

BONDADA ENGINEERING PRIVATE LIMITED

BOARD'S REPORT

2022-23

BONDADA ENGINEERING PRIVATE LIMITED

BOARD'S REPORT

To
The Members
BONDADA ENGINEERING PRIVATE LIMITED
HYDERABAD

Your directors have pleasure in presenting the 11th Annual Report of BONDADA ENGINEERING PRIVATE LIMITED (the Company) along with the audited financial statements for the Financial Year ended March 31, 2023.

FINANCIAL SUMMARY

The financial particulars of the Company, as on March 31, 2023 are as under:

(INR in Lakhs)

Particulars	At Standalone Level		At Consolidated Level	
	For the year ended 31.03.2023	For the year ended 31.03.2022	For the year ended 31.03.2023	For the year ended 31.03.2022
Income from Operations	33,083.71	30,006.60	37,058.84	33,435.37
Other Income	222.04	6.21	41.96	6.21
Total	33,305.75	30,012.81	37,100.80	33,441.58
Expenditure	31,262.83	28,564.79	34,820.78	31,906.17
Profit/(Loss) before tax	2,042.91	1,448.02	2,280.01	1,535.40
Less: Provision for Tax incl. Deferred Tax	497.38	426.38	566.93	448.31

Bondada Engineering Limited

(Formerly known as Bondada Engineering Pvt Ltd)

Registered office :

1-1-27/37, Ashok Manoj Nagar,
Kapra, Hyderabad,
Telangana - 500062, INDIA.
☎ 7207034662

Corporate office :

Plot No.11&15, 3rd Floor,
Surya P.P.R. Towers, Ganesh Nagar, Kapra,
Hyderabad, Telangana - 500062, INDIA.
☎ 7207034662

Less: Minority Interest	-	-	39.4	-
Profit/(Loss) after tax	1,545.53	1021.64	1,673.69	1,087.11
Earnings per Share (Rs.)	9.73	6.43	10.53	6.84

The overall performance of the Company for the Financial Year 2022-23 has been progressive and the Directors are happy that the Company is growing with expected pace and achieved the desired results.

The Directors express their gratitude towards all their employees for their sincere contribution in achieving the revenue milestone of INR 370.59 Crore at consolidated level in its 11th year of operations. Also, Directors have expressed their confidence to achieve more of such milestones in coming years.

AT CONSOLIDATED LEVEL:

The Company has prepared Consolidated Financial Statements in accordance with the applicable accounting standards. The Consolidated Financial Statements reflect the results of the Company along with that of its Subsidiaries. The Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and forms part of this Annual Report.

Further, pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of its Subsidiaries in the prescribed **Form AOC-1** forms part of this Report and the same is enclosed herein as an **Annexure-I**. The statement also provides the details of performance and financial position of each of the Subsidiaries.

REVIEW OF OPERATIONS AND COMPANY'S STATE OF AFFAIRS

During the year under review, the company has reported net revenue of INR 370.58 Crore (on consolidation basis) with Y-o-Y growth rate of 10.80%. However, revenue CAGR of all operating years is at 48%.

Apart from execution excellency, professional management, strong leadership team, healthy work environment, proper internal controls, effective use of technology and robust MIS made the company to excel in performance in this financial year.

Few notable points:

- ✓ The company was awarded with biggest ever order value from BSNL for an amount of **INR 1156.45 Crore** (gross value) on 01st March 2023 for construction of 1238 telecom towers along with their maintenance for 5 years across Telangana, Tamilnadu, Karnataka and Kerala states
- ✓ Eleven years' revenue CAGR is at **48%** which means the company's revenue is growing at average of 48% every year in the last 11 years

- ✓ Solar EPC business segment revenue crossed **INR 180 Cr** milestone with 49% business share (as against 33% last year) which helped company to reduce dependency on telecom EPC.
- ✓ ICRA rated our credit facilities as **“BBB Stable”** and categorized the company as consistent performer with low risk profile valid till Jan 2024
- ✓ The company was successful in securing an order for maintaining fiber across Maharashtra and 7 North East states to the tune of **76,108 KM’s** worth **INR 160 Crore** (gross value) for a period of 2 years
- ✓ Strong order book position as on 1st April 2023 – **INR 1519.97 Crore**

Annual Review Meeting:

The company has conducted a review meeting on completion of this fiscal on 7th April 2023 with respective business leads to review the performance of FY 22-23 and revenue projections for FY 23-24. Leadership team attended the meeting chaired by CMD, Shri Bondada Raghavendra Rao. Many points were discussed with regard to current operations and future strategies. The company is hopeful to further improve its operational excellency to next level by inducting new talent.

Growth Prospects & Future Outlook

The Company has ample avenues to grow in its business segments.

INDIAN TELECOM INDUSTRY

India has the second largest (in terms of subscriber base) and one of the fastest growing telecom markets in the world. The magnitude of the subscriber base can be gleaned by the net subscriber addition monthly. Between October and November of 2022 Indian mobile industry added nearly 24 million subscribers, taking the overall subscriber base to over one billion.

Besides having the second largest subscriber base, the telecom industry also plays a crucial part in driving the economic growth. In India, the sector contributes to nearly 6% of the Gross Domestic Product (GDP). It is playing a vital role in India’s digital transformation.

The industry is classified into four broad segments, based on the type of service provided and contribution to the overall industry. These are telecom service providers who form the crux of the industry as well as its most visible face. Other segments include infrastructure (active & passive), equipments (handsets and networking equipments), and network services.

As on 30th September 2022, the total subscriber base in Indian telecom industry stood at nearly 1.2 billion with nearly 98% being wireless subscribers. Private sector dominates the industry, accounting for nearly 90% of the total subscribers with rest spread among public sector units (PSU). The industry which generates an annual revenue in the range of INR 2,700 billion ended the year 2022 (calendar year) with a total subscriber base of nearly 1.2 billion.

Telecom Infrastructure:

Telecom infrastructure represents the physical hardware that enables smooth functioning of today's telecommunication services, including mobile service as well as internet & other digital services. These include telephone wires, cables (including undersea cables), satellites, telecom towers, and satellites. Based on its position within the telecom ecosystem, telecom infrastructure is broadly divided into Active, Passive and Backhaul. Based on its utility and its role in telecom ecosystem, telecom infrastructure is segmented into active and passive.

- **Active:** These include spectrum, switches, antenna, receivers, & microwave equipment, all of which form the front end of telecom ecosystem.

- **Passive:** These include:
 - Telecom towers, power supply ecosystem (including battery, generators, and associated equipment), and all hardware required to maintain tower
 - Optical fiber cable

Expected Growth in Telecom Tower Base:

Steep drop in mobile tariffs and availability of affordable smart phones have helped in driving up the mobile subscriber numbers in India, elevating it to one of the biggest telecom markets in the world (in terms of mobile subscriber numbers). On the back of this, the tele density in India has increased manifold to reach approximately 83% as of September 2022. Although this is on the higher side (compared to many developing economies), its skewed in favour of urban markets.

As of September 2022, urban tele-density in India stood at nearly 135% while rural was only 58%. This wide variation shows the disparity in mobile connectivity, with penetration level still low in rural markets. Apart from number of subscribers, the coverage of 4G network is lower in rural and smaller towns as compared to metros and tier I towns.

The coming years would be a strong push by telecom service providers to increase their coverage in rural areas. The focus in these markets would mostly be the 4G network with 5G rollout happening gradually. To make this push to rural markets, there is a need to broaden the telecom tower infrastructure in those markets. Subsequently, the telecom tower based would witness an organic growth. At present approximately 50 to 60 thousand telecom towers are added on an annual basis. Going ahead, the net addition is expected to be slightly higher than that as India tries to extend the tower coverage as well as bridge the gap in tower density.

At present the tower density (number of towers per 1,000 people) in India is near 0.5 which is well below global standards. National Broadband Mission has set a target of reaching a tower density of 1.7 by FY 2025, which if met would translate into a tower base of 1.5 million. Given the current base of nearly 740 thousand towers such a rapid ramp up in the next couple of years looks unlikely.

As per an estimate, there is more gradual and conservative build up in telecom towers, with tower density reaching nearly 0.9 to 1.0 by the end of this decade. Based on this, the total telecom tower base in India is expected to reach nearly 1.3 million by FY 2030, with nearly 70 – 75 thousand telecom towers added on an annual basis.

Expected Growth in Telecom Fiber Base:

Telecommunication cables on the other hand is used exclusively in telecom sector. In telecom cable segment, Optical fiber segment has been exhibiting better growth than Jelly Filled Telephone Cables (JFTC) segment, which continues to decline due to change in technology.

Telecom sector is the largest consumer of OFC, accounting for more than 40% of global OFC consumption. These include both communication service providers as well as network infrastructure vendors. Pan India 5G integration in the next two year, along with increasing data usage is likely to support growing demand for telecom infrastructure, ranging from telecom equipment including OFC. These two factors along with increasing penetration of FTTH and broadband have resulted in increasing deployment of OFC. Consequently, OFCs cable manufacturers scaled up their production to cater the surging demand of OFC.

Furthermore, the Government's focus to provide broadband in rural areas (Bharat Net) is further boosting production in the domestic market. The market size of India's optical fiber cable valued at USD 881 Mn in 2019 and is projected to reach USD2.1Bn by 2024, growing annually at rate of nearly 19.7%. Rising investments in OFC network infrastructure by the Indian government push internet penetration across the country is expected to support OFC demand in coming years.

