

THE POWER OF 25

# KALYANASUNDARAM & ASSOCIATES

CHARTERED ACCOUNTANTS

STATUTORY AUDIT  
INTERNAL AUDIT  
DIRECT TAXATION  
INDIRECT TAXATION  
START UP SERVICES  
CONSULTING

UDIN: 23219645BGZAAW3032

## Independent Auditors' Report

To the Members of TONBO IMAGING INDIA PRIVATE LIMITED,

### Report on the Audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of TONBO IMAGING INDIA PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as of 31 March 2023, the Statement of Profit and Loss, the Cash Flows Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit and its Cash flows for the period from April 1, 2022 to March 31, 2023.

#### Basis for Opinion

We conducted the audit in accordance with the Standards on Auditing (SA's) specified u/s 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company according to the Code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made there under and we have fulfilled our other ethical requirements and code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibility of Management and Those charged with governance for the Financial Statements

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

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



## **Auditor's Responsibility for the Audit of financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards of Auditing 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 the Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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



## Report on other Legal and Regulatory Requirements

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

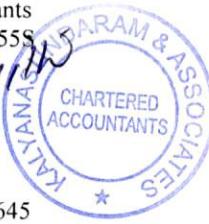
As required by section 143(3) of the Act, we report that:

- 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 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 accounts;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on 31 March 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1. The Company does not have any pending litigations which would impact its financial position.
  - 2. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - 3. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - 4. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For Kalyanasundaram and Associates

Chartered Accountants

Firm Reg. No.005455S

  
K. M. RANJITH  
(Partner)  
Membership No.: 219645

Place: Bengaluru  
Date: 18<sup>th</sup> July 2023

## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the financial statements of the TONBO IMAGING INDIA PRIVATE LIMITED for the year ended March 31, 2023:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment (PPE);  
(b) The Company is maintaining proper records showing full particulars of intangible assets.  
(c) The PPE have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the PPE has been physically verified by the management during the year and no material discrepancies between the book records and the physical PPE have been noticed.  
(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property hence clause 3(i)(c) of the order is not applicable.  
(e) There are no proceedings against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988, and rules made there under.
2. (a) The management has conducted the physical verification of Inventories at reasonable intervals of time and no material discrepancies were noticed during such physical verification.  
(b) The Company has been sanctioned working capital limits in excess of Rupees Five Crores amounting to Rs. Sixty-Six Crores, in aggregate, from banks or financial institutions on the basis of security of current Assets. The monthly / quarterly statements of current assets filed by the Company with the banks and financial institutions are in agreement with the books of account. There are no material discrepancies between such statements and the books of account.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. The Company has not given any loan, guarantee and security to Directors or any other person in whom Director is interested. Accordingly, the provisions of section 185 and 186 of the Act in respect of loans, investment, guarantees and security are not applicable to the Company and hence not commented upon.
5. The Company has not accepted any deposits from the public and 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 Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of books of accounts and records, the Company is generally regular in depositing undisputed statutory dues including Income tax, Duty of Customs and any other applicable statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for the period of more than six months from the date on which they become payable. Subject to Provident Fund contribution amounting to Rs. 6,000 pertaining to July 2022 which was subsequently paid in May 2023.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, outstanding on account of any dispute.
8. There are no transactions that were not recorded in the books of account which were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence clause 3 (viii) of the order is not applicable.



9. (a) On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings, or in the payment of interest thereon to any lender.  
 (b) The Company is not a declared willful defaulter by any bank or financial institution or other lender.  
 (c) The Company has not taken term loans during the year. However there are loans outstanding at the beginning of the year and they are applied for the purpose for which they were obtained.  
 (d) No funds were raised on a short-term basis that have been utilized for long-term purposes. Hence not commented upon.  
 (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.  
 (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. (a) On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not raised monies by way of an initial public offer or further public offer, however, the Company has raised Non-Convertible Debentures and they were applied for the purposes for which they were raised.  
 (b) The Company has not made any preferential allotment or issued any convertible debentures during the year. However, the Company has made a private placement of shares and the requirements of section 42 of the Companies Act have been complied with. Further, the funds raised have been used for the purpose for which they were raised.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.  
 (b) We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
 (c) The Company has not received any whistle-blower complaints during the year.

12. The Company is not a 'Nidhi Company', Therefore, Para3 (xii) of the Companies (Auditor's Report) Order 2020 is not applicable to the Company.

13. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable. The Company has disclosed the details of transactions with related parties in the financial statements as required by the applicable accounting standards.

14. The compliance of internal audit is not mandated as per Section 138 of the Companies Act for the Company and hence not commented upon.

15. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. On the basis of the examination of relevant records and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

17. The Company has not incurred cash loss in the current as well as previous financial year.

18. There were no resignations of statutory auditors during the year.

19. On the basis of financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans we are of the opinion that no material uncertainty exists as on the date of the audit report and that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



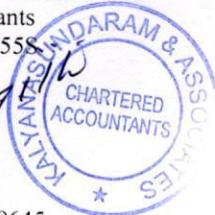
20. The Provisions of Corporate Social Responsibility under section 135 of the Companies Act 2013 are not applicable to the Company and hence not commented upon.
21. There is no consolidation of financial statements, accordingly, reporting under clause 3(xxi) is not applicable.

**For Kalyanasundaram and Associates**

Chartered Accountants  
Firm Reg. No.0054558

  
**K. M. RANJITH**  
(Partner)

Membership No.: 219645



**Place:** Bengaluru  
**Date:** 18<sup>th</sup> July 2023

## **“Annexure B” to the Auditor’s Report**

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

We have audited the internal financial controls over financial reporting of TONBO IMAGING INDIA PRIVATE LIMITED (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **Auditor’s 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 Control 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 were 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 judgement, 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. It includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



**Inherent limitations of Internal Financial Controls over Financial Reporting:**

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

**Opinion:**

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

**For Kalyanasundaram and Associates**

Chartered Accountants

Firm Reg. No.005455S



Membership No.: 219645

**Place:** Bengaluru

**Date:** 18<sup>th</sup> July 2023

**TONBO IMAGING INDIA PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2023**

	Note	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital	2.1	1,439.62	1,445.60
Reserves and Surplus	2.2	1,531.19	1,414.01
		<b>2,970.81</b>	<b>2,859.61</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	2.3	270.57	206.31
Long Term Provisions	2.4	48.95	28.55
		<b>319.52</b>	<b>234.86</b>
<b>Current Liabilities</b>			
Short Term Borrowings	2.6	3,808.93	4,025.91
Trade Payables	2.7		
Total outstanding dues of micro enterprises and small enterprises		805.61	152.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,055.18	64.94
Other Current Liabilities	2.8	5,911.29	780.05
Short Term Provisions	2.9	915.47	279.10
		<b>13,496.48</b>	<b>5,302.86</b>
<b>TOTAL</b>		<b>16,786.81</b>	<b>8,397.33</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	2.10		
Tangible Assets		310.57	176.46
Intangible Assets		1,073.58	0.14
Capital Work in Progress		-	100.99
		<b>1,384.15</b>	<b>277.59</b>
Non Current Investments	2.11	0.75	0.26
Deferred tax Asset [Net]	2.5	3.92	19.91
Long Term Loans and Advances	2.12	153.97	82.12
		<b>1,542.79</b>	<b>379.88</b>
<b>Current Assets</b>			
Inventory	2.13	3,958.59	1,427.23
Trade Receivables	2.14	4,115.99	1,752.78
Cash and Cash Equivalents	2.15	5,036.45	3,798.54
Short Term Loans and Advances	2.16	2,099.79	1,012.72
Other Current Assets	2.17	33.20	26.18
		<b>15,244.02</b>	<b>8,017.45</b>
<b>TOTAL</b>		<b>16,786.81</b>	<b>8,397.32</b>

