEAGUE GAMES PRIVATE LIMITED | 15.24 | - |
| GMR Family Fund Trust | 4.53 | - |
| | **14,460.82** | **8,904.71** |

| Entity Name | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| **Rent & Maintenance Expenses** | | |
| G Varalakshmi | 14.38 | 8.61 |
| GMR Family Fund Trust | 12.92 | 26.76 |
| GMR Kamalanga Energy Limited | 0.00 | 1.40 |
| GMR Hyderabad International Airport Limited | 1.83 | 0.12 |
| Delhi International Airport Limited | 13.71 | 38.43 |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 161.99 | 71.25 |
| GMR Aviation Private Limited | - | 100.00 |
| GMR Airports Limited | 191.37 | 37.85 |
| | **396.19** | **284.42** |

**Summary of transactions with the above related parties is as follows:**

(Rs in Lakhs)

| Entity Name | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| **Interest expense on Unsecured Loans** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 1,102.45 | 232.74 |
| | **1,102.45** | **232.74** |
| **Interest income on Deposits** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 221.56 | 228.23 |
| GMR Power and Urban Infra Limited( GPUIL) | 86.74 | 65.17 |
| GMR Krishnagiri SIR Limited (GKIR) | 1,781.12 | 1,338.27 |
| GMR Highways Limited (GHL) | 48.88 | 34.84 |
| GMR Infrastructure Limited-SIL JV (GIL-SIL JV) | 56.40 | 42.38 |
| | **2,194.70** | **1,708.89** |

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Raxa Security Services Ltd.

**(c) Summary of balances with the above related parties is as follows:**

(Rs in Lakhs)

| Entity Name | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| **Loans and Security Deposit Given** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 1,857.83 | 2,550.00 |
| GMR Krishnagiri SEZ Limited (GKSEZ) | 14,500.00 | 14,500.00 |
| GMR Power and Urban Infra Limited( GPUIL) | 700.00 | 700.00 |
| GMR HIGHWAYS LIMITED | 390.00 | 390.00 |
| GMR Infrastructure Limited-SIL JV (GIL-SIL JV) | 450.00 | 450.00 |
| | **17,897.83** | **18,590.00** |
| **Trade Receivables** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 179.59 | 2.29 |
| GMR Power and Urban Infra Limited( GPUIL) | 454.76 | 97.79 |
| GMR Hyderabad International Airport Limited (GHIAL) | 694.08 | 401.94 |
| GMR Kamalanga Energy Limited (GKEL) | 154.29 | 114.72 |
| GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) | 66.82 | -0.99 |
| Delhi Airport Parking Services Private Limited (DAPSL) | 100.05 | 107.34 |
| GMR Warora Energy Limited (GWEL) | 55.64 | 134.48 |
| GMR Ambala Chandigarh Expressways Private Limited (GACEPL) | 21.44 | 25.98 |
| Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM) | 92.25 | 109.62 |
| GMR Airports Limited (GAL) | 3.92 | 89.22 |
| GMR Goa International Airport Limited (GGIAL) | 106.55 | -0.88 |
| GMR Varalakshmi Foundation (GVF) | 28.57 | 67.44 |
| GMR Bajoli Holi Hydropower Private Limited (GBHHPL) | 15.97 | 52.73 |
| GMR Pochanpalli Expressways Limited (GPEPL) | 10.73 | 109.72 |
| GMR Krishnagiri SIR Limited(GKSIR) | - | 2.28 |
| TIM Delhi Airport Advertising Private Limited (TIM) | 4.53 | 4.60 |
| GMR Aviation Private Limited (GAPL) | 5.84 | 12.57 |
| Delhi International Airport Limited (DIAL) | 8.97 | 10.53 |
| GMR Hyderabad Aviation SEZ Limited (GHASL) | - | 7.27 |
| GMR Airport Developers Limited (GADL) | 23.35 | 59.00 |
| GMR Hospitality and Retail Limited(GHRL) | -0.23 | 69.36 |
| GMR Business Process and Services Private Limited (GBPSPL) | - | 0.25 |
| GMR Vemagiri Power Generation Limited (GVPGL) | 5.48 | 5.48 |
| GMR Hyderabad Aerotropolis Limited(GHAL) | - | -0.06 |
| GMR Aero Technic Limited (GATL) | | - |
| GMR School of Business (GSB) | 2.24 | - |
| Honey Flower Estates Private Limited (HFEPL) | - | - |
| GMR Varalakshmi Foundation (CSW) | 3.71 | - |
| GMR VARALAKSHMI DAV PUBLIC SCHOOL | 1.47 | 0.71 |
| GMR Chennai Outer Ring Road Private Limited (GCORRPL) | 8.70 | 2.53 |
| GMR Rajahmundry Energy Limited (GREL) | - | 40.91 |
| GMR Power Corporation Limited (GPCL) | | - |
| GMR Air Cargo & Aerospace Engineering Limited (GACAEL) | 37.47 | 21.90 |
| GMR SEZ & port Holdings Limited (GSPHL) | 1.88 | -0.02 |
| GMR Corporate Affairs Private Limited (GCAPL) | | - |
| GMR Generation Assets Limited (GGAL) | 418.15 | 499.48 |
| GMR Institute of Technology (GIT) | 12.04 | 12.57 |
| GMR HIGHWAYS LIMITED | - | 2.95 |
| G MALLIKARJUNA RAO | - | 5.79 |
| GMR Megawide Cebu Airport Corporation | 23.80 | - |
| HONEYFLOWER ESTATES PRIVATE LIMITED | 1.14 | - |
| GMR Family Fund Trust | 1.07 | - |
| Anahata Creations LLP | 7.08 | - |
| | **2,551.32** | **2,069.52** |