As on September 2022, OFC network in India stood at approximately 35.5 lakh route kilometres (RKM) as approximately twenty lakh RKM of OFC was deployed in the last ten years. The need for higher bandwidth due to the explosion in data services, increase in wired broadband services, and growth in FTTx have all fuelled the robust growth in OFC deployment. Apart from these stable demand drivers, the disruptions caused by the spread of Covid-19 pandemic during 2020 and 21 have also created the need for a strong OFC network. The pandemic changed the way businesses are run, accelerating the pace of digitization which in turn put pressure of existing telecom infrastructure. By 2030, the total network of OFC in India is expected to reach 75 million RKM, nearly double the size of current network.

Technology Upgrades: Roll out of 4G and 5G:

In India, a significant number of 4G sites need to be added to provide the adequate quality and coverage as there are several gaps in terms of network coverage across the country.

Similarly, 5G networks have just started coming up in India. With higher competition among telecom operators, they are expected to invest in quality data networks and drive tower industry growth. New entrants like Reliance Jio are expected to push the tower industry growth. Telecom companies will have to collectively incur 3 trillion capex spend to adequately fiberize telecom towers and in turn, ensure a meaningful rollout of 5G services across India. Out of which mobile tower companies are planning to invest over INR 2 trillion by 2025 to meet the target of taking 5G to 50% of the country

SOLAR EPC:

The company has delivered 114 MW solar plants during the year 2022-23 as against 40 MW during the year 2021-22. The delivery capacity has increased multifold compared to previous financial year. Based on the vast experience by the management team and successful projects completion, the company is now successful in getting further EPC contracts in this space.

The company is also pursuing orders from other Solar companies like Adani, Enrich Energy, Greenko, Hinduja Renewables etc. for their solar EPC requirements. Apart from private solar companies, the company is also participating in tenders which are getting floated by public sector undertakings like NTPC, BHEL, SECI, Damodar Valley Corporation etc.

Solar Industry in India:

As per Government, investments in Indian renewable energy space could be near USD 25 Billion, if the aggressive capacity target of 500 GW in renewable space materializes. This includes capex cost of setting up the plant and all other associated investments. Even if the Government targets are not met, the conservative estimates too point to a strong growth in capacity addition in renewable as well as solar space. This is expected to create business for all stakeholders in the industry, including EPC service providers, plant & equipment manufacturers as well as service providers (including technical support & design). In solar space, considering the conservative capacity addition of 182 GW between 2022-2030 period, the consolidated EPC opportunity (between 2023 and 2030) alone is expected to run into nearly INR 88,000 Crore

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED FROM THE FINANCIAL YEAR ENDED 31ST MARCH, 2023 TO THE DATE OF SIGNING OF THE DIRECTOR'S REPORT

During the year the following material changes were made:

1. Allotment of 10,245 Equity Shares on Preferential Basis to the persons belonging to Non-promoter category.
2. Conversion of the Company into Public Limited Company, however the approval received from ROC was on 31st may, 2023.
3. Adoption of new set of Articles of Association of the Company pursuant to conversion into Public Limited Company
4. Adoption of new set of Memorandum of Association of the Company pursuant to conversion into a Public Limited Company

5. Allotment of 6,916 Equity Shares on Preferential Basis to the persons belonging to Non-promoter category
6. Increase of authorised share capital from Rs. 100,00,000 (Rupees One Crore Only) divided into 10,00,000 (Ten Lakhs) equity shares of Rs. 10/- each to Rs. 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of Rs. 10/- each by creation of additional 2,40,00,000 (Two Crore Forty Lakh) equity shares of Rs. 10/- each
7. Issuance and allotment of 1,50,68,898 Bonus Shares.

DIVIDEND

The Board approved and recommending dividend on Equity Shares of Rs. 0.12 per Equity Share having the Face Value of Rs. 10/- (Rupees Ten Only) each] for the Financial Year 2022-2023.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no unclaimed dividend for the last year.

TRANSFER OF AMOUNT TO RESERVES

The Board of Directors has not recommended any amount to be transferred to reserves for the financial year ended 31st March, 2023.

SHARE CAPITAL

During the year the Company has Increased authorised share capital from ₹1,00,00,000 (Rupees One Crore) consisting of 10,00,000 (Ten Lakh) Equity Shares of ₹10 each to ₹25,00,00,000 (Rupees Twenty Five Crores) consisting of 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of ₹10 each.

The Company has increased Paid-up Share Capital to Rs. 15,90,60,590/- divided into 1,59,06,059 Equity Shares of Rs. 10/- each in the following manner.

- (1) Allotment of 6,916 Equity Shares to Anupama Vishwanth Sajjanar and 3,329 Equity Shares to Jhansi Sanivarapu on private placement basis.
- (2) Allotment of 6,916 Equity Shares to Veeranna Sajjanar on private placement basis.
- (3) Allotment of 94,68,000 Equity Shares to Raghavendra Rao Bondada, 16,92,000 Equity Shares to Neelima Bondada, 18,00,000 Equity Shares to Satyanarayana Baratam, 3,60,000 Equity Shares to Gopa Veera Sai Tirupathi Rao, 9,00,000 Equity Shares to Dutta Uma Maheswara Rao, 5,40,000 Equity Shares to Marumokham Venkata Durga Prasad, 1,24,488 Equity Shares to Anupama Vishwanath Sajjanar, 59,922 Equity Shares to Jhansi Sanivarapu and 1,24,488 Equity Shares to Veeranna Sajjanar pursuant to Bonus Issue.

DIRECTORS

During the Year under review there was no change in composition of members of the Board.

However, Mr. Satyanarayana Baratam and Ms. Sonia Bidla were appointed as Chief Financial Officer and Company Secretary and Compliance Officer w.e.f 24th February, 2023.

Mr. Sarveswar Reddy Sanivarapu and Mr. Pasupuleti Venkata Subba Rao were appointed as Independent Non-executive Directors of the Company w.e.f 4th May, 2023. Presently the Board of Directors of the Company comprises the following directors with below designations.

S. No.	Name	Designation	Date of appointment
1	Raghavendra Rao Bondada	Whole-time-Director	29.03.2012
2	Satyanarayana Baratam	Whole-time-Director and CFO	15.11.2012
3	Neelima Bondada	Non-executive Director	29.03.2012
4	Pasupuleti Venkata Subba Rao	Independent Non-executive director	4.05.2023
5	Sarveswar Reddy Sanivarapu	Independent Non-executive director	4.05.2023

NUMBER OF BOARD MEETINGS

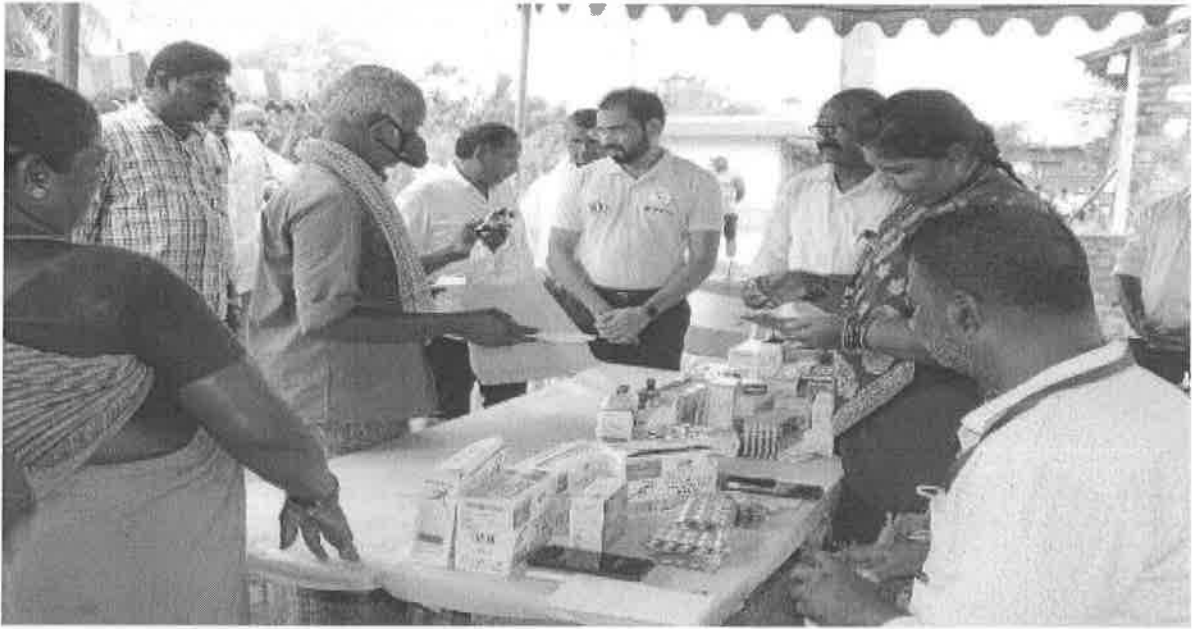
During the FY 2022-23, the Company has duly conducted Thirteen (13) Board Meetings respectively on the following dates: 9.05.2022, 27.06.2022, 5.09.2022, 28.09.2022, 2.11.2022, 28.12.2022, 13.01.2023, 21.01.2023, 23.02.2023, 24.02.2023, 10.03.2023, 16.03.2023 and 24.03.2023. All the directors of the Company had attended all the Board Meetings held during the year. Further, the intervening gap between any two consecutive Board Meetings did not exceed one hundred and twenty days or the period as permitted from time to time under the provisions of the Companies Act, 2013.