Significant Accounting Policies and Notes to accounts 1 & 2

The Notes referred to above form an integral part of the Balance Sheet

As per our Report of even date attached

For Kalyanasundaram and Associates

Chartered Accountants

Firm Registration No: 005455S

K. M. RANJITH

Partner

Membership No.: 219645



Place: Bangalore

Date: July 18, 2023

UDIN: 23219645BGZAAW3032

For and on behalf of the Board of Directors

ANKIT KUMAR  
 Managing Director  
 DIN: 02953852

CECILIA D'SOUZA  
 Director  
 DIN: 06380429



Place: Bangalore

Date: July 18, 2023

Place: Bangalore

TONBO IMAGING INDIA PRIVATE LIMITED

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

	Note	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>REVENUE</b>			
Revenue from Operations	2.18	9,682.82	2,085.06
Other income	2.19	198.45	116.99
		<b>TOTAL REVENUE</b>	<b>9,881.27</b>
			<b>2,202.05</b>
<b>EXPENSES</b>			
Cost of material consumed	2.20	7,078.66	1,139.23
Changes in Inventories of Finished Goods	2.21	(1,198.01)	41.17
Employee benefits expense	2.22	523.80	255.97
Finance cost	2.23	621.54	181.55
Depreciation and Amortization expenses	2.10	99.19	61.78
Other expenses	2.24	2,429.28	379.26
		<b>TOTAL EXPENSES</b>	<b>9,554.46</b>
			<b>2,058.96</b>
Profit / (Loss) before exceptional and extraordinary items and tax		326.81	143.09
Exceptional items			
Legal and professional fee [Refer Note 2.39]		190.73	15.00
Profit / (Loss) before tax		136.08	128.09
Tax expenses			
- Current Tax		22.71	28.00
- MAT Charge / (Credit)		(19.79)	3.55
- Deferred Tax		15.98	(25.23)
Profit / (Loss) for the year		<b>117.18</b>	<b>121.76</b>
<b>Earnings per equity share</b>	2.34		
Equity shares of par value of Rs. 10/- each			
Basic		107	111
Diluted		19	20
No. of shares used in computing the earnings per share			
Basic		109,472	109,472
Diluted		608,200	608,437
Significant Accounting policies and notes to accounts		1 & 2	

The notes referred to above form an integral part of the Statement of Profit and Loss.

As per our Report of even date attached

For Kalyanasundaram and Associates

Chartered Accountants

Firm Registration No. 005455S

K. M. RANJITH  
Partner

Membership No.: 219645



Place: Bangalore  
Date: July 18, 2023  
UDIN: 23219645BGZAAW3032

For and on behalf of the Board of Directors



ANKIT KUMAR  
Managing Director  
DIN: 02953852



CECILIA D'SOUZA  
Director  
DIN: 06380429



Place: Bangalore  
Date: July 18, 2023

Place: Bangalore

**TONBO IMAGING INDIA PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023**

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxes	136.08	128.09
Adjustments:		
Non operating income	(198.45)	(116.99)
Depreciation	99.19	61.78
Interest on Borrowings	621.54	181.55
<b>Operating Profit before Working Capital Changes</b>	<b>658.36</b>	<b>254.42</b>
Adjustments for Working Capital Changes		
Increase / (Decrease) in Trade Payables	2,642.99	(343.39)
Increase / (Decrease) in Other Current Liabilities	5,131.24	543.28
Increase / (Decrease) in Short Term Provisions	656.77	(157.80)
(Increase) / Decrease in Accounts Receivable	(2,363.21)	(71.26)
(Increase) / Decrease in Inventory	(2,531.36)	(293.86)
(Increase) / Decrease in Other Current Assets	(1,083.12)	(16.88)
Cash generated from / (used in) operations	3,111.67	(85.49)
Income Taxes Paid	85.74	(4.94)
<b>Net Cash generated from / (used in) operating activities</b>	<b>A</b> <b>3,025.93</b>	<b>(80.56)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on Property, Plant and Equipment	(1,205.75)	(56.57)
Investment in Shares	(0.49)	-
Interest Income	162.04	80.99
Rental income	36.00	36.00
Sale of Fixed Assets	0.41	-
<b>Net Cash generated from / (used in) investing activities</b>	<b>B</b> <b>(1,007.79)</b>	<b>60.42</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	0.03	-
Buy Back of Equity Shares	(6.00)	-
Proceeds from Issue of Debentures	2,000.00	-
Repayment of Debentures	(526.32)	-
Proceeds from Borrowings	4,312.13	2,580.58
Repayment of Borrowings	(5,938.54)	(102.44)
Interest on Borrowings	(621.54)	(181.55)
<b>Net Cash generated from / (used in) financing activities</b>	<b>C</b> <b>(780.23)</b>	<b>2,296.60</b>
Net increase / (decrease) in cash and cash equivalents	<b>A+B+C</b> <b>1,237.91</b>	<b>2,276.47</b>
Cash and cash equivalents at the beginning of the year	3,798.54	1,522.07
<b>Cash and cash equivalents at the end of the year (Refer Note 2.15)</b>	<b>5,036.45</b>	<b>3,798.54</b>

As per our Report of even date attached

**For Kalyanasundaram and Associates**

Chartered Accountants

Firm Registration No. 005455S

K. M. RANJITH

Partner

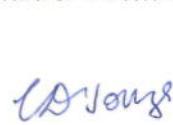
Membership No.: 219645



**For and on behalf of the Board of Directors**



ANKIT KUMAR  
Managing Director  
DIN: 02953852



CECILIA D'SOUZA  
Director  
DIN: 06380429



Place: Bangalore

Date: July 18, 2023

UDIN: 23219645BGZAAW3032

Place: Bangalore

Date: July 18, 2023

Place: Bangalore

## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### Background

Tonbo Imaging India Private Limited was incorporated on 18 December, 2003, as a private limited company under the provisions of the Companies Act, 1956 as Sarnoff Innovative Technologies Private Limited. The registered office of the Company is in Bangalore.

The Company engages in providing vision technology based products and solutions.

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

The Financial Statements of the Company have been prepared under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) prescribed under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The financial statements are prepared in Indian Rupee and rounded off to the nearest rupee.

The Company is a Small and Medium Sized Company (SMC) as defined in the General instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the accounting standards as applicable to an SMC.

### 1.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### 1.3 Inventories

Inventories of material are valued at lower of cost and net realizable value, including necessary provision for obsolescence. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location.

### 1.4 Revenue Recognition

Revenue from sale of goods is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of the consideration.

Customer Contracts for software services and solutions include Time and Material, Fixed Price and Time Bound arrangements.

Revenues on Time and Material based contracts are recognized as and when the related services are rendered.

Revenues on Fixed Price and time bound contracts, where there is no uncertainty associated with measurement or collection are recognized based on the Percentage of Completion Method. And where there is uncertainty, such revenue recognition is postponed until such uncertainty is resolved. Revenues on contracts other than those mentioned above, are recognized based on the contractual terms.

