



# ANNUAL REPORT

## 2023 -24

ACS TECHNOLOGIES LIMITED  
31st ANNUAL REPORT

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**CORPORATE INFORMATION:****Board of Directors**

- |                                |   |  |
|--------------------------------|---|--|
| 1. Mr. Ashok Kumar Buddharaju  | - | Chairperson & Managing Director                    |
| 2. Mrs. Anitha Alokam          | - | Whole-time Director                                |
| 3. Mr. CV Satyanarayana Murthy | - | Independent Director (Appointed w.e.f. 05.09.2023) |
| 4. Mr. Srinivasan Neti         | - | Independent Director (Appointed w.e.f. 05.09.2023) |

**Chief Financial Officer (CFO)**

Mr. Prabhakara Rao Alokam

**Company Secretary**

- |                     |   |                               |
|---------------------|---|-------------------------------|
| Mrs. Shilpi Gunjan  | - | (Appointed w.e.f. 17.06.2024) |
| Mr. Sridhar Pentela | - | (Resigned w.e.f. 17.06.2024)  |

**Committees of the Board****I. Audit Committee**

- |                                |          |
|--------------------------------|----------|
| 1. Mr. CV Satyanarayana Murthy | Chairman |
| 2. Mr. Srinivasan Neti         | Member   |
| 3. Mr. Ashok Kumar Buddharaju  | Member   |

**II. Remuneration & Nomination Committee**

- |                                |          |
|--------------------------------|----------|
| 1. Mr. CV Satyanarayana Murthy | Chairman |
| 2. Mr. Srinivasan Neti         | Member   |
| 3. Mrs. Anitha Alokam          | Member   |

**III. Stakeholders Relationship Committee**

- |                                |          |
|--------------------------------|----------|
| 1. Mr. Cv Satyanarayana Murthy | Chairman |
| 2. Mr. Srinivasan Neti         | Member   |
| 3. Mr. Ashok Kumar Buddharaju  | Member   |

**Other Committees****IV. Internal Complaint Committee**

- |                           |          |
|---------------------------|----------|
| 1. Mr. Snigdha Buddharaju | Chairman |
| 2. Mrs. Harsha Chauhan    | Member   |
| 3. Mrs. Bharti Sinha      | Member   |

**Registered Office**

Level-7, Pardha Picasa Building, Madhapur,  
Durgam Cheruvu road, Hyderabad-500081.  
Telangana, India.  
Tel: 040- 49034464  
E-mail ID: [csacsfcsgmail.com](mailto:csacsfcsgmail.com) , [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in)

**Bankers**

HDFC Bank Limited

**Statutory Auditors**

M/s. Gorantla & Co.,  
Chartered Accountants  
H. No. 6-3-664, Flat no:101, B-Block,  
Opp. Nims, Punjagutta,  
Hyderabad, Telangana  
Ph: (040) 23408569  
Email: gorantalaandco@gmail.com

**Secretarial Auditor**

VCSR & ASSOCIATES  
8-3-945, 3<sup>rd</sup> Floor, 305 A&B  
Pancom Business Centre  
Ameerpet, Hyderabad-500073  
Tel.040-23749021  
E-mail: [chveeru@gmail.com](mailto:chveeru@gmail.com)

**Registrar & Share Transfer Agents (RTA)**

M/s. Skyline Financial Services Pvt. Ltd  
A/505, Dattani Plaza,  
Andheri Kurla Road, Safeed Pool,  
Mumbai-400072  
Ph: 022 – 49721245  
Email: subhashdhingreja@skylinerta.com

**ISIN****INE366C01013**

## **NOTICE OF THE ANNUAL GENERAL MEETING**

**Notice** is hereby given that the Thirty First (31<sup>st</sup>) Annual General Meeting ('AGM') of the Members of ACS Technologies Limited (Formerly LN Industries India Limited) ("the Company") will be held on Monday 30<sup>th</sup> September 2024 at 1130 A.M. through Video Conferencing/ Other Audio Visual Means ('VC/OAVM') to transact the following business.

### **ORDINARY BUSINESS**

#### **1. To receive, consider and adopt:**

- (a) the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the reports of the Board of Directors and the Auditors thereon
- (b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024, together with the report of the Auditors thereon.

#### **2. To appoint a Director in place of Ashok Kumar Buddharaju (DIN 03389822) who retires by rotation and being eligible, offers himself for reappointment.**

### **SPECIAL BUSINESS**

#### **3. Continuation of Mr. CV Venkata Satyanarayana Murthy as Independent Director of the Company even after attaining the age of 75 years.**

To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder and other applicable provisions, if any, approval of the Members of the Company be and is hereby accorded for continuation of Mr. CV Venkata Satyanarayana Murthy (DIN: 01830388), as an Independent Director till his current tenure of appointment which end on September, 2028, notwithstanding that he will attain the age of 75 years on January 1, 2025."

**"RESOLVED FURTHER THAT,** the Board of Directors and the Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things, as they may consider necessary, expedient or desirable for giving effect to the foregoing resolution."