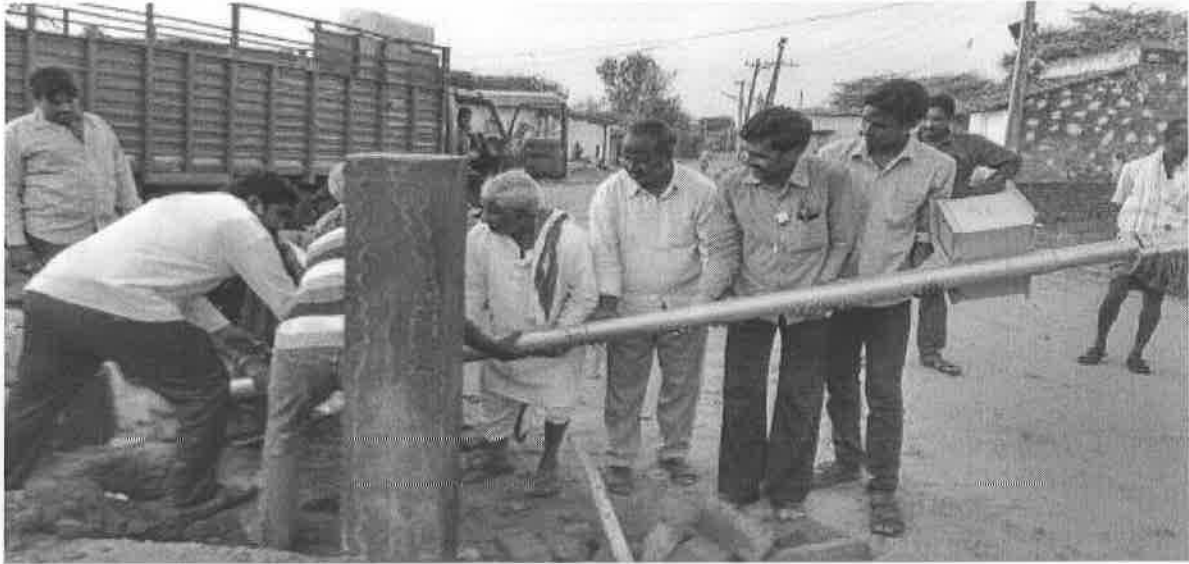
COMMITTEES OF THE BOARD

The Company, being a Private Limited Company, is not required to constitute any Committees of the Board, except CSR Committee, as per the provisions of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY POLICY

During the year under review the Company complied with the provisions relating to Corporate Social Responsibility under Section 135 of Companies Act, 2013 and spent the requisite amount as per Corporate Social Responsibility Policy of the Company and the Annual Report on CSR Activities is presented as an **Annexure-II** to this report.





DETAILS OF SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any Joint Ventures. However, the Company has the following Subsidiaries and Associate Company, the details of which are given as hereunder:

Sl. No.	NAME OF THE COMPANY	CIN	SUBSIDIARY / ASSOCIATE COMPANY
1.	M/s. SmartBrix Infra Technologies Private Limited	U36999AP2017PTC106508	Subsidiary
2.	M/s. Bondada Abodes Private Limited (formerly known as Proaxive Tech Solutions Private Limited)	U45100TG2018PTC122820	Subsidiary

During the year the Company has transferred 40% its stake in M/s. SmartBrix Infra Technologies Private Limited to M/s. Chelimilla Private Limited w.e.f 29th December, 2023.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return are prepared in Form MGT-9 as per the provisions of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, which forms part of this report and the same is enclosed as an *Annexure-III*.

AUDITORS AND AUDITORS' REPORT

As the members are aware M/s. Sreedar Mohan & Associates, Chartered Accountants, Hyderabad (Firm Registration No. 012722S) were appointed as Statutory Auditors of the Company at the 10th Annual General Meeting held on 30th September, 2022 for a term of five consecutive years from the FY 2022-23 to FY 2026-27 from the conclusion of the Annual General Meeting till the conclusions of the Annual General meeting to be held in 2027.

The Report given by M/s. Sreedar Mohan & Associates, Statutory Auditors of the Company on the financial statements of the Company for the FY 2022-23 is part of the Annual Report. No qualifications, reservations or adverse remarks have been made by the Auditors in their report, which requires any clarification from the management of the Company.

SECRETARIAL AUDIT

Being a Private Limited Company, the provisions of Section 204 of the Companies Act, 2013 read with the Rules made thereunder pertaining to Secretarial Audit are not applicable to the Company.

COST AUDIT

With reference to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 subject to further amendments from time to time, the company appointed M/s. Bharathula & Associates, (Registration No. 101019) as Cost Auditor of the Company for the financial year 2022-23 and the respective cost audit report was taken into account by the Board and duly approved.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

An extensive programme of internal audits and management reviews, supplements the process of internal financial control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal financial control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function

reports to the Management. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

VIGIL MECHANISM

The Company is not required to constitute a Vigil Mechanism as the Company does not fall under the criteria required under Section 177(9) read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going-concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the period under review, the Company has provided guarantees to its subsidiaries in the below mentioned manner, provisions of Section 186 of the Companies Act, 2013.

Sl. No.	Name of the Company (Guarantee)	Type of charge	Details of charge Holder	Amount secured by Guarantee) (In Rupees One	Date of issuance of Guarantee
1.	M/s. Bondada Abodes Private	Guarantee by way of EM	The Federal Bank Ltd	1,00,00,000/-	29/09/2022

	Limited (formerly known as Proaxive Tech Solutions Private Limited)	on the asset of the Company		Crore Only)	
2.	M/s. SmartBrix Infra Technologies Private Limited	Guarantee by way of EM on the asset of the Company	The Federal Bank Ltd	40,000,000/- (Rupees Four Crore Only)	27/06/2022

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review, the Company has not entered into any transactions with related parties falling under the scope of Section 188(1) of the Companies Act, 2013.

DEPOSITS

The Company has neither accepted nor repaid any deposits during the financial year ended on 31st March, 2023. Further, there were no outstanding deposits as at the beginning or at any time during the financial year. Hence, no details are required to be provided pursuant to Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Inflow and Outflow as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are as follows:

Conservation of Energy:

The company is in the process of identifying the areas for conservation of energy.

Technology Absorption:

No technology either indigenous or imported is involved.

Research & Development:

No research and development have been carried out

Foreign Exchange Earnings and Outgo:

The Company has not earned any foreign exchange during the year and there is no foreign currency outgo during the year under review.

DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review there were no complaints or cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, event, financial, human, environment and statutory compliance.

GENERAL

During the financial year under review, no disclosure or reporting is required in respect of the following items as there were no transactions /events pertaining to these items:

- Disclosure regarding Issue of Equity Shares with Differential Rights;
- Disclosure regarding Issue of Employee Stock Options;
- Disclosure regarding issue of Sweat Equity Shares
- Fraud Reporting (Required by Companies Amendment Bill, 2014);
- Details of significant & material orders passed by the regulators or courts or tribunal.

Acknowledgement

Your directors place on records their appreciation for the sincere and dedicated efforts made by all the employees of the Company. Your directors would also like to thank to all the Shareholders, Customers, Bankers, Government authorities, Vendors and other Business associates for their sustained support, patronage and co-operation.

For and on behalf of the Board
Bondada Engineering Private Limited


B Raghayendra Rao
Whole-time Director
DIN: 01883766


B Satyanarayana
Whole-time Director
DIN: 02610755



Place: Hyderabad
Date: 15-05-2023

Annual Report on CSR Activities

1. The CSR policy of the company was devised with the following objectives:

- i. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- ii. To directly or indirectly take up programs that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local people.
- iii. To generate, through its CSR initiatives, a goodwill for BEPL and help reinforce a positive & socially responsible image of BEPL as a corporate entity.

The Key Focus Areas for CSR implementation by the company are:

- (i) Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- (ii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water; and
- (iii) Rural development projects.
- (iv) Training to promote nationally recognized sports.
- (v) Providing emergency medical care, preventive health care, sanitization and safe drinking water.

The Project activities identified under CSR are to be implemented by the CSR Committee and employees of BEPL nominated for the purpose and if found necessary by the specialized agencies.