**(d) Summary of balances with the above related parties is as follows:**

(Rs in Lakhs)

| Entity Name | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| **Sundry Creditors** | | |
| GMR Hyderabad International Airport Limited (GHIAL) | 2.91 | 0.75 |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited ) | -0.06 | - |
| GMR Kamalanga Energy Limited (GKEL) | 2.69 | 2.68 |
| Delhi International Airport Limited | - | 0.17 |
| GMR AVIATION PRIVATE LIMITED | - | 108.00 |
| GMR Varalakshmi Foundation (CSW) | 3.86 | - |
| | **9.40** | **111.60** |
| **Security Deposits Received from Customers** | | |
| GMR Hyderabad International Airport Limited (GHIAL) | - | 174.80 |
| GMR RAJAHMUNDHRY ENERGY LTD | - | 65.45 |
| GMR Generation Asset Limited (GGAL) | - | 77.59 |
| GMR BAJOLI HOLI HYDROPOWER PVT LTD | 7.55 | 7.55 |
| GMR HYDERABAD VIJAYAWADA EXPRESSWAYS PRIVATE LIMITED(GHVEPL) | 9.75 | 9.75 |
| GMR WARORA ENERGY LIMITED | 33.86 | 33.86 |
| GMR Kamalanga Energy Limited | 85.14 | 85.14 |
| GMR CHENNAI OUTER RING ROAD PVT. LTD | 9.15 | 9.15 |
| GMR Hosur Energy Limited (GHEL) | - | 3.76 |
| GMR AVIATION PRIVATE LIMITED (GAPL) | 5.84 | 5.84 |
| | **151.29** | **472.89** |
| **Interest Payables to Group Company** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 1,343.91 | 259.56 |
| | **1,343.91** | **259.56** |
| **Unsecured Loans from Group Company** | | |
| GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited) | 12,152.11 | 10,880.65 |
| | **12,152.11** | **10,880.65** |

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Raxa Security Services Ltd.

30 **Financial risk management objectives and policies**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**(a) Market risk- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

**Interest rate sensitivity**

| Particulars | Increase/decrease in basis points | Effect on profit before tax |
|---|---|---|
| **March 31,2024** | | |
| INR | +50 | (36.50) |
| INR | -50 | 36.50 |
| **March 31,2023** | | |
| INR | +50 | (55.95) |
| INR | -50 | 55.95 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

31 **Financial risk management objectives and policies**

**Credit risk**
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs.23,492.11 and Rs. 26,542.05 as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major clients. The Company does not hold collateral as security.

The Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2024 and March 31, 2023.

With respect to trade receivables / unbilled revenue, the Company has constituted the terms to review the receivables on a periodic basis and to take necessary mitigations, wherever required.

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

**Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carries no or low market risk.

The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans etc.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period.