Provisions for estimated losses, if any, on contracts in progress are recorded in the period in which such losses become apparent based on current estimates.

Interest on deployment of surplus funds is recognized using the time proportionate method based on the underlying interest rates.



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### 1.5 Tangible Assets, Intangible Assets and Capital Work in Progress

Tangible assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned.

Intangible Assets are stated at the consideration paid for acquisition less accumulated amortization.

Cost of Tangible assets not ready for use as at the Balance Sheet date is disclosed as Capital Work in progress.

#### 1.6 Depreciation

Depreciation is provided on a straight line method (SLM) based on estimated useful life of assets as determined by the management which results in depreciation being greater than or equal to the Useful Lives of the assets prescribed in schedule II of the Companies Act, 2013.

	Useful life
Data Processing Equipments – Network Systems	5 years
Data Processing Equipments – Others	3 years
Computer Software	3 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Motor Vehicles	4 years
Plant and Machinery	5 years
Leasehold improvements	amortised over the lease period.

Assets individually costing less than Rs.10,000 are depreciated fully in the year of acquisition.

Computer Software licenses are capitalized and depreciated 100% in the year of purchase. Application Software used for other services having enduring benefit, which are used interchangeably among various customer projects/ contracts, are depreciated on straight line basis over its estimated useful life.

#### 1.7 Performance Warranties

Provisions for an estimated cost of performance warranties are recorded on booking of revenue. The provisions are later written back over the elapsed warranty period. The estimations towards warranty are based on management and technical estimates of the costs involved.

#### 1.8 Foreign Currency Transactions

Transactions in foreign currencies are recognized at the exchange rates prevailing on the date of the transaction. Exchange Difference arising on foreign exchange transactions settled during the year is recognized in the Statement of Profit and Loss for the year

All monetary assets and liabilities denominated in foreign currency are restated at the rates prevailing at the year end and all exchange gains/ losses arising thereon are adjusted to the Statement of Profit and Loss

#### 1.9 Investments

Non-current investments are carried at cost. Provision for diminution in the value of the non-current investment is made only when such decline is other than temporary.



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### 1.10 Taxes on Income

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax expense or benefit is recognized on timing differences between the accounting income and taxable income that originate in one accounting period and are capable of reversing out in one or more subsequent accounting periods. Deferred Tax assets and liabilities are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized and carried forward only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In all other situations, deferred tax assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Advance taxes and provisions for taxes are presented in the Balance Sheet after offsetting the advance taxes against the provisions for current income taxes. The Company intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT), under the provisions of the Income tax Act, 1961 is recognized as Current Tax in the Statement of Profit and Loss. The Credit available under the Act in respect of the MAT paid is recognized as an Asset only when and to the extent there is convincing evidence that the Company will pay Normal Income tax during the period for which the MAT Credit can be carried forward for set-off against normal tax liability. MAT Credit recognized as an Asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists

#### 1.11 Earnings per Share

The Basic Earnings/(Loss) per share is arrived at by dividing Net Profit/(Loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the number of equity shares should be the aggregate of the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares.

Diluted earning per share is calculated in the case of potential equity share like convertible debentures, convertible preference shares, options etc. Potential equity shares are diluted if their conversion into equity shares reduces the earning per share and if it increases, then they are considered as anti-dilutive.

#### 1.12 Impairment of Assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

#### 1.13 Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### 1.14 Employee Benefits

##### Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognized as expense in the period in which the employee renders the related service.

##### Defined-contribution plans

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz., Provident Fund), and the Company's contributions thereto are charged to Profit and Loss Account every year. The Company's contributions to State plans (viz., Employees State Insurance and Employee Pension Scheme) are also charged to Profit and Loss Account as expense during the period in which the employees perform the service.

##### Defined-benefit plan

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by an independent actuary (under projected unit credit method) at the balance sheet date.

##### Other long term employee benefits

Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognized as a liability at the present value of the defined benefit obligation based on actuarial valuation (under projected unit credit method) carried out at the balance sheet date.

##### Share Based Compensation

The employee stock option plan of the Company is accounted in accordance with the Guidance Note on Accounting for Employee Share based payments, issued by the Institute of Chartered Accountants of India. The Company adopts the fair value method of valuation to measure the compensation cost associated with the ESOP, which is amortised over the vesting period of the options.

#### 1.15 Leases

Lease payments are charged to the Statement of Profit and Loss as per the terms of the contract with the lessor on due basis.



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

As at March 31 2023 Rs.	As at March 31 2022 Rs.
----------------------------------	----------------------------------

**2.1 SHARE CAPITAL**

**Authorised Share Capital**

475,000 (2022: 475,000) Equity Shares of par value of Rs. 10/- each	47.50	47.50
125,000 (2022: 125,000) Preference Shares of par value of Rs. 10/- each	12.50	12.50
160,000 (2022: 160,000) Preference Shares of par value of Rs. 913/- each	1,460.80	1,460.80
200,000 (2022: Nil) Preference Shares of par value of Rs. 100/- each	200.00	-
	<b>1,720.80</b>	<b>1,520.80</b>

**Issued share capital**

298,914 (2022: 358,914) Equity Shares of par value of Rs.10/- each	29.89	35.89
96,173 (2022: 96,173) Series A Preference Shares of Rs.10/- each	9.62	9.62
153,350 (2022: 153,350) Series B Preference Shares of Rs. 913/- each	1,400.09	1,400.09
3044 (2022: Nil) Series B1 Preference Shares of Rs. 10/- each	0.30	-
64,700 (2022: Nil) Series C Preference Shares of Rs. 100/- each	64.70	-
	<b>1,504.60</b>	<b>1,445.60</b>

**Subscribed share capital**

298,914 (2022: 358,914) Equity Shares of par value of Rs.10/- each	29.89	35.89
96,173 (2022: 96,173) Series A Preference Shares of Rs.10/- each	9.62	9.62
153,350 (2022: 153,350) Series B Preference Shares of Rs. 913/- each	1,400.09	1,400.09
3044 (2022: Nil) Series B1 Preference Shares of Rs. 10/- each	0.30	-
Nil (2022: Nil) Series C Preference Shares of Rs. 100/- each	-	-
	<b>1,439.90</b>	<b>1,445.60</b>

**Paid up share capital**

298,914 (2022: 358,914) Equity Shares of par value of Rs.10/- each fully paid up	29.89	35.89
96,173 (2022: 96,173) Series A Preference Shares of Rs.10/- each fully paid up	9.62	9.62
153,350 (2022: 153,350) Series B Preference Shares of Rs. 913/- each fully paid up	1,400.09	1,400.09
3044 (2022: Nil) Series B1 Preference Shares of Rs. 10/- each partly paid up	0.03	-
	<b>1,439.62</b>	<b>1,445.60</b>



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### Rights, preferences and restrictions attached to the equity shares

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

#### Rights, preferences and restrictions attached to the Preference Shares

The Series A Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares shall be converted at any time within twenty years from the date of allotment i.e. 6 June 2011 for 56,487 shares and 19 January 2012 for 39,686 shares. These shares carry a cumulative dividend of ten percent per annum and are entitled to participate in the distributable profits of the Company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive 120% of the amount invested plus the aggregate of the declared and unpaid dividends including the preference dividend.