2. The Composition of the CSR Committee.

Sl. No.	Name of Director	Designation	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Mr. Bondada Raghavendra Rao	Whole-time Director	1	1
2	Mrs. Bondada Neelima	Director	1	1
3	Mr. Baratam Satyanarayana	Whole-time Director	1	1

3. Average net profit of the Company for last three financial years Rs.13.62 Crores

4. Prescribed CSR Expenditure (2 % of the amount as in item no.3 above) Rs.27.25 Lakhs

5.	Details of CSR spent during the financial year	
a.	Total amount to be spent for the financial year	Rs. 27.25 Lakhs
b.	Amount of expenditure incurred	Rs.40.59 Lakhs
c.	Shortfall at the end of the year	Rs. 0.00 Lakhs
d.	Amount available for set-off, if any in previous financial year	Rs. 12.95 Lakhs
e.	Net shortfall at the end of the year	Rs. 0.00 Lakhs

f.	Amount available for set-off in succeeding financial years	Rs. 0.39 Lakhs
g.	Manner in which the amount spent during the financial year	As detailed below

Details of Amount Spent on CSR Activities during the Financial Year 2022-23:

							(Rs. In Lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing agency
1	Promoting Rural Development	Promoting Rural Development	Nagayalanka Mdl, Jaggaiahpet, Kapra, Hyderabad	17.25	18.83	32.17	Direct
2	Promoting Rural health	Promoting Rural health	Jaggalahpet, Krishna Dt.	5.00	4.73	4.73	Direct
3	Promoting Education	Promoting Education	Guntur District, Andhra Pradesh	5.00	3.69	3.69	Direct
	TOTAL			27.25	27.25	40.59	

6	The reasons for not spending the amount, if any	NA
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Responsibility Statement

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
Bondada Engineering Private Limited

B Raghavendra Rao
Whole-time Director
DIN: 01883766

B Satyanarayana
Whole-time Director
DIN: 02610755

Place: Hyderabad
Date: 15-05-2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Bondada Engineering Private Limited

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bondada Engineering Private Limited ("the Parent Company"), its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2023, the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, its "Profit" and its consolidated cash flows for the year ended on that date.

Basis of Opinion

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

Information Other than the Financial Statements and Auditor's Report thereon

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2014, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of companies included in the Group are responsible for assessing the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of Companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

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

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

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

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

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated Financial Statements for the financial year ended March 31, 2023 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

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 of the aforesaid Consolidated Financial Statements;
- (b) In our opinion, proper books of account as required by Law have been kept by the Group so far as it appears from our examination of those Books;
- (c) The Consolidated Balance Sheet, the Statement of Consolidated Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of Consolidated Financial Statements;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Parent Company its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its Consolidated financial position;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary Companies incorporated in India.

iv.

- (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent Company and its subsidiaries, which are companies incorporated in India has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
- (c) Based on the audit procedures adopted by us that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.
- (d) As stated in Note 30 to the consolidated financial statements:
 - (i) The final dividend proposed in the previous year, declared and paid by the parent Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (ii) The Board of Director of the parent Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For Sreedar Mohan & Associates

Chartered Accountants

ICAI Firm Regn.No:012722S

Sd/-

Sreedar Reddy Gudapureddy

Partner

M.No: 213341

UDIN: 23213341BHAWSL9150

Place: Hyderabad

Date: 15th May' 2023.

Annexure – “A”

Referred to in Paragraph 2(f) of our report of even date on the Consolidated Financial Statements of Bondada Engineering Private Limited

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

We have audited the internal financial controls over financial reporting with reference to Consolidated Financial Statements of the Parent Company and its subsidiaries (the Parent Company and its subsidiaries together referred to as “the Group”) which are companies incorporated in India, as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are 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 (“the Guidance Note”) 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 (“the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls over financial reporting with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to Consolidated Financial Statements, 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, to the best of our information and according to explanations given to us, the Parent Company and its subsidiary companies, which are incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Sreedar Mohan & Associates

Chartered Accountants

ICAI Firm Regn.No:012722S

Sd/-

Sreedar Reddy Gudapureddy

Partner

M.No: 213341

UDIN: 23213341BHAWSL9150

Place: Hyderabad

Date: 15th May' 2023.

Bondada Engineering Private Limited

Consolidated Statement of Profit and loss for the year ended 31st March, 2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

Particulars		Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
REVENUE				
I.	Revenue from operations	20	37,058.84	33,435.37
II.	Other income	21	41.96	6.21
III.	Total income (I + II)		37,100.80	33,441.58
EXPENSES				
IV.	(a) Cost of materials consumed		19,768.63	15,118.71
	(b) Changes in inventories of finished goods, work in progress and stock in trade	22	(1,413.98)	1,158.78
	(c) Operating expenses	23	13,009.32	11,494.06
	(d) Employee benefits expense	24	1,968.43	3,144.73
	(e) Finance costs	25	558.43	346.75
	(f) Depreciation and amortisation	10	182.78	181.46
	(g) Other expenses	26	747.17	461.69
	Total expenses		34,820.78	31,906.17
V	Profit before exceptional & extraordinary items and tax (III - IV)		2,280.01	1,535.40
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		2,280.01	1,535.40
VIII	Extraordinary items		-	-
IX	Profit before tax (VII - VIII)		2,280.01	1,535.40
X	Tax expense:			
	(1) Current tax		570.07	418.13
	(2) Earlier year taxes		14.67	-
	(3) Deferred tax		(17.82)	30.17
XI	Profit (Loss) from continuing operations (IX - X)		1,713.08	1,087.11
XII	Profit (Loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit (Loss) from discontinuing operations after tax (XII - XIII)		-	-
XV	Profit after tax for the year (XI)		1,713.08	1,087.11
XVI	Share of profit/(loss) to minority shareholders		(39.40)	-
XVII	Profit attributable to majority shareholders (XV-XVI)		1,673.69	1,087.11
XVIII	Earning per equity share:			
	Basic & diluted		10.53	6.84
	Significant accounting policies	1		
	See accompanying notes to the financial statements			

As per our report of even date attached

For Sreedar Mohan & Associates

Chartered Accountants

Firm's Registration No. 012722S

Sd/-

Sreedar Reddy Gudapureddy

Partner

Membership No: 213341

Place : Hyderabad

Date : 15-May-2023

For and on behalf of the Board of Directors

Bondada Engineering Private Limited

CIN: U28910TG2012PTC080018

Sd/-

Raghendra Rao Bondada

Chairman and
Managing Director

DIN : 01883766

Sd/-

Sonia Bidlan

Company Secretary

Membership No: A37766

Sd/-

Satyanaraya Baratam

Whole-time Director and
Chief Financial Officer

DIN : 02610755

Bondada Engineering Private Limited		
Consolidated Cash Flow Statement for the year ended 31st March, 2023		
(All amounts are rupees in Lakhs except share data and unless otherwise stated)		
Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash flows from operating activities		
Net profit before tax as per Statement of Profit and Loss :	2,280.01	1,535.41
Adjustments for operating activities:		
Depreciation	182.78	181.45
(Profit)/Loss on sale of fixed assets	-	(2.73)
(Profit)/Loss on sale investment	(16.60)	-
Assets written off	15.07	2.80
Debit balances written off	7.10	-
Diminution in investements	6.30	-
Provision for doubtful debts	1.64	-
Interest income	(19.90)	(1.49)
Dividend income	(0.02)	-
Credit balances not required written back	(5.44)	-
Interest expense	481.10	330.92
Operating profit before working capital changes	2,932.04	2,046.36
Adjustments for :		
Decrease/(increase) in trade receivables	(4,868.56)	533.73
Decrease/(increase) in inventories	(1,509.58)	1,187.68
Decrease/(increase) in short term loans and advances	(1,004.34)	(1,380.77)
Decrease/(increase) in long term loans and advances	(9.43)	(22.30)
Decrease/(increase) in other current assets	(154.69)	613.66
(Decrease)/increase in trade payables	1,667.54	(828.76)
(Decrease)/increase in Long term provisions	12.96	(129.59)
(Decrease)/Increase in other current liabilities & short term provisions	98.83	(626.05)
Cash generated from operations	(2,835.23)	1,393.96
Taxes paid	(402.45)	(341.67)
Net cash from/ (used in) operating activities (A)	(3,237.68)	1,052.29
B. Cash flows from investing activities		
Purchase of fixed assets	(373.81)	(164.43)
Proceeds on sale of fixed assets	-	3.89
Purchase of additional stake in Feepad Pvt Ltd	(85.00)	(65.00)
Purchase of equity in K P Energy Ltd	(24.76)	-
Proceeds on sales of investments	325.00	-
Margin money (held)/withdrawn with banks	(1,064.04)	33.49
Dividend received	0.02	-
Interest received on deposits	19.90	1.49
Net cash from/ (used in) investing activities (B)	(1,202.69)	(190.56)
C. Cash flows from financing activities		
Receipt/payment borrowings		
Net of proceeds / (Repayment) from borrowings	4,619.44	(864.12)
Proceeds on issue of shares	334.98	-
Dividend paid	(16.40)	-
Interest paid	(481.10)	(330.92)
Net cash from/ (used in) financing activities (C)	4,456.92	(1,195.04)
Net increase in cash and cash equivalents (A+B+C)	16.54	(333.31)
Cash and bank balances at the beginning of the year	109.08	442.39
Cash and bank balances at the end of the year (Refer note 17A)	125.63	109.08
As per our report of even date attached		
For Sreedar Mohan & Associates	For and on behalf of the Board of Directors	
Chartered Accountants	Bondada Engineering Private Limited	
Firm's Registration No. 012722S	CIN: U28910TG2012PTC080018	
Sd/-	Sd/-	Sd/-
Sreedar Reddy Gudapureddy	Raghvendra Rao Bondada	Satyanaraya Baratam
Partner	Chairman and	Whole-time Director and
Membership No: 213341	Managing Director	Chief Financial Officer
	DIN : 01883766	DIN : 02610755
	Sd/-	
	Sonia Bidlan	
	Company Secretary	
Place : Hyderabad	Membership No: A37766	
Date : 15-May-2023		

Bondada Engineering Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March,2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