(Rs in Lakhs)

| Particulars | 0-1 year | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|
| **31-Mar-24** | | | | |
| Borrowings | 2,200.00 | 21,292.11 | - | 23,492.11 |
| Other financial liabilities | 3,985.53 | 138.98 | - | 4,124.51 |
| Trade payables | 957.73 | - | - | 957.73 |
| **Total** | **7,143.27** | **21,431.08** | - | **28,574.35** |
| **31-Mar-23** | | | | |
| Borrowings | 4,471.42 | 22,070.63 | - | 26,542.05 |
| Other financial liabilities | 2,559.28 | 477.19 | - | 3,036.47 |
| Trade payables | 1,305.52 | - | - | 1,305.52 |
| **Total** | **8,336.22** | **22,547.82** | - | **30,884.04** |

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**Financial risk management objectives and policies**

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the policies and procedures of the Company include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

**Capital management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the
The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long-term and short-term bank
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with.

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Borrowings | 23,492.11 | 26,542.05 |
| **Total debt (i)** | **23,492.11** | **26,542.05** |
| **Capital components** | | |
| Equity share capital | 3,643.95 | 3,643.95 |
| Other equity | 3,727.47 | 3,198.35 |
| **Total Capital (ii)** | **7,371.42** | **6,842.30** |
| **Capital and borrowings ( iii = i + ii )** | **30,863.53** | **33,384.35** |
| **Gearing ratio (%) ( i / iii )** | **76.12%** | **79.50%** |

**32 Effective Tax Reconciliation**

Income tax expenses in the statement of profit and loss consist of the following:

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Tax expenses** | | |
| (a) Current tax | 75.00 | 95.88 |
| (b) Adjustments of tax relating to earlier periods | (75.73) | - |
| (c) Deferred tax expense / (credit) | (224.40) | (104.55) |
| **Total taxes** | (225.13) | (8.68) |

**Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:**

**(Rs in Lakhs)**

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| **Tax expenses** | | |
| Profit before tax | 530.23 | 362.80 |
| Applicable tax rates in India (% Rate) | 25.17% | 25.17% |
| **Computed tax charge** | 133.45 | 91.31 |
| **Tax effect of income that are not taxable in determining taxable profit:** | | |
| a) Exempt income not included in calculation of tax | - | - |
| **Tax effect of expenses that are not deductible in determining taxable profit:** | | |
| (a) Items not deductible | (58.45) | 4.57 |
| (b) Others | (300.13) | (104.55) |
| **Total taxes** | (225.13) | (8.68) |

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### 33 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(Rs in Lakhs)

| Particulars | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| Profit attributable to equity holders of the company | | |
| Continuing operations | 755.36 | 371.48 |
| Discontinued operation | - | - |
| **Profit attributable to equity holders of the company for basic earnings** | **755.36** | **371.48** |
| Total number of Equity Shares outstanding at the beginning of the year | 364.40 | 364.40 |
| Add: Issue of Equity Shares | - | - |
| **Total number of Equity Shares outstanding at the end of the year** | **364.40** | **364.40** |
| Weighted Average number of equity shares used for computing Earning Per Share (Basic) | 364.40 | 364.40 |
| Effect of dilution: | - | - |
| Convertible preference shares | - | - |
| **Weighted average number of Equity shares adjusted for the effect of dilution** | **364.40** | **364.40** |
| Earning Per Share (Basic) (Rs) | 2.07 | 1.02 |
| Earning Per Share (Diluted) (Rs) | 2.07 | 1.02 |
| Face value per share (Rs) | **10.00** | **10.00** |

### 34 Managerial Remuneration

(Rs in Lakhs)

| Particulars | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| Salaries & Others | 190.18 | 188.79 |
| Perquisites' and Other allowances | - | - |
| **Total** | **190.18** | **188.79** |

### 35 Remuneration to Auditors

(Rs in Lakhs)

| Particulars | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| Audit fees | 2.25 | 2.25 |
| Other certification fees | 0.40 | 0.40 |
| **Total** | **2.65** | **2.65** |

### 36 Expenditure in Foreign Currency

(Rs in Lakhs)

| Particulars | Year ended 31-March-24 | Year ended 31-March-23 |
|---|---|---|
| Traveling expenses | 108.48 | 176.65 |
| **Total** | **108.48** | **176.65** |

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**37 Additional Disclosure pursuant to schedule III of Companies Act 2013**

i) **Trade Receivables ageing is as below**

**As on 31/03/2024** (Rs in Lakhs)

| Particulars | less than 1 Year | 1-2 Year | 2-3 year | More Than 3 Year | Total |
|---|---|---|---|---|---|
| Trade Receivables | 6,392.35 | 126.06 | 16.02 | 52.43 | 6,586.86 |