The Series B Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The preference shares are convertible based on the fair value of the equity shares of the Company prevailing as on the date of conversion or on the date of allotment of such preference shares, whichever is higher. The preference shares shall be converted any time within twenty years from the date of allotment i.e. 15 January 2019 for 153,350 shares. These shares carry a cumulative dividend of ten percent per annum and are entitled to participate in the distributable profits of the company prorata with equity shareholders. In the event of liquidation, the preference shareholders are entitled to receive 120% of the amount invested plus the aggregate of the declared and unpaid dividends including the preference dividend.

The Series B1 Compulsory Convertible Preference shares are non redeemable, non cumulative, compulsorily convertible preference shares of the Company. The preference shares are convertible based on terms determined in Subsequent financing round. The preference shares are not entitled to participate in the distributable profits of the company. If a Company Liquidation Event occurs before the completion of Subsequent Financing Round, the Series B1 CCPS shall have liquidation preference as available to the holders of preferred shares issued in the Series B Round and if a Company Liquidation Event occurs after the completion of the Subsequent Financing Round, the Series B1 CCPS shall have liquidation preference as available to the holders of preferred shares issued in the Subsequent Financing Round.

Particulars of terms of issue of Series B1 Preference Shares	As at	
	March 31	March 31
	2023	2022
Number of shares allotted (in units)	3,044	-
Nominal amount per share (Rs.)	10	-
Total nominal amount (Rs.)	30,440	-
Amount paid per share on application (excluding premium) (Rs.)	1	-
Amount per security not called for (Rs.)	9	-
Total amount paid up on application (excluding premium) (Rs.)	3,044	-
Premium amount per share* (Rs.)	6,564	-
Total premium amount (Rs.)	19,980,816	-
Premium amount paid per share (Rs.)	-	-
Total amount to be paid on calls (excluding premium) (Rs.)	27,396	-
*(Premium will be due on calls)		



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### Disclosure related to Post Balance sheet event:

64,700 Series C Preference shares with a face value of Rs. 100/- each were allotted to HBL Power Systems Limited on April 11, 2023. The Series C Preference shares are compulsorily convertible, cumulative, preference shares of the Company. The conversion ratio is 1:1. The preference shares shall be converted at any time within twenty years from the date of allotment. These shares carry a cumulative dividend of 0.01 percent per annum and entitled to participate in the distributable profits of the Company prorata with equity shareholders.

#### a. The Reconciliation of the number of Shares outstanding and the amount of share capital is set out below:

	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Rs. Lakhs	No of Shares	Rs. Lakhs
<b>Equity Shares</b>				
Number of shares at the beginning of the year	358,914	35.89	358,914	35.89
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back (Refer Note below)	(60,000)	(6.00)	-	-
Number of shares at the end of the year	298,914	29.89	358,914	35.89
<b>Series A Preference Shares</b>				
Number of shares at the beginning of the year	96,173	9.62	96,173	9.62
Less: Shares converted to equity during the year	-	-	-	-
Number of shares at the end of the year	96,173	9.62	96,173	9.62
<b>Series B Preference Shares</b>				
Number of shares at the beginning of the year	153,350	1,400.09	153,350	1,400.09
Add: Shares Issued during the year	-	-	-	-
Less: Shares converted to equity during the year	-	-	-	-
Number of shares at the end of the year	153,350	1,400.09	153,350	1,400.09
<b>Series B1 Preference Shares</b>				
Number of shares at the beginning of the year	-	-	-	-
Add: Shares Issued during the year	3,044	0.03	-	-
Less: Shares converted to equity during the year	-	-	-	-
Number of shares at the end of the year	3,044	0.03	-	-

#### Note - Buyback of Equity shares

The Company bought back 60,000 equity shares during the year at a price of Rs 10 per share from the shareholders of the Company. The paid up share capital accordingly stood reduced to Rs. 29.89 lakhs divided into 2,98,914 equity shares of Rs 10 each. The buyback was offered to all eligible equity shareholders of the Company including the Employees' Stock Option Trust. The aforementioned Buyback was approved by the Board of Directors in its meeting held on 13th March 2023. The buy back process was completed on 27th March 2023.



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### b. Details of the Shareholders:

	No. of Shares 31-Mar-23	No. of Shares 31-Mar-22
<b>i. Equity Shareholders:</b>		
(i) Mr. Timothy Guy Mitchell	15,000	15,000
(ii) Serial Innovations Employees Stock Option Trust.	189,442	249,442
(iii) Mr. Arvind Lakshmikumar, Director of the Company	89,000	89,000
(iv) Tonbo Imaging Private Limited	5,472	5,472
<b>ii. Series A Preference Shareholders</b>		
(i) Tonbo Imaging Private Limited	96,173	96,173
<b>iii. Series B Preference Shareholders</b>		
(i) Tonbo Imaging Pte Ltd	153,350	153,350
<b>iv. Series B1 Preference Shareholders</b>		
(i) Blacksoil India Credit Fund	1,522	-
(ii) Blacksoil Capital Private Limited	1,522	-

#### c. Promoter Shareholding:

Promoter's Name	% of total shares as on 31-Mar-2023	% of total shares as on 31-Mar-2022	% change during the year
Mr. Arvind Lakshmikumar	16%	15%	1.51%

#### c. Employee Stock Option Plan

The Company's ESOP is administered and managed through a trust, Serial Innovations Employee Stock Option trust, formed for the purpose in 2008. The Company issues shares to the trust from time to time and grants credit to enable the trust to purchase the said shares. The stock option scheme is equity settled, where employees are granted options with a graded vesting over a period of four years. Upon vesting the employees are eligible to convert the options into equity shares. The options normally expire at the end of 8 years from the vesting date. At the grant date the Company estimates the fair value of the options expected to vest at the end of the vesting period and the share based compensation is recognized with a corresponding credit to a Stock option outstanding Account

On exercise of the options, proportionate shares held by the Trust are transferred to the said employee, who pays the exercise price to the Trust. The shares so transferred / issued to the employees are considered to have been issued at a consideration comprising the exercise price and the corresponding amount standing to the credit of Stock Option Outstanding Account. Accordingly an amount equivalent to the value of the option exercised is transferred from the Stock Option outstanding account to the Share Premium account



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

<b>Particulars</b>	<b>As at March 31 2023</b>	<b>As at March 31 2022</b>
Options outstanding at the beginning of the year (no.)	192,000	192,000
Options granted during the year (no.)	Nil	Nil
Weighted average fair value per option granted to employees (Rs.)	NA	NA
Weighted average fair value per option granted to directors (Rs.)	NA	NA
Options forfeited and lapsed during the year	Nil	Nil
Options exercised during the year (no.)	Nil	Nil
Weighted average share price at the date of exercise per option exercised (Rs.)	NA	NA
Total number of shares arising as a result of exercise of options	NA	NA
Money received on exercise of options during the year (Rs.)	NA	NA
Total number of Options in force at the end of the year (no.)	192,000	192,000
Options exercisable at the end of the year (no.)	192,000	192,000

The Total employee share based compensation expense recognized during the year (Rs.)

There were no modifications to the employee share based plans during year.