11	Non-current investments			As at 31.03.2023		As at 31.03.2022			
	<u>Unquoted investments</u>								
	FeePad Private Ltd			150.00		65.00			
					150.00		65.00		
	Details of investments - Non-current (Unquoted)			As at 31.03.2023			As at 31.03.2022		
	Equity instruments of companies (fully paid-up):			Face Value	Number of shares	Amount	Face Value	Number of shares	Amount
	FeePad Private Limited			10	1,137	150.00	10	379	65.00
	Total					150.00			65.00
12	Deferred tax asset			As at 31.03.2023		As at 31.03.2022			
	Opening balance			25.90		55.51			
	Additions			17.82		-29.61			
	Closing				43.72		25.90		
13	Long term loans and advances			As at 31.03.2023		As at 31.03.2022			
	Electricity deposit			11.95		14.02			
	Other deposits			103.63		90.95			
	Sales tax deposits			-		1.18			
	Total				115.58		106.15		
14	Current investments			As at 31.03.2023		As at 31.03.2022			
	<u>Quoted investments</u>								
	K P Engery Limited			24.76		-			
	Provision for diminution			(6.30)		-			
	Total				18.46		-		
	Details of investments - Current (Quoted)			As at 31.03.2023			As at 31.03.2022		
	Equity instruments of companies (fully paid-up):			Face Value	Number of shares	Amount	Face Value	Number of shares	Amount
K P Engery Limited			5	12,174	24.76	-	-	-	
Less:Provision for diminution					(6.30)			-	
Total					18.46			-	
15	Closing inventory ^{^\$}			As at 31.03.2023		As at 31.03.2022			
	Raw material			685.08		589.48			
	Work-in-progress			4,186.34		3,295.32			
	Stock in trade			791.02		373.58			
	Finished goods			296.25		190.74			
	Total				5,958.70		4,449.12		
^{^\$} Refer Note 4 & 6 inventories provided as collateral security for borrowings									
16	Trade receivables			As at 31.03.2023		As at 31.03.2022			
	Unsecured, considered good ***			12,789.90		7,930.09			
	Doubtful			1.64		-			
					12,791.54		7,930.09		
	Less: Provision for doubtful debts				-1.64		-		
	Total				12,789.90		7,930.09		
	Ageing for FY 2022-23			< 6 M	6 M - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	(i) Undisputed Trade receivables -considered good			12,282.73	273.74	82.41	103.65	-	12,742.53
	(ii) Undisputed Trade receivables -considered doubtful			-	-	-	-	-	-
	(iii) Disputed trade receivables considered good			-	-	47.37	-	-	47.37
	(iv) Disputed trade receivables considered doubtful			-	-	-	-	-	-
	Total			12,282.73	273.74	129.78	103.65	-	12,789.90
	Ageing for FY 2021-22			< 6 M	6 M - 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	(i) Undisputed Trade receivables -considered good			7,051.21	372.48	211.85	230.53	-	7,866.07
	(ii) Undisputed Trade receivables -considered doubtful			-	-	-	-	-	-
	(iii) Disputed trade receivables considered good			-	2.92	47.87	13.23	-	64.02
	(iv) Disputed trade receivables considered doubtful			-	-	-	-	-	-
Total			7,051.21	375.40	259.72	243.76	-	7,930.09	
*** Refer Note 4 & 6 receivables provided as collateral security for borrowings									

Bondada Engineering Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March,2023

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

Bondada Engineering Private Limited

Notes to Consolidated Financial Statements for the year ended 31 March,2023

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

17A	Cash and bank balances	As at 31.03.2023		As at 31.03.2022	
		Cash on hand	0.24		3.35
	Balances with banks (Refer note below)				
	On current accounts	125.39		105.73	
	Total		125.63		109.08
Note: Cash and bank balances includes deposits maintained by the company with banks, which can be withdrawn by the company at any point of time with out prior notice or penalty on the principal.					
17 B	Other bank balances (Refer note below)	As at 31.03.2023		As at 31.03.2022	
		Margin money deposits with banks	1,081.70		17.66
	Total		1,081.70		17.66
Note: Includes deposits Rs. 1081.70 lakhs (previous year Rs.17.66 Lakhs) against margin money with banks					
18	Short term loans and advances	As at 31.03.2023		As at 31.03.2022	
		Advances to employees	54.87		86.44
	Advances to vendors	2,055.10		1,019.19	
	Total		2,109.97		1,105.63
19	Other current assets	As at 31.03.2023		As at 31.03.2022	
		Balances with government authorities	656.76		238.30
	Advance tax including TDS receivable	387.78		341.67	
	Rent deposits	72.02		32.11	
	Prepaid expenses	42.70		22.57	
	Interest accrued, but not due	21.41		2.27	
	Other receivables	75.90		77.17	
	Total		1,256.56		714.09

Bondada Engineering Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March,2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

2	Description	No. of Shares	As at 31.03.2023	No. of Shares	As at 31.03.2022	
	Share capital					
	Equity share capital:					
	Authorised share capital	2,50,00,000	2,500.00	10,00,000	100.00	
	Issued, subscribed & fully paid up share capital	1,59,06,059	1,590.61	8,20,000	82.00	
	1,59,06,059 (previous year 8,20,000) Equity shares of Rs. 10 each, fully paid up.					
			1,590.61		82.00	
2.1	Equity shareholders holding more than 5% of equity shares along with the number of equity shares held is as given	Equity shares with voting rights and number of shares (As at 31.03.2023)		Equity shares with voting rights and number of shares (As at 31.03.2022)		
	Bondada Raghavendra Rao	99,94,000	62.83%	5,26,000	64.15%	
	Baratam Satyanarayana	19,00,000	11.95%	1,00,000	12.20%	
	Bondada Neelima	17,86,000	11.23%	94,000	11.46%	
	Dutta Uma Maheswara rao	9,50,000	5.97%	50,000	6.20%	
2.2	Rights, preferences and restrictions attached to equity shares					
	The company has one class of equity shares having a par value of Rs.10 per share. Each equity shareholder is entitled to one vote per share held.					
	The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.					
	In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.					
		Shares held by promoters				
		As at 31.03.2023		As at 31.03.2022		
2.3	Promoters name	As on 31.03.2023	% of total shares	As on 31.03.2022	% of total shares	% Change during the year
	Bondada Raghavendra Rao	99,94,000	62.83%	5,26,000	64.15%	-1.32%
	Baratam Satyanarayana	19,00,000	11.95%	1,00,000	12.20%	-0.25%
	Bondada Neelima	17,86,000	11.23%	94,000	11.46%	-0.23%
2.4	The Reconciliation of the number of shares outstanding is set out below :	As at 31.03.2023		As at 31.03.2022		
		No of shares		No of shares		
	Equity shares outstanding of the beginning of the year	8,20,000		8,20,000		
	Add : Equity shares issued during the year	17,161		-		
	Add : Bonus shares	1,50,68,898		-		
	Equity shares outstanding at the end of the year	1,59,06,059		8,20,000		
3	Reserves and Surplus	As at 31.03.2023		As at 31.03.2022		
	Securities premium account :					
	Opening balance	-		-		
	Add : Additions during the year	333.27		-		
	Closing balance	333.27		-		
	Retained earnings					
	Opening balance	5,820.52		4,732.41		
	Adjustments	(0.93)		1.01		
	Less: Share of minority interest in opening reserves	(16.72)		-		
	Less: Loss on partial disposal of investment in subsidiary	(39.52)		-		
	Add: Profit for the period	1,673.69		1,087.11		
	Less: Dividend paid	(16.40)		-		
	Less: Bonus shares	(1,506.89)		-		
	Total	5,913.74		5,820.52		
		6,247.01		5,820.52		
4	Long term borrowings	As at 31.03.2023		As at 31.03.2022		
	Secured (Note: i)					
	Vehicle loans	29.19		19.46		
	Term loan	-		3.88		
	Unsecured (Note: ii)					
	Loan from Directors	370.75		283.60		
	Total	399.94		306.94		

Bondada Engineering Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March,2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