**As on 31/03/2023** (Rs in Lakhs)

| Particulars | less than 1 Year | 1-2 Year | 2-3 year | More Than 3 Year | Total |
|---|---|---|---|---|---|
| Trade Receivables | 4,645.63 | 579.04 | 55.01 | 86.43 | 5,366.13 |

ii) **Trade Payable ageing is as below**

**As on 31/03/2024** (Rs in Lakhs)

| Particulars | less than 1 Year | 1-2 Year | 2-3 year | More Than 3 Year | Total |
|---|---|---|---|---|---|
| MSME | 122.56 | - | - | - | 122.56 |
| Other Payable | 818.77 | 4.76 | 3.97 | 7.67 | 835.18 |

**As on 31/03/2023** (Rs in Lakhs)

| Particulars | less than 1 Year | 1-2 Year | 2-3 year | More Than 3 Year | Total |
|---|---|---|---|---|---|
| MSME | 65.52 | - | 6.77 | - | 72.29 |
| Other Payable | 886.89 | 72.24 | 3.14 | 270.97 | 1,233.23 |

Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006". (Rs in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier: | | |
| Principal Amount | 122.56 | 72.29 |
| Interest thereon | - | - |
| | **122.56** | **72.29** |
| he amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | - | - |
| The amount of interest accrued and remaining unpaid. | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor. | - | - |

**38 Disclosure on Financial Instruments**

a) **Financial Assets and Liabilities**

(Rs in Lakhs)

| Particular | Fair Value Through profit Or Loss Account | Derivatives Instruments through other Comprehensive Income | Amortised Cost | Total Carrying Value | Total fair Value |
|---|---|---|---|---|---|
| **Financial Assets** | | | | | |
| i) Investments (other than Investments accounted for using equity method) | - | - | - | 3,129.38 | 3,129.38 |
| ii) Loans | - | - | - | 18,187.26 | 18,187.26 |
| iii) Trade Receivables | - | - | - | 6,478.68 | 6,478.68 |
| iv) Cash and Cash equivables | - | - | - | 934.88 | 934.88 |
| v) Bank Balances other than cash and cash equivables | - | - | - | 654.47 | 654.47 |
| vi) Other Financial assets | - | - | - | 6,465.31 | 6,465.31 |
| **Total** | - | - | - | **35,849.97** | **35,849.97** |
| **Financial Liabilities** | | | | | |
| i) Borrowings | - | - | - | 23,492.11 | 23,492.11 |
| ii) Trade payables | - | - | - | 957.73 | 957.73 |
| iii) Other Financials Liabilites | - | - | - | 4,124.51 | 4,124.51 |
| iv) Lease Liabilities | - | - | - | - | - |
| **Total** | - | - | - | **28,574.35** | **28,574.35** |

P. KRISHNA & CO. Hyderabad Chartered Accountants

Raxa Security Services Ltd.

**39 Additional disclosure pursuant to schedule III of Companies Act 2013**

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

ii) The Company does not have any transactions/ balances with companies struck off under section 248 of Companies Act, 2013 to the best of knowledge of group's management.

iii) The Company has not traded or invested funds in Crypto currency or Virtual currency

iv) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities(Funding Party) with the understating (whether recorded in writing or otherwise) that the Group shall:

i)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

ii)provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi) The Company has used borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

vii) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

viii) The Company does not have any such transaction which is not recorded in books of account that has been surrendered or disclosed as income during the year in the tax assessments (such as, search or survey or any other relevant provisions) under Income Tax Act, 1961

ix) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

x) The Company has not granted any loans or advances in nature of loan, either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties.

xi) The Company is in compliance with the requirement of Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**40 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to IND AS 107 and IND AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also there is corresponding amendment to IND AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

**41 Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**For M/S. P. Krishna & Co**
ICAI Firm's Regn No.005473S
Chartered Accountants

P. Krishna & Co. Hyderabad Chartered Accountants

A. Sreenivasa Rao

**(A. Sreenivasa Rao)**
Partner
Membership No. 208863
UDIN: 24208863BKAUVQ7327

**For and on behalf of the Board of Directors of**
Raxa Security Services Limited

**Dr. Ashwani Lohani**
Director
DIN : 01023747

**Amit Dar**
Chief Executive Officer
PAN No. AEMPD1247F

**Gunuputi Subba Rao**
Director
DIN: 00064511

**Sunil Kumar Jain**
Chief Financial Officer
PAN No. AFSPJ9495B

**Chandra Sekhara Reddy Battula**
Company Secretary
PAN No. AGCPB4647G
Membership No: A14609

**Place: Bengaluru**
Date: 29 April, 2024

Raxa Security Services Ltd.