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
<b>2.2 RESERVES AND SURPLUS</b>		
<b>Share Premium Account - Opening balance</b>	198.27	198.27
Add: Transfers on allotment of shares	-	-
	<hr/> 198.27	<hr/> 198.27
<b>Stock Options Outstanding Account - Opening balance</b>	73.02	73.02
Add: Transferred from Statement of Profit and Loss	-	-
	<hr/> 73.02	<hr/> 73.02
<b>Capital Redemption Reserve - Opening balance</b>	-	-
Add: Transferred from Profit and Loss Account	6.00	-
	<hr/> 6.00	<hr/> -
<b>Debenture Redemption Reserve - Opening balance</b>	-	-
Add: Transferred from Profit and Loss Account	147.37	-
	<hr/> 147.37	<hr/> -
<b>Profit and Loss Account</b>		
Accumulated Profits as at the beginning of the year	1,142.72	1,020.96
Profit / (Loss) during the year	117.18	121.76
Less Appropriations:		
Capital Redemption Reserve	6.00	-
Debenture Redemption Reserve	147.37	-
Accumulated Profits / (Loss) as at the end of the year	<hr/> 1,106.53	<hr/> 1,142.72
	<hr/> 1,531.19	<hr/> 1,414.01
Less Appropriations:		
Translation reserve	<hr/> 1,531.19	<hr/> 1,414.01

The Board of Directors has not recommended any dividend for the current year

**Capital redemption Reserve**

As per the provisions of Companies Act, 2013, the Company has created a Capital Redemption Reserve of Rs. 6 Lakhs (2022: Nil) as an appropriation from retained earnings, for a sum which is equal to the nominal value of the shares bought back.

**Debenture Redemption Reserve**

As per the provisions of Companies Act, 2013, the Company has created a Debenture Redemption Reserve and has transferred Rs. 147.37 lakhs (2022: Rs. Nil) being 10% of the total outstanding value of the Non Convertible Debentures as an appropriation from retained earnings, towards redemption of the Debentures issued



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
<b>2.3. LONG TERM BORROWINGS</b>		
<b>Secured Debentures</b>		
400 (2022: Nil) Non Convertible Debentures of Rs.5 lakh each Non-current maturity [Refer Note 1 below]	210.53	-
<b>Secured Loans</b>		
Term loan from Banks	41.07	167.03
<b>Unsecured Loans</b>		
Term loan from Banks	18.97	39.28
	<b><u>270.57</u></b>	<b><u>206.31</u></b>

**Note:**

**1. Non Convertible Debentures**

The Company has issued, at par, 400 Secured Redeemable Non Convertible Debentures with a face value of Rs. 5 lakhs each, for a tenure of 24 months from the allotment date ie 31st May 2022. The Debentures shall be redeemed in equal principal instalments by face value reduction, after a six month moratorium. The Coupon Rate is 15% per annum of the outstanding Debenture amount payable monthly.

Security: Corporate Guarantee of Tonbo Imaging Pte Ltd; Personal Guarantee of the Promoter Arvind Lakshmikumar; Second charge on all present and future fixed and current assets, other assets. Second charge on existing and future cashflows of the Company. Pledge of the Promoter, Arvind Lakshmikumar's shares held in the Company and in Corporate Guarantor.

**2. Borrowings from HDFC bank**

- i. The Company availed a term loan under the ECLGS (Emergency Credit Line Guarantee Scheme) extended by the Government of India to MSME Companies. This loan is guaranteed by the Government of India and is repayable in equated monthly instalments over a period of 36 months and carries a rate of interest of 8.25% pa.
- ii. The Company availed an unsecured business loan. This loan is repayable in equated monthly instalments over a period of 36 months and carries a rate of interest of 13% pa.



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
<b>2.4. LONG TERM PROVISIONS</b>		
Provisions for Employee benefits		
- Compensated Absences	16.17	10.76
- Gratuity	32.78	17.79
	<b>48.95</b>	<b>28.55</b>

**2.5 DEFERRED TAX LIABILITY / (ASSET)**

The components of deferred tax Liability / (Asset) [Net] are as follows:

**Deferred Tax Liabilities**

Property, plant and equipment	10.84	
Provision for Compensated Absences and Gratuity	-	-
	<b>10.84</b>	<b>-</b>
<b>Deferred Tax Assets</b>		
Property, plant and equipment	-	1.78
Provision for doubtful debt	-	10.40
Provision for Compensated Absences and Gratuity	14.77	7.73
	<b>14.77</b>	<b>19.91</b>
<b>Deferred Tax Liability / (Asset) [Net]</b>	<b>(3.92)</b>	<b>(19.91)</b>

**2.6. SHORT TERM BORROWINGS**

**Secured Debentures**

400 (2022: Nil) Non Convertible Debentures of Rs. 5 Lakh each	
Current maturity	1,263.16
[Refer Notes against 2.3 above]	-

**Secured Loans**

Term loan from Banks [Refer Note below]	2,525.13	4,007.49
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**Unsecured Loans**

Term loan from Banks [Refer Note against 2.3 above]	20.64	18.42
	<b>3,808.93</b>	<b>4,025.91</b>

**Note:**

**Borrowings from HDFC and EXIM banks**

i. The Company has availed short term working capital credit facilities from HDFC Bank Limited bank in the form of working capital demand loan and cash credit facilities. The loans are availed for a tenure of 120 to 180 days. The rate of interest is 8.25% pa.

ii. The Company also availed a cash deficit funding credit facility from EXIM bank. The rate of interest is 7% pa.

iii. Security: Both, EXIM bank and HDFC bank, facilities are secured by Corporate Guarantee of Tonbo Imaging Pte Ltd; Personal Guarantees of all the Directors, First pari passu charge on all present and future current assets; Margin in the form of fixed deposits, lien marked to the banks.



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
<b>2.7. TRADE PAYABLES</b>		
- Dues to micro and small enterprises [including to related parties]	805.61	152.86
- Dues to other creditors [including to related parties]	2,055.18	64.94
	<b><u>2,860.79</u></b>	<b><u>217.80</u></b>

**Trade Payables - MSME**

Less than 1 year	805.33	152.58
1 - 2 years	-	0.28
2 - 3 years	0.28	-
more than 3 years	-	-

**Trade Payables - Others**

Less than 1 year	2,050.99	60.75
1 - 2 years	-	4.19
2 - 3 years	4.19	-
more than 3 years	-	-

**Disputed Dues (MSME)**

Less than 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
more than 3 years	-	-

**Disputed Dues (Others)**

Less than 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
more than 3 years	-	-

**2,860.79**      **217.80**

**2.8. OTHER CURRENT LIABILITIES**

Advances from Customers	4,404.03	518.88
Other liabilities		
- Statutory Liabilities	411.40	15.68
- others	1,095.86	245.49
- dividend payable	-	-
	<b><u>5,911.29</u></b>	<b><u>780.05</u></b>

**2.9. SHORT TERM PROVISIONS**

Provision for Warranties	907.63	277.92
Provisions for Employee benefits		
Compensated Absences	3.50	1.13
Gratuity	4.34	0.04
	<b><u>915.47</u></b>	<b><u>279.10</u></b>