	(i) Term loans from banks referred above to the extent of: Nil in current year (previous year Rs.3.88 Lakhs, are secured by way of first charge on stocks, Trade receivables, collateral security of company land and buildings and collateral security of Director building) Vehicle loans of Rs.18.42 lakhs (previous year Rs. 19.46 lakhs) are secured by way of hypothecation to bank. Vehicle loans of Rs.10.77 lakhs (previous year Rs. NIL) are secured by way of hypothecation to financial institution. (ii) Unsecured loan from Directors Rs.370.75 lakhs (previous year Rs. 283.60) lakhs are unsecured and interest free.				
4.1	Interest rates on borrowings are in range of 7.50% to 10.50%				
4.2	Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.				
5	Long-term provisions	As at 31.03.2023		As at 31.03.2022	
	Provision for gratuity	32.98		22.11	
	Provision for leave encashment	21.69		19.60	
	Total		54.67		41.71
6	Short-term borrowings	As at 31.03.2023		As at 31.03.2022	
	Cash credit from banks Refer Note:(a)	7,505.94		3,149.48	
	Current maturities of term loans Refer Note:(b)	-		318.80	
	Current maturities of vehicle loans Refer Note:(c)	16.77		27.99	
	Inter corporate deposits Refer Note:(d)	500.00		-	
	Total		8,022.71		3,496.26
	(a) Cash credits from banks of Rs. 7505.94 lakhs (previous year Rs. 3149.48 lakhs) are secured by way of first charge on stocks, Trade receivables, collateral security of company land and buildings and collateral security of Director building. (b) Rs. NIL (previous year Rs. 318.80 lakhs) are current maturities of term loans which are secured by way of first charge on stocks, Trade receivables, collateral security of company land and buildings and collateral security of Director building (c) Rs. 10.48 lakhs (previous year Rs. 5.81 lakhs) are current maturities of vehicle loans secured by hypothecation to bank. Rs. 6.29 lakhs (previous year Rs. 22.18 lakhs) are current maturities of vehicle loans secured by hypothecation to financial institution. (d) Inter corporate deposits of Rs. 500 lakhs (previous year Rs. NIL) are availed from Valuepitch Etechnologies Private Limited, unsecured with 7.5 % p.a. rate of interest				
7	Trade payables	As at 31.03.2023		As at 31.03.2022	
	Sundry creditors	4,487.96		2,825.85	
	Total	-	4,487.96	-	2,825.85
	Ageing for FY 2022-23	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years
	(i) MSME	146.29	-	-	-
	(ii) Others	3,995.87	295.89	-	-
	(iii) Disputed dues- MSME	-	-	-	-
	(iv) Disputed dues - Others	-	49.91	-	-
	Total	4,142.16	345.80	-	-
	Ageing for FY 2021-22	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years
	(i) MSME	196.84	-	-	-
	(ii) Others	2,523.29	55.08	-	-
	(iii) Disputed dues- MSME	-	-	-	-
	(iv) Disputed dues - Others	50.65	-	-	-
	Total	2,770.78	55.08	-	-
8	Other current liabilities	As at 31.03.2023		As at 31.03.2022	
	Advance from customers	440.14		276.94	
	Statutory remittances	528.64		160.00	
	Interest Payable on ICD	8.44		-	
	Outstanding liabilities	2,067.36		2,127.53	
	Employee related Payables	106.65		144.76	
	Other Payables	103.28		46.52	
	Total		3,254.51		2,755.75
9	Short-term provisions	As at 31.03.2023		As at 31.03.2022	
	Provision for employees' benefits				
	Provision for bonus	31.21		28.69	
	Provision for gratuity	28.21		14.80	
	Provision for EL encashment	24.58		21.27	
	Provision for others				
	Provision for income tax	570.07		418.13	
	Total		654.07		482.89

Bondada Engineering Private Limited

Notes to Financial Statements for the year ended 31 March,2023

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

10	Property, plant & equipment									
	Fixed assets	At cost			Depreciation			Net block		
As at 1st Apr-22		Additions	Deletions	As at 31st Mar-23	As at 1st Apr-22	Charge for the Year	On Disposals	As at 31st Mar-23	As at 31st Mar-23	As at 31st Mar-22
Tangible:										
Land ^^	325.17	270.41	-	595.58	-	-	-	-	595.58	325.17
Buildings ^^	336.91	4.30	-	341.21	78.52	24.59	-	103.11	238.10	258.38
Plant and machinery	624.95	52.76	0.33	677.38	152.71	88.44	0.25	240.90	436.48	472.25
Site equipment	100.91	4.95	9.18	96.68	78.79	10.73	0.43	89.09	7.59	22.12
Furniture and fixtures	45.94	2.53	0.39	48.08	33.92	3.32	-	37.24	10.84	12.02
Office equipments	21.89	4.89	0.43	26.35	18.49	2.38	0.24	20.63	5.72	3.40
Computers	42.05	21.71	0.90	62.86	36.14	8.73	0.27	44.60	18.26	5.91
Vehicles ^^	90.29	11.42	-	101.71	40.34	16.72	-	57.06	44.65	49.95
Total - Tangible	1,588.11	372.97	11.23	1,949.85	438.91	154.91	1.19	592.63	1,357.22	1,149.19
<i>Previous year</i>	<i>1,476.89</i>	<i>156.32</i>	<i>45.09</i>	<i>1,588.11</i>	<i>299.89</i>	<i>177.39</i>	<i>38.36</i>	<i>438.93</i>	<i>1,149.19</i>	<i>1,174.17</i>
Intangible:										
Goodwill	120.12	-	-	120.12	-	24.02	-	24.02	96.09	120.12
Software	41.29	0.84	4.66	37.48	26.22	3.85	4.58	25.49	11.99	15.08
Total - Intangible	161.41	0.84	4.66	157.60	26.22	27.87	4.58	49.51	108.08	135.19
<i>Previous year</i>	<i>158.14</i>	<i>3.32</i>	<i>0.06</i>	<i>161.40</i>	<i>22.15</i>	<i>4.06</i>	<i>-</i>	<i>26.22</i>	<i>135.19</i>	<i>135.99</i>
Grand Total	1,749.52	373.81	15.89	2,107.45	465.13	182.78	5.77	642.14	1,465.30	1,284.39
<i>Previous year</i>	<i>1,635.03</i>	<i>159.64</i>	<i>45.15</i>	<i>1,749.52</i>	<i>322.05</i>	<i>181.46</i>	<i>38.36</i>	<i>465.14</i>	<i>1,284.38</i>	<i>1,310.16</i>

^^ Refer Note 4 & 6 - Loans secured against land, buidlings and vehicles.

10.1 Capital-Work-in progress (CWIP)

Ageing as at 31st March, 2023

Particulars	Amount in CWIP for a period of				Total
	<1 Year	1-2 Years	2-3 Years	>3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

10.2 Capital-Work-in progress (CWIP)

Ageing as at 31st March, 2022

Particulars	Amount in CWIP for a period of				Total
	<1 Year	1-2 Years	2-3 Years	>3 Years	
Projects in progress	4.83	-	-	-	4.83
Projects temporarily suspended	-	-	-	-	-

Bondada Engineering Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March,2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

20	Revenue from operations	Year ended 31.03.2023		Year ended 31.03.2022	
		Revenue from EPC	23,710.55		16,694.49
Revenue from services	5,116.22		8,386.42		
Revenue from products	8,108.65		8,259.06		
Revenue from traded products	71.26	37,006.68	-	33,339.97	
Other operating revenue					
Revenue from sale of scrap	52.16	52.16	95.40	95.40	
Total		37,058.84		33,435.37	
21	Other Income	Year ended 31.03.2023		Year ended 31.03.2022	
		Interest income on margin money	19.90		1.49
Dividend income	0.02		-		
Insurance claims	-		1.99		
Profit from sale of asset	-		2.73		
Profit from sale of investment	16.60		-		
Balances not required written back	5.44		-		
Total		41.96		6.21	
22	Changes in inventories of finished goods, work in progress and stock in trade	Year ended 31.03.2023		Year ended 31.03.2022	
		Closing inventory			
Work in progress	4,186.34		3,295.33		
Stock in trade	791.02		373.58		
Finished goods	296.25	5,273.61	190.74	3,859.64	
Opening inventory					
Work in progress	3,295.32		4,662.22		
Stock in trade	373.58		130.13		
Finished goods	190.74	3,859.64	226.07	5,018.43	
Total		(1,413.98)		1,158.78	
23	Operating expenses	Year ended 31.03.2023		Year ended 31.03.2022	
		Construction expenses	8,714.75		5,437.05
O&M service cost	2,743.75		4,428.11		
Manufacturing expenses	584.76		546.09		
Design expenses	58.98		58.44		
Factory rent	101.74		107.59		
Power and fuel expenses	124.79		124.35		
Loading and unloading	131.43		103.70		
Repairs and maintenance	21.25		72.90		
Transportation	527.87		615.83		
Total		13,009.32		11,494.06	
24	Employee benefits expense	Year ended 31.03.2023		Year ended 31.03.2022	
		Salaries and wages	1,891.23		2,864.06
Contribution to provident and other funds	55.28		270.03		
Staff welfare expenses	21.92		10.64		
Total		1,968.43		3,144.73	
24.1	As per accounting standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below:				
	a) Defined contribution plans:				
The company makes provident fund contributions to defined contribution plans for qualifying employees. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company contributed Rs 55.28 lakhs (for the year ended 31.03.2022: Rs 270.03 lakhs) to these plans as its contribution under the provident fund scheme. The contributions payable to these plans by the company are at rates specified in the law prescribed for the same.					

Bondada Engineering Private Limited**Notes to Consolidated Financial Statements for the year ended 31 March,2023****(All amounts are rupees in Lakhs except share data and unless otherwise stated)****b) Defined benefit plans :**

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation for gratuity is determined on the basis of Actuarial valuation report made at the year end.

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The following table sets out the status of the gratuity plan and the amounts recognized in the company's financial statements as at 31st March, 2023.