## 1. Corporate information

Raxa Security Services Limited ('RAXA' or 'the Company') is a company incorporated on 29th July, 2005 under the provisions of Companies Act, 1956 for provision of security and related services to commercial and industrial establishments. GMR Airports Infrastructure Limited (Formerly Known as GMR Infrastructure Limited), holds 100% shareholding in the company. The registered office of the company is located at 25/1, Skip House, Museum Road, Bangalore - 560025 India.

Information on other related party relationships of the Company is provided in Note 30.

The financial statements were approved for issue in accordance with a resolution of the directors on 26th April 2024.

## 2. Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of Companies Act, 2013 (the 'Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

The financial statements are presented in Indian Rupees (INR).

## 2.1 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016, as amended with effect from April 01, 2016. The financial statements of the Company, have been prepared and presented in accordance with Ind AS.

The functional and presentation currency of the Company is Indian Rupee (INR) which is the currency of the primary economic environment in which the Company operates.

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## 2.2 Summary of significant accounting policies:

### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle

### b. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by

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selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**c. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

**Interest income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

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**Dividends**

Revenue is recognised when the Company right to receive the payment is established, which is generally when shareholders approve the dividend.

**Others**

i. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.
ii. Insurance claim is recognised on acceptance of the claims by the insurance company.
iii. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head 'other income' in the statement of profit and loss.

Revenue earned in excess of billings has been included under 'other financial assets' as unbilled revenue and billings in excess of revenue has been disclosed under 'other liabilities' as unearned revenue.

**d. Taxes on income**

Current income tax

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

**e. Property, plant and equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at March 31, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on April 01, 2015.

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of profit or loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised

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when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

## f. Depreciation on Property, plant and equipment

The depreciation on the Property plant and equipment is calculated on a straight-line basis using the rates arrived at, based on useful lives estimated by the management, which coincides with the lives prescribed under Schedule II of the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

The management has estimated the useful life of assets individually costing Rs. 10,000 or less to be less than one year, which is lower than those indicated in Schedule II.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.
The following is the comparison of the useful lives of these assets as adopted by the Company and those prescribed under schedule II to the Companies Act, 2013

| **Asset category** | **Useful life in years** | |
|---|---|---|
| | **Adopted by Company** | **As per Schedule II of Companies Act** |
| Land – Freehold | - | - |
| Roads & Buildings | 30 to 60 years | 10 to 60 years |
| Plant and machinery | 5 to 15 years | 8 to 40 years |
| Office equipment | 5 to 10 years | 5 years |
| Furniture and fixtures | 5 to 10 years | 10 years |
| Electrical fittings | 8 to 10 years | 10 years |
| Vehicles | 4 to 10 years | 8 to 10 years |
| Computers | 3 to 6 years | 3 to 6 years |
| Books | 5 years | Not prescribed |
| Biological assets | 5 years | Not prescribed |

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## g. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

## h. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>Company as a lessee</u>

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

"The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment."

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate,

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and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## i. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

▶ **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
▶ **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
▶ **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
▶ **Contract work in progress:** contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value

Cost of inventories is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

Assessment of net realisable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to that extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

**j. Impairment of non-financial assets**

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment properties, intangible assets determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in case of an individual asset, at the higher of the net selling price and the value in use; and

(ii)in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash

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generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss

## k. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Provisions and contingent liability are reviewed at each balance sheet.

## l. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the

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balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
The Company presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

## m. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to associates and joint ventures, the

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excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### (a) Financial assets

### Financial assets at amortised cost

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

### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through profit or loss.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

### De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

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If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is recognised in consolidated statement of profit or loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(b) Financial liabilities and equity instruments**

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial Liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

a) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

b. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

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substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**n. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**o. Cash dividend**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**p. Foreign currencies**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

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- ► Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- ► Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

## q. Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the consolidated financial statements.

## r. Earnings per share

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

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

## s. Corporate social responsibility ('CSR') expenditure

The Company charged its CSR expenditure during the year to the standalone statement of profit and loss.

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