TONBO IMAGING INDIA PRIVATE LIMITED

NOTES TO ACCOUNTS  
2.10. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block (at cost)			Accumulated Depreciation			Net Block		Rs. Lakhs
	As at 1 Apr 2022	Additions Deletions / Adjustments	As at Mar 31, 2023	As at 1 Apr 2022	Depreciation for the year	Deletions / Adjustments	As at Mar 31, 2023	As at Mar 31, 2023	
<b>Tangible Assets</b>									
Data Processing Equipment	26.15	4.77	1.90	29.02	21.99	2.84	1.77	23.07	5.95
Furniture & Fixtures	52.95	1.95	-	54.90	14.44	5.34	-	19.78	35.12
Office Equipment	26.99	17.30	-	44.28	16.90	6.66	-	23.56	38.52
Plant & Machinery	185.69	153.81	-	339.50	118.40	49.78	-	168.17	20.72
Leasehold Improvements	81.62	29.21	-	110.82	25.20	8.17	-	33.37	171.32
<b>Sub-total</b>	<b>373.39</b>	<b>207.03</b>	<b>1.90</b>	<b>578.53</b>	<b>196.93</b>	<b>72.79</b>	<b>1.77</b>	<b>267.95</b>	<b>310.57</b>
Previous Year	361.84	11.55	-	373.39	137.32	59.61	-	196.93	176.46
<b>Intangible Assets</b>									
Computer Software	41.83	1,099.34	-	1,141.67	41.69	26.40	-	68.09	1,073.58
<b>Sub-total</b>	<b>41.83</b>	<b>1,099.34</b>	<b>-</b>	<b>1,141.67</b>	<b>41.69</b>	<b>26.40</b>	<b>-</b>	<b>68.09</b>	<b>1,073.58</b>
Previous Year	41.83	-	-	41.83	39.53	2.16	-	41.69	0.14
Capital Work-in-Progress	100.99	-	100.99	-	-	-	-	-	2.30
<b>Grand Total</b>	<b>516.21</b>	<b>1,306.87</b>	<b>102.88</b>	<b>1,720.20</b>	<b>238.63</b>	<b>99.19</b>	<b>1.77</b>	<b>336.05</b>	<b>1,384.15</b>
Previous Year	459.65	56.57	-	516.21	176.85	61.78	-	238.63	277.59

Notes:

- The Company does not hold any immovable properties in the current and previous years (other than properties where the operating lease agreements are duly executed in favour of the Company as the Lessee.)
- During the current and previous year, the Company has not revalued any of its Property, Plant and Equipments or Intangible Assets.
- The Company owns Intangible Assets which comprise of Softwares for its internal use. There are no realizations out of the said Intangible Assets during the year.
- The Company does not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
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**2.11. NON CURRENT INVESTMENTS**

(Valued at Cost, unless otherwise stated)

**Investment in Equity Instruments:**

(Non traded, unquoted, fully paid up)

2,600 (2022: 2,600) equity shares of Rs. 10 each of MEIL ICOMM Tonbo Tech Private Limited	0.26	0.26
4,900 (2022: Nil) equity shares of Rs. 10 each of HBL Tonbo Private Limited	0.49	-
	<b>0.75</b>	<b>0.26</b>

**2.12. LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Capital Advances	-	0.71
Loans and Advances - Others	24.85	24.85
Security Deposits	44.10	44.10
Advance Tax including refunds receivable (Net)	85.02	12.46
	<b>153.97</b>	<b>82.12</b>

**2.13. INVENTORY**

Raw Material	2,751.13	1,417.78
Finished goods	1,207.46	9.45
	<b>3,958.59</b>	<b>1,427.23</b>

**2.14. TRADE RECEIVABLES**

(Unsecured, considered good)

Debts outstanding for a period exceeding six months	18.15	1.78
Other Debts	4,097.84	1,751.00

**Undisputed Trade receivables considered Good**

Less than 6 months	4,062.40	1,656.10
6 months to 1 year	45.94	43.52
1 - 2 years	7.65	9.41
2 - 3 years	-	2.44
more than 3 years	-	41.31

**Disputed Trade receivable considered Good**

Less than 6 months	-	-
6 months to 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
more than 3 years	-	-

(Unsecured, considered doubtful)



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

	As at March 31 2023 Rs. Lakhs	As at March 31 2022 Rs. Lakhs
<b>Undisputed Trade receivables considered doubtful</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
more than 3 years	-	-
<b>Disputed Trade receivable considered doubtful</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 - 2 years	-	-
2 - 3 years	-	-
more than 3 years	-	-
(Unsecured, considered doubtful)		
Less: Provision for doubtful debt	-	-
	4,115.99	1,752.78

### 2.15. CASH AND CASH EQUIVALENTS

Balances with Scheduled Bank:

- Current Account	373.35	1,455.27
- Export Earners Foreign Currency (EEFC) Account	898.39	0.75
- Term Deposit [Refer Note below]	3,764.72	2,342.52
	5,036.45	3,798.54

Note:

1. Includes Rs. 3,209.10 Lakhs (2022: Rs 2,040.58 Lakhs) under lien against bank guarantees and credit facilities as listed below:		
- as margin against bank guarantees issued	2,157.48	940.58
- as margin against working capital facilities with HDFC bank	491.62	800.00
- as margin against working capital facilities with EXIM bank	560.00	300.00

2. Includes Rs. 250.00 Lakhs (2022: Nil) unencumbered fixed deposit  
set aside as Debenture Redemption Reserve.

### 2.16. SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)

Prepaid Expenses	15.92	13.17
MAT Credit Entitlement	150.16	130.37
Advances to suppliers	845.90	200.13
Other Advances	1,087.81	669.05
	2,099.79	1,012.72

### 2.17. OTHER CURRENT ASSETS

(Unsecured, considered good)

Deposits	10.02	15.35
Interest Accrued on Term Deposits	23.18	10.83
	33.20	26.18



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>2.18. REVENUE FROM OPERATIONS</b>		
Sale of product and solutions	9,023.53	2,013.35
Other operating revenues	659.29	71.71
	<b><u>9,682.82</u></b>	<b><u>2,085.06</u></b>
<b>2.19. OTHER INCOME</b>		
Interest - others	162.04	80.99
Rental income	36.00	36.00
Profit on Sale of Fixed Assets	0.41	-
	<b><u>198.45</u></b>	<b><u>116.99</u></b>
<b>2.20. COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material	1,417.78	1,082.75
Add: Purchases	8,412.01	1,474.26
Less: Closing Stock of Raw Material	(2,751.13)	(1,417.78)
	<b><u>7,078.66</u></b>	<b><u>1,139.23</u></b>
<b>2.21. CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock of Finished Goods	9.45	50.62
Less: Closing Stock of Finished Goods	(1,207.46)	(9.45)
	<b><u>(1,198.01)</u></b>	<b><u>41.17</u></b>
<b>2.22. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and bonus	410.05	212.20
Gratuity	19.29	7.92
Insurance	37.49	8.15
Leave Encashment	8.32	4.69
Contribution to Provident and Other Funds	31.45	16.90
Staff Welfare expenses	17.20	6.11
	<b><u>523.80</u></b>	<b><u>255.97</u></b>



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>2.23. FINANCE COST</b>		
Interest on short term borrowings	356.72	148.69
Interest on long term borrowings	264.82	32.86
	<b><u>621.54</u></b>	<b><u>181.55</u></b>