Data summary and analysis:

We were provided with current data which was checked and validated and a comparison with the data used for the previous period is provided below:

Date of valuation	As at 31 March, 2023	As at 31 March, 2022
No of employees eligible for the benefit	529	415
Total eligible salary per month	68.33	48.12
Average salary per month	0.13	0.12
Average age	34.47 Yrs	32.82 Yrs
Average past service	1.23 Yrs	1.70 Yrs
	Gratuity - Unfunded	
a) Changes in present value of obligations (PVO)	As at 31 March, 2023	As at 31 March, 2022
Present value of benefit obligation at the beginning of the period	34.23	37.67
Interest cost	1.75	1.59
Current service cost	5.59	15.37
Benefits paid from the fund	(0.38)	(0.72)
Actuarial (gains)/losses on obligations	14.63	(19.68)
PVO at the end of the year	55.82	34.23
	Gratuity - Unfunded	
b) Amount to be recognized in the balance sheet:	As at 31 March, 2023	As at 31 March, 2022
PVO at the end of period	55.82	34.23
Fair value of plan assets at end of the period	-	-
Funded status (surplus/(deficit))	(55.82)	(34.23)
Net (liability)/asset recognized in the balance sheet	(55.82)	(34.23)
	Gratuity - Unfunded	
c) Expense recognized in the statement of profit or loss:	As at 31 March, 2023	As at 31 March, 2022
Current service cost	5.59	15.37
Net interest Cost	1.75	1.59
Actuarial (gains)/losses on obligations	14.63	(19.68)
Expense recognized in the statement of profit or loss	21.97	(2.72)
	Gratuity - Unfunded	
d) Other details	As at 31 March, 2023	As at 31 March, 2022
No of active members	529	415
Per month salary for active members	68.33	48.12
Average expected future services	2.02	2.03
Projected benefit obligation	55.82	34.23

Bondada Engineering Private Limited
Notes to Consolidated Financial Statements for the year ended 31 March,2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

e) Assumption:		Gratuity - Unfunded	
		As at 31 March, 2023	As at 31 March, 2022
Expected rate on plan assets	N/A	N/A	
Rate of discounting	7.20%	5.15%	
Rate of salary increase	3.50% for first year and 6% thereafter	3.50% for first year and 6% thereafter	
Rate of employee turnover	49%	49%	
Mortality rate during employment	IALM(2012-14) Ultimate	IALM(2012-14) Ultimate	
Mortality rate after employment	N/A	N/A	
The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.			
25	Finance costs	Year ended 31.03.2023	Year ended 31.03.2022
	Interest on loans	25.81	16.83
	Interest on overdraft	454.76	314.10
	Interest on others	0.54	-
	Bank charges	77.32	15.82
	Total	558.43	346.75
26	Administrative expenses	Year ended 31.03.2023	Year ended 31.03.2022
	Rent	96.17	102.45
	Rates and taxes	14.65	13.49
	Legal and professional charges	74.27	37.78
	Insurance	3.61	4.58
	Telephone and internet expenses	18.82	11.42
	Office maintenance expenses	98.63	61.42
	Repairs and maintenance	15.79	11.40
	Security charges	21.24	23.98
	Training expenses	1.13	1.64
	Travelling expenditure	156.02	80.93
	Donation to political party	10.00	3.84
	CSR expenses	40.59	15.06
	Postage and courier	2.65	1.25
	Printing and stationary	10.72	4.02
	Provision for doubtful debts	1.64	-
	Baddebts written off	25.36	-
	Debit balances written off	7.10	1.39
	Asset write off	15.07	-
	Diminution in investements	6.30	-
	Payment to auditors	25.00	3.60
	Other administrative expenses	1.23	7.44
		645.99	385.69
	Selling expenses		
	Advertisement	0.31	0.12
	Sales promotion	66.58	39.96
	Commission	31.65	30.00
	Other selling expenses	2.64	5.92
	Total	747.17	461.69
26.1	Payment to Auditors as	Year ended 31.03.2023	Year ended 31.03.2022
	(a) Payment to statutory auditors	15.00	2.80
	(b) Taxation matters	2.00	0.80
	(c) Other services	8.00	-
	Total	25.00	3.60
26.2	Corporate social responsibility (CSR)	Year ended 31.03.2023	Year ended 31.03.2022

Bondada Engineering Private Limited**Notes to Consolidated Financial Statements for the year ended 31 March,2023****(All amounts are rupees in Lakhs except share data and unless otherwise stated)**

a) Amount required to be spent by the company during the year		26.07		28.31
b) Amount of expenditure incurred		40.59		15.06
c) Excess / (shortfall) at the end of the year		14.52		(13.25)
d) Total of previous years shortfall		(13.25)		12.95
e) Reason for shortfall	-Nil-			
f) Nature of CSR activities	Philanthropic and economic responsibility			
g) Details of related party transactions e.g., contributions to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard.	-Nil-			
Details of amount spent		Year ended 31.03.2023		Year ended 31.03.2022
(a) Healthcare		4.73		5.00
(b) Education		2.08		1.75
(c) Rural transformation		32.17		8.31
(d) Administrative overheads		1.61		-
Total		40.59		15.06
27 Earnings per share (EPS)	Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average			
	Particulars	Year ended 31.03.2023		Year ended 31.03.2022
	Net profit as per Profit and Loss Statement attributable to equity shareholders	1,673.69		1,087.11
	Weighted average number of ordinary shares			
	Number of issued equity shares	8,20,000		8,20,000
	Add: Shares issued during the year	17,161		-
	Add: Bonus shares	1,50,68,898		1,50,68,898
	Nominal value per share	10.00		10.00
	Weighted average number of equity shares used as denominator for	1,58,90,638		1,58,88,898
	Basic and Diluted earnings per share (in Rs)	10.53		6.84

Bondada Engineering Private Limited

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

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

28 Leases:

Operating lease commitments:

The group has taken premises on lease under cancellable operating leases. These lease agreements are normally renewed on expiry. There are no restrictions placed upon the group by entering into these leases and there are no subleases. The annual increments are expected to be in line with the expected general inflation to compensate the lessor for the expected inflationary cost increase.

29 Related party disclosure:

Name of the related party	Nature of relation
Bondada Raghavendra Rao	Managing Director
Bondada Neelima	Director
Baratam Satyanarayana	Executive Director & Chief Financial Officer
Sonia Bidlan	Company Secretary
Smartbrix Infra Technologies Private Limited	Subsidiary Company
Bondada Abodes Private Limited (formerly known as Proaxive Tech Solutions Private Limited)	Subsidiary Company

A. Transaction with related parties during the year

Name of party	Nature of transaction	Year ended 31 March, 2023	Year ended 31 March, 2022
B Raghavendra Rao	Remuneration	26.76	14.36
	Commission	18.00	18.00
	Loan availed (repaid)	(33.00)	(186.54)
	Bonus shares	946.80	-
	Dividend paid	10.52	-
B Satyanarayana	Remuneration	20.76	11.97
	Commission	12.00	12.00
	Loan availed (repaid)	16.50	(55.5)
	Bonus shares	180.00	-
	Dividend paid	2.00	-
B Neelima	Rent	1.20	1.20
	Loan availed (repaid)	(10.00)	-
	Bonus shares	169.2	-
	Dividend paid	1.88	-

Bondada Engineering Private Limited
Notes to financial statements for the year ended 31 March, 2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

B. Balance with Related parties

(Rs in Lakhs)

Name of Party	Nature of Transaction	As at 31 st March'23	As at 31 st March'22
B Raghavendra Rao	Unsecured loan payable	67.00	100.04
	Remuneration payable	-	17.10
	Share capital	999.40	52.6
B Satyanarayana	Unsecured loan payable	103.60	87.10
	Remuneration payable	-	11.40
	Share capital	190.00	10.00
B Neelima	Unsecured loan payable	1.75	11.75
	Share capital	178.6	9.4

30. Dividend distribution made and proposed

Particulars	As at 31 st March 2023	As at 31 st March 2022
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 st March 2022: Rs. 2 per share (31 st March 2021 Rs. Nil per share)	16.40	-
Total	16.40	-
Proposed dividends on equity shares:		
Final dividend for the year ended on 31 st March 2023: Rs. 0.12 per share (31 st March 2022 Rs.2 per share)	19.09	16.40
Total	19.09	16.40

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31st March, 2023.

The dividend declared/proposed and paid is in accordance with Section 123 of the The Companies Act, 2013.

31. Segment Information

The group's Chief operating decision maker, is the Managing Director and Executive director who evaluates Bondada Group's performance by virtue of EPC, services and products business which is primary segment in accordance with core principles of AS 17 – "Segment Reporting". Further, the group does not operate in more than one geographical segment (outside India), the disclosure requirement as per geographical segment is not applicable to the group.

Bondada Engineering Private Limited

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

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

The accounting policies adopted for segment reporting are in line with the accounting policies of the group. Segment revenue, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segments on reasonable basis have been included under “unallocable revenue /expenses /assets /liabilities”.