**2.24. OTHER EXPENSES**

Technical Support Services	502.04	0.18
Rent	70.95	63.11
Repairs and Maintenance		
- Buildings	52.05	-
- Others	15.75	17.69
Provision for Warranty / (Write back)	629.71	(170.07)
Insurance	5.95	1.98
Rates and Taxes	6.55	6.32
Electricity and Water	5.03	2.85
Communication	8.79	4.74
Travel and Conveyance	117.99	75.18
Legal and Professional Fees [Refer Note 2.25]	27.33	24.57
Freight	27.50	17.10
Royalty Fees/Technical Know-how	766.03	198.95
Debtors Written off	45.27	53.61
Consumables	38.64	12.82
Bank Charges	43.03	17.45
Sales and Marketing expenses	41.92	47.06
Donations	6.00	-
Miscellaneous expenses	14.77	5.71
Prior Period Expenses	3.98	-
	<b><u>2,429.28</u></b>	<b><u>379.26</u></b>



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>2.25 Auditors Remuneration (Included in Legal and Professional Fees)*</b>		
As Auditors	3.60	3.25
For other services	3.13	1.08

(\* excludes GST)

**2.26 Contingent Liabilities and Commitments**

**Contingent Liabilities**

Bank guarantee	3,800.83	1,488.77
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**Commitments**

Capital Commitment	19.13	13.99
Other Commitments (Expenditure related to contractual commitments apart from capital commitments)	10,582.58	2,775.44

The Company has not provided for the following Contingent Liabilities:

Name of the Statute	Nature of Dues	Amount involved (Rs. Lakhs)	Period to which it relates	Forum where Dispute is Pending
Goods and Services Tax Act, 2017	Goods and Services Tax	57.83	2018-19	J&K State High Court

Considering the facts and nature of the transaction, the Company believes that the final outcome of the above dispute should be in favour of the Company and there should not be any material adverse impact on the financial statement.



TONBO IMAGING INDIA PRIVATE LIMITED  
NOTES TO ACCOUNTS

		March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>2.27 Value of Imports on CIF basis</b>			
Capital Goods			
Office equipment	1.34	-	
Purchases - Hardware, project material	3,885.43	350.64	
	<b>3,886.78</b>	<b>350.64</b>	
<b>2.28 Earnings in foreign currency</b>			
Export Sales	1,806.37	41.90	
	<b>1,806.37</b>	<b>41.90</b>	
<b>2.29 Expenditure in foreign currency</b>			
Foreign travel expenses	0.88	-	
Royalty fees	766.03	198.95	
Others	-	0.32	
	<b>766.92</b>	<b>199.28</b>	
<b>2.30 Related Party Disclosures</b>			
A. Names of related parties and description of relationship:			
	Name of Related Party	Description of Relationship	
1	Tonbo Imaging Private Limited	Enterprise having Substantial Interest	
2	Tonbo Imaging Pte. Ltd., Singapore	Enterprise having Substantial Interest	
3	Tonbo Imaging Inc., USA	Enterprise having Substantial Interest	
4	UAB Tonbo Imaging, Lithuania	Enterprise having Substantial Interest	
5	Arvind Lakshmikumar Kondangi	Key Management Personnel	
6	Ankit Kumar	Key Management Personnel	
7	Cecilia D'Souza	Key Management Personnel	



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

		<b>March 31 2023 Rs. Lakhs</b>	<b>March 31 2022 Rs. Lakhs</b>
B. Summary of transactions during the year with related parties:			
<b>Name of Related Party</b>	<b>Nature of transactions</b>		
<b>a. Tonbo Imaging Private Limited</b>			
Sales		506.75	15.82
Reimbursement of expenses - receivable		14.47	13.08
Reimbursement of expenses - payable		1.00	8.87
Purchases of Project Material / Equipment		700.95	900.69
Sublease rentals - receivable		36.00	36.00
Software and technical support services payable		1,475.65	-
Others (scrips)		-	12.42
Balances outstanding at the year end - Receivables		871	113.79
<b>b. Tonbo Imaging Pte. Ltd., Singapore</b>			
Sales		-	22.15
Purchases of Project Material / Equipment		1,167.71	69.61
Services - Payable		876.40	88.58
Balances outstanding at the year-end Receivable		245.82	1,346.13
<b>d. UAB Tonbo Imaging, Lithuania</b>			
Purchases of Project Material / Equipment		1,557.31	0.32
Balances outstanding at the year-end receivable		-	2.29
Balances outstanding at the year-end payable		235.73	-
<b>e. Key Management Personnel</b>			
i. Arvind Lakshmikumar	Managerial Remuneration	-	-
ii. Cecilia D'Souza	Managerial Remuneration	-	-
iii. Ankit Kumar	Managerial Remuneration	-	-



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

**2.31 Employee Benefits**

a) The principal actuarial assumptions used at the Balance Sheet date are as follows:

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
Discount Rate per annum	7.54%	7.60%
Expected Salary increase	10%	10%
Estimated rate of return on plan assets	0%	0%
Retirement age	60	60
Attrition rate	9%	5%

The estimates of future increase in compensation level, considered in the actuarial valuation have taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

b) Provisions for gratuity and compensated absences have been made based on actuarial valuation under the projected unit credit method as shown below:

Employee Benefits	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>Gratuity</b>		
Present Value of Defined Benefits Obligation (Opening)	17.83	9.91
Interest Cost	1.36	0.71
Current Service Cost	10.82	5.78
Prior Service Costs	-	-
Settlements	-	-
Benefits Pay-outs from plan	-	-
Benefit payments from employer	-	-
Acquisitions/Divestures/Transfers	-	-
Actuarial (Gains)/Loss	7.11	1.43
<b>Present Value of Defined Benefits Obligation (Closing)</b>	<b>37.12</b>	<b>17.83</b>
<b>Compensated Absences</b>		
Opening Provision	17.83	9.91
Less: Payments made during the year	-	-
Add: Amount charged to the statement of P&L (written back)	19.29	7.92
Closing Provision	37.12	17.83



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### 2.32 Un-hedged foreign currency exposure:

The following foreign currency exposures have not been hedged by derivative instruments or otherwise at the balance sheet date:

Nature of Exposure:	Currency	March 31, 2023		March 31, 2022	
		In Foreign Currency	In Rs. Lakhs	In Foreign Currency	In Rs. Lakhs
Receivables in foreign currency					
- Trade Receivables	USD	801,234	657.89	1,693,590	1,285.44
- Advances to Suppliers	USD	391,128	321.16	121,600	92.29
- Advances to Suppliers	CHF	6,748	6.06	-	-
	USD	1,192,362	979.05	1,815,190	1,377.73
	CHF	6,748	6.06	-	-
Payables in foreign currency					
- Trade payables	USD	13,665	11.22	27,392	20.79
- Trade payables	EUR	264,060	235.73	360	0.30
- Other Payables	USD	832,819	683.83	-	-
- Advances from Customers	USD	101,740	83.54	-	-
- Advances from Customers	EUR	533,880	476.59	-	-
	USD	948,224	778.59	27,392	20.79
	EUR	797,940	712.32	360	0.30

#### 2.33 Taxation

##### a) Current Tax:

The Company has calculated its tax liability after considering the provisions of law relating to Minimum Alternative Tax (MAT). As per the Act, any excess of MAT paid over the normal tax payable can be carried forward and set off against the future tax liabilities. Accordingly, MAT credit available for carry forward and set off in the future amounts to Rs. 150.16 Lakhs (2022: Rs.130.36 Lakhs) and is included under 'Short term loans and advances' in the Balance Sheet.