A. Segment revenue and results

Particulars	Segment revenue		Segment profit	
	Year ended 31 st March 2023	Year ended 31 st March 2022	Year ended 31 st March 2023	Year ended 31 st March 2022
EPC	23,710.55	16,694.49	2,015.10	1,422.64
Services	5,114.94	8,386.42	301.95	203.26
Products	8,233.35	8,354.46	479.43	250.05
Total	37,058.84	33,435.37	2,796.48	1,875.94
Less: Finance cost			558.43	346.75
Add: Unallocable income (net of unallocable expenses)			41.96	6.21
Profit before tax			2,280.01	1,535.40

B. Capital employed (Segment assets-Segment liabilities)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Segment assets		
EPC	11,300.05	7,586.87
Services	2,176.63	2,356.78
Products	3,858.08	2,459.87
Total	17,334.76	12,403.52
Unallocable assets	7,780.75	3,408.40
Consolidated total assets	25,115.51	15,811.92
Segment liabilities		
EPC	9,894.69	6,300.07
Services	2,074.93	1,149.45
Products	3,845.93	2,434.87

Bondada Engineering Private Limited

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

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

Total	15,815.55	9,884.39
Unallocable liabilities	9,299.97	5,927.53
Consolidated total liabilities	25,115.51	15,811.92

32. Contingencies and commitments

Particulars	As at 31 st March 2023	As at 31 st March 2022
(A) Contingent liabilities:		
Claims against the group not acknowledged as debt (refer note (a) & (b) below)	-	-
(B) Commitments:		
Contracts remaining to be executed on capital account and not provided for (net of capital advances)	-	-
Total	-	-

a) Bank guarantees and letter of credits:

The group has following outstanding bank guarantees (BG) for execution of projects

(Rs in Lakhs)

Name of the beneficiary	Type	As at 31 st March'2023	As at 31 st March'2022
BSNL	BG	4,752.09	19.58
Telesonic Networks Limited	BG	60.00	60.00
Indus Towers Limited	BG	20.00	20.00
RailTel Corporation of India Limited	BG	19.43	-
Bharat Heavy Electricals Limited	BG	16.51	-
Pollution Control Board, Telangana	BG	2.00	2.00
Bharti Infratel Limited	BG	1.00	1.00
My Home Industries	BG	10.00	10.00
ITI Limited	BG	-	23.56
Zuari Cement Ltd	BG	-	10.00
Total		4,881.03	146.14

b) Corporate guarantee (CG):

Name of the Beneficiary	Type	As at 31 st March'2023	As at 31 st March'2022
Smartbrix Infra Technologies Private Limited	CG	400.00	-
Bondada Abodes Private Limited	CG	100.00	-

Bondada Engineering Private Limited
Notes to financial statements for the year ended 31 March, 2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

33. Ratio Analysis

	Particulars	Formula	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance
1	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liability	1.42	1.50	(0.05)
2	Debt Equity Ratio ^a	Debt / Equity	Debt= long term borrowing and current maturities of long-term borrowings and redeemable preference shares treated as financial liability	Equity= Equity + Reserve and Surplus	0.05	0.11	(0.52)
3	Debt Service Coverage Ratio ^b	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	6.48	4.98	0.30
4	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Shareholder's Equity	0.21	0.18	0.16
5	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	6.03	5.51	0.09

Bondada Engineering Private Limited

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

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

	Particulars	Formula	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance
6	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	3.58	4.08	(0.12)
7	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	5.41	4.67	0.16
8	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Working Capital= Current assets – Current liabilities	5.35	7.02	(0.24)
9	Net Profit Ratio ^c	Net Profit / Net Sales	Net Profit	Net Sales	0.05	0.03	0.39
10	Return on Capital employed	EBIT / Capital Employed	Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	0.33	0.30	0.08
11	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	0.21	0.18	0.16

- a) Due to decrease in long term loans and increase in networth
- b) Due to increase in Operating profit during the year without corresponding increase in debt obligations
- c) Due to increase in net profit

Bondada Engineering Private Limited

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

(All amounts are rupees in Lakhs except share data and unless otherwise stated)

34. Other Disclosure

- I. Title deeds of all immovable properties are held in the name of the group.
- II. The group has not revalued its property, plant and equipment and intangible assets during the year.
- III. No proceedings have been initiated or pending against the group for holding any benami properties under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- IV. The group has not been declared a wilful defaulter as defined by any bank or financial Institution or other lender.
- V. The group had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- VI. There are no charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- VII. The group has complied with the number of layers prescribed under Clause 87 of Sec.2 of the Act read with the Companies (Restriction on number of layers) Rules 2017.
- VIII. A). The group 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 (whether recorded in writing or otherwise) that the intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
B) The group has not received any fund from any person(s) or entity (ies), including foreign entities (Funding party) with the understanding (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.
- IX. There were no transactions which were not recorded as income in the books of account but surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- X. The group has not traded or invested in Crypto currency or virtual currency during the financial year.
- XI. Latest valuation reports has been considered for valuation of unquoted Investments in equity shares.

Bondada Engineering Private Limited
Notes to financial statements for the year ended 31 March, 2023
(All amounts are rupees in Lakhs except share data and unless otherwise stated)

35. The Financial statements were approved for issue by the Board of Directors on 15th May, 2023.

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

As per our Report of even due
For Sreedar Mohan & Associates
Chartered Accountants
Firm's Registration No. 012722S

For and on behalf of the Board
Bondada Engineering Private Limited
CIN: U28910TG2012PTC080018

Sd/-

Sreedar Reddy Gudapureddy
Partner
Membership No: 213341

Sd/-

Raghvendra Rao Bondada
Chairman and
Managing Director
DIN : 01883766

Sd/-

Satyanaraya Baratam
Whole-time Director and
Chief Financial Officer
DIN : 02610755

Sd/-

Sonia Bidlan
Company Secretary
M No: A37766

Place: Hyderabad
Date: 15th May, 2023.

Bondada Engineering Private Limited
Notes to financial statements for the year ended 31 March 2023
(All amounts in rupees in Lakhs except share data and unless otherwise stated)

Reporting group overview

Group consists of the parent company - Bondada Engineering Private Limited and its subsidiary entities – Bondada Abodes Private Limited (formerly known as Proaxive Tech Solutions Private Limited) and Smartbrix Infra Technologies Private Limited, together called as “**The Group**” The group is engaged in the business of Civil, Mechanical, Electrical, O&M Works, Tower Manufacturing, UPVC Windows, and AAC Blocks.

Note 1: Significant accounting policies

I. Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India. The group has prepared these financial statements under the historical cost convention on accrual basis to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 read with Rule-7 of the Companies (Accounts) Rules, 2015 as amended. The accounting policies have been consistently applied by the group. All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle. The group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Basis of consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Profit or loss are attributed to the owners of the company and to the minority interests.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the company.

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

Consolidation procedures

Combining like items of assets, liabilities, equity, income, expenses and cash flows of the company with those of its subsidiaries.

Offset (eliminate) the carrying amount of the company's investment in each subsidiary and the company's portion of equity of each subsidiary.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

II. Current/non-current classification

The group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is –

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

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

III. Significant accounting estimates and assumptions

The preparation of the group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

IV. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. The cost of self-constructed assets includes the cost of materials and direct services, any other costs directly attributable to bringing the assets to its working condition for their intended use.

All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation / Amortisation and useful life of property, plant and equipment / intangible Assets

Depreciation on property, plant and equipment have been provided under the Written down Value method, based on useful lives of assets as estimated by the management or the useful lives of the assets as prescribed in Schedule-II to the Companies Act 2013, whichever is lower. Depreciation is charged on a monthly pro-rata basis for assets purchased/sold during the year.

Following are the estimated useful lives of various category of assets used:

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

Asset	Useful Life in Years
Site equipment	5
Plant & machinery	15
Furniture & fittings	10
Computers	3
Office equipment	5
Vehicles	8
Buildings	30

V. Impairment of assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the assets. If such recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount of the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

VI. Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, and other costs net of recoverable taxes incurred in bringing them to their respective present location and condition.

Inventories are valued as follows:

Raw materials and stores & spares	- Lower of Cost or net realisable Value
Work-in-process	- Based on the amount of expenditure incurred and as certified by project managers
Finished goods	- Lower of Cost or net realisable value

VII. Investments

Long term investments are accounted at cost and carried at cost. If there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

Cost of an investment includes acquisition charges such as brokerage, fees and duties. Current investments may be carried at the lower of cost and fair value.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the profit and loss statement.

When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total holding of the investment.

VIII. Cash and cash equivalents

Cash and cash Equivalents comprise of cash in hand, cash at banks, short term deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

IX. Revenue recognition

- **Sale of goods and services:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and revenue can be reliably measured. Revenue comprises consideration received or receivable for rendering of services and work performed in the ordinary course of the group's activities excluding taxes collected on behalf of government.
- **Other income:** Other income comprises Interest Income and gain/loss on sale of Property, plant and equipment. Any gain or loss arising on de-recognition of property, plant and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.
- Incentives from department of Industries recognized based on the reasonable assurance from the government of Andhra Pradesh.

X. Borrowing cost

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use.

Borrowing costs are not capitalised where the property, plant and equipment do not take a substantial period of time to get ready for its intended use.

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

XI. Earnings per share

Basic earnings per Share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

XII. Income taxes

Tax expense for the year comprises current tax and deferred tax.

Current tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred tax:

Deferred tax charge or benefit is the tax effects of timing difference between accounting income and taxable income for the year. The deferred tax charge or benefit and corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax asset are recognized only if there is a virtual certainty of realization of such assets.

The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilized.

Minimum alternative tax:

After making adjustments for book profits as defined in Income Tax Act, 1961, Minimum alternative tax has to be paid in cases where it is higher than current tax.

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

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XIII. Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

XIV. Employee benefits

a) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) Post-employment benefit:

Defined contribution plans

The group deposits the contributions for provident fund and Employee State Insurance to the appropriate government authorities and these contributions are recognized in the statement of Profit & Loss in the financial year to which they relate.

Defined benefit plans

The group pays gratuity to the employees who have completed five years of service at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post- employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

XV. Provisions

A provision is recognized when the group has a present obligation as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made.

Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each reporting date and adjusted to reflect the current best estimates. If it

Bondada Engineering Private Limited

Notes to financial statements for the year ended 31 March 2023

(All amounts in rupees in Lakhs except share data and unless otherwise stated)

is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

XVI. Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.