##### b) Transfer Pricing

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing regulations for computing the income from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

The Management is of the opinion that its international transactions with associated enterprises are at arm's length and accordingly the aforesaid legislation will not have any impact on the financial statements, particularly on the tax liability.



TONBO IMAGING INDIA PRIVATE LIMITED

## NOTES TO ACCOUNTS

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
<b>2.34 Earnings per share</b>		
Net profit/ (loss) for the year attributed to equity	117.18	121.76
Weighted average number of equity shares used for calculation of basic earnings per share	109,472	109,472
Weighted average number of potential equity shares	498,728	498,965
Earnings per share- Basic (Rs.)	107	111
Earnings per share - Diluted (Rs.)	19	20
Face Value per Share	10	10

2.35 Disclosure of dues/ payments to Micro and Small enterprises to the extent such enterprises are identified by the Company

The Management has a process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of Micro and Small Enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The Company has not received any claim for Interest from any supplier under the said Act.

	March 31 2023 Rs. Lakhs	March 31 2022 Rs. Lakhs
i. Principal amount and the Interest due there on remaining unpaid as at the end of the accounting year	805.61	152.86
ii. The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
iv. The amount of interest accrued and remaining unpaid at the end of the year in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-



**TONBO IMAGING INDIA PRIVATE LIMITED**

**NOTES TO ACCOUNTS**

	March 31 2023 Units	March 31 2022 Units
<b>2.36 Quantitative Details of Inventory</b>		
<b>i. Raw material - Electronics</b>		
Opening Stock	145,333	74,091
Add: Purchased during the year	240,990	126,339
Less: Consumed during the year	240,808	55,097
Closing Stock	<b>145,515</b>	<b>145,333</b>
<b>ii. Raw material - Mechanical components</b>		
Opening Stock	110,310	98,228
Add: Purchased during the year	528,502	62,457
Less: Consumed during the year	384,712	50,375
Closing Stock	<b>254,100</b>	<b>110,310</b>
<b>iii. Raw material - Sensors and Optics</b>		
Opening Stock	3,475	3,813
Add: Purchased during the year	22,944	1,521
Less: Consumed during the year	18,481	1,859
Closing Stock	<b>7,938</b>	<b>3,475</b>
<b>iv. Raw material - Others</b>		
Opening Stock	156	2,821
Add: Purchased during the year	11,823	-
Less: Consumed during the year	6,858	2,665
Closing Stock	<b>5,121</b>	<b>156</b>
<b>iv. Finished goods</b>		
Opening Stock	5	25
Add: Manufactured during the year	1,603	295
Less: Sold during the year	1,352	315
Closing Stock	<b>256</b>	<b>5</b>



## TONBO IMAGING INDIA PRIVATE LIMITED

### NOTES TO ACCOUNTS

#### 2.37 Ratio Analysis

	March 31 2023	March 31 2022	% Variance
(i) Current ratio	1.13	1.51	-25%
(ii) Debt-Equity ratio	1.37	1.48	-7%
(iii) Debt service coverage ratio	0.67	1.40	-52%
(iv) Return on equity ratio	0.04	0.04	0%
(v) Inventory turnover ratio	3.60	1.63	121%
(vi) Trade receivables turnover ratio	3.30	1.21	172%
(vii) Trade payables turnover ratio	5.46	3.81	43%
(viii) Net capital turnover ratio	4.27	0.74	477%
(ix) Net profit ratio	0.01	0.06	-80%
(x) Return on capital employed	0.26	0.11	132%
(xi) Return on investment	0.04	0.04	-1%

i. Current Ratio A variance of -25% is primarily due to an increase in the advances received from customers in the current year.

ii. Debt-Equity ratio A variance of -7% is due to a reduction in the total debt outstanding as compared with the previous year.

iii. Debt service coverage ratio A variance of -52% is due to issuance of non convertible debentures of Rs. 2,000 Lakhs, to meet the exponential growth in the business.

iv. Inventory turnover ratio The ratio has increased by 121% compared to the previous year due to a 4x increase in the revenues in the current year, while the inventory position did not proportionately increase.

v. Trade receivables turnover ratio The ratio has increased by 172% compared to the previous year due to a 4x increase in the revenues in the current year, while the trade receivables did not see a proportionate increase.

vi. Trade payables turnover ratio The ratio has increased by 43% compared to the previous year due to a 4x increase in the revenues in the current year, while the trade payables did not proportionately increase.

vii. Net capital turnover ratio The ratio has increased by 477% compared to the previous year primarily due to the 4x increase in the revenues in the current year.

viii. Net profit ratio The ratio has reduced by 80% compared to the previous year as cost of goods sold and other operating expenses saw an increase of 5% and the Company incurred an additional 2% in legal and advisory fees for capital / debt funding.

ix. Return on capital employed The increase is due to the increase in sales as compared to the previous year.



**TONBO IMAGING INDIA PRIVATE LIMITED**  
**NOTES TO ACCOUNTS**

	<b>March 31 2023</b>	<b>March 31 2022</b>
	Rs. Lakhs	Rs. Lakhs
<b>2.38 Provision for warranties</b>		
Opening Provision	277.92	447.99
Add: Additions during the year	789.67	127.32
Less: utilisation during the year / write back of provision	159.97	297.39
Closing Provision	907.63	277.92
<b>2.39 Exceptional items</b>		
The Company has incurred legal and professional fees for raising equity and debt capital as listed here below:		
- for equity capital raise	115.70	-
- for debt capital raise	75.03	15.00
	<hr/> <b>190.73</b>	<hr/> <b>15.00</b>

**2.40** The monthly / quarterly statements of current assets filed by the Company with the banks and financial institutions are in agreement with the books of account. There are no material discrepancies between such statements and the books of account.

**2.41** Registration of charges have been filed by the Company with the Registrar of Companies within the statutory period for the charges created during the year. There have been no delays in such filings.

**2.42** The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As defined in Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

**2.43** The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

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

**2.45** The Company does not have any transactions with struck off companies under Section 248 of Companies Act 2013 during the financial year.

**2.46** The Company has not utilized any borrowed funds or share premium for any illegal, unlawful activities or for the benefit of any third parties.

**2.47** There are no defaults in the repayment of principal or interest to Banks, Financial Institutions and lenders. The Company has not been declared as a 'wilful defaulter' by any Bank or Financial Institution or Lenders.

**2.48** The Company does not have any scheme of arrangement approved by a competent authority under section 230 to 237 of the Companies Act 2013, during the financial year.

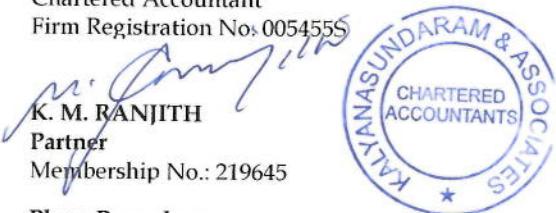
**2.49** The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

**2.50** Previous year's figures have been re-grouped / re-classified wherever considered necessary.

For Kalyanasundaram and Associates

Chartered Accountant

Firm Registration No. 0054555



K. M. RANJITH

Partner

Membership No.: 219645

Place: Bangalore

Date: July 18, 2023

UDIN: 23219645BGZAAW3032

For and on behalf of the Board

ANKIT KUMAR  
Managing Director  
DIN: 02953852

Place: Bangalore  
Date: July 18, 2023

CECILIA D'SOUZA  
Director  
DIN: 06380429

Place: Bangalore