#### **4. Appointment of Mrs. Anitha Alokam as Executive Director liable to retire by rotation**

To consider and if thought fit, to pass the following resolution with or without modification(s) as a **Special Resolution:**

**"RESOLVED THAT** in pursuance of the provisions of Sections 196, 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required and subject to such conditions as may imposed while granting such approvals / consents and based on the recommendations of the Nomination and remuneration committee and approval of the Board of Directors given at their respective meetings dated **10<sup>th</sup> November, 2023**, the consent of the Members of the Company be and is hereby accorded for the appointment of Mrs. Anitha Alokam as Executive Director of the Company for a period of 5 (five) years commencing from 10<sup>th</sup> November, 2023 and ending 9<sup>th</sup> November, 2028, who shall be liable to retire by rotation on the salary and perquisites as set out below;

1. **Period of Remuneration:** The remuneration is for a period from 10<sup>th</sup> November, 2023 and ending 9<sup>th</sup> November, 2026,
2. **Salary:** Salary will be Rs. 1,00,000/- per month which includes Basic, DA, and all other allowances by whatever name called.
3. **Perquisites:** Perquisites shall be provided as per the rules of the Company and shall be inclusive (included) in the total compensation and shall be valued in terms of the provisions of Income Tax Act, 1961.

4. The Perquisites can be interchangeable within the overall ceiling of the annual salary.

**“RESOLVED FURTHER THAT** in pursuance of the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals, permissions as may be required, Mrs. Anitha Alokam as Executive Director of the Company, be paid the aforesaid remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during the term of her appointment, in accordance with the provisions of Schedule V to the Companies Act, 2013 or any amendment thereto or re-enactment thereof”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**By order of the Board  
For ACS Technologies Limited**

Date: 05/08/2024

Place: Hyderabad

**Ashok Kumar Buddhharaju  
Chairman and Managing Director  
(DIN: 03389822)**

#### **NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the Special Businesses set above is annexed hereto.
2. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment / re-appointment as Directors, are also annexed.
3. The Ministry of Corporate Affairs ('MCA'), vide General Circular No. 09/2023 dated September 25, 2023 has permitted holding of AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) on or before September 30, 2024. Hence, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars and SEBI Circulars, the 31<sup>st</sup> AGM of the Company is being held through VC / OAVM on Monday, September 30, 2024 at 12:00 P.M. (IST).
4. In compliance of Section 20 of the Act and further to the aforesaid MCA Circular and SEBI Circular, Notice of the 31<sup>st</sup> AGM along with the Annual Report 2023-24 is being sent only through electronic mode to the Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and the Annual Report 2023-24 will also be available on the Company's Website: [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in) and Website of the Stock Exchange i.e., BSE Limited: [www.bseindia.com](http://www.bseindia.com), and on the Website of CDSL: [www.evotingindia.com](http://www.evotingindia.com)
5. Green Initiative: To support the Green Initiative, Members who have not registered their e-mail address are requested to register their e-mail address for receiving all the communications including Annual Report, Notices, Circulars etc. from the Company electronically.
6. A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his / her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
7. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate Members intending to authorize their Representatives to participate and vote at the AGM are requested to upload a copy of the Board Resolution/Authorisation Letter on the E-Voting Portal or send to the Company at [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in)
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the Quorum under Section 103 of the Act. As per Regulation 40 of the SEBI Listing Regulations, as amended, Securities of Listed Entities can be transferred only in Dematerialised form with effect from April 1 2019, except in case of transmission or transposition of Securities. In view of this, Members holding Shares in Physical Form are requested to consider converting their holdings to Dematerialised form. Members can contact M/s skyline Financial Services Pvt. Ltd, Registrar and Share Transfer Agents of the Company, ('RTA' or 'Registrar') situated at A/505, Dattani Plaza, Andheri



Kurla Road, Safeed Pool, Mumbai- 400072, Tel: 022 - 49721245. E-mail: [subhashdhingreja@skylinerta.com](mailto:subhashdhingreja@skylinerta.com) and website of the Registrar: [www.skylinerta.com](http://www.skylinerta.com) for assistance in this regard

9. Members are requested to intimate changes, if any, pertaining to their Name, Postal Address, E-mail Address, Telephone/Mobile Numbers, Permanent Account Number, Mandates, Nominations, Power of Attorney, Bank Details viz., Name of the Bank, Branch Details, Bank Account Number, MICR Code, IFSC Code etc., to their Depository Participants ('DPs') in case the Shares are held in Electronic Form and Registrar/ RTA in case the Shares are held in Physical Form.
10. The Meeting shall be deemed to be held at the registered office of the Company at Level-7, Pardha Picasa Building, Madhapur, Durgam Cheruvu road, Hyderabad-500081. Telangana, India.
11. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company has provided a facility to its Members to cast their vote electronically, through the E-Voting services provided by Central Depository Services (India) Limited ('CDSL') on all the Resolutions set forth in this Notice. Members who have cast their Votes by remote E-Voting prior to the AGM may also participate in the AGM through VC but shall not be entitled to cast their Vote on such Resolutions again. The manner and process of E-Voting remotely by Members is provided in the instructions for E-Voting which forms part of this Notice.
12. A Person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date for dispatch of Notice and Annual Report i.e. Friday, September 06 2024 will only be entitled for receipt of Annual Report.
13. The Voting Rights of the Shareholders for voting through remote E-Voting at the AGM shall be in proportion to their share of the Paid-up Equity Share Capital of the Company as on **Tuesday, September 24, 2024 ('Cut-Off Date')**. A Person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date, only shall be entitled to avail the facility of remote E-Voting or of voting at the AGM and who is not a Member as on the Cut-off Date shall treat this Notice for information purposes only.
14. The Remote E-Voting Period will commence on **Thursday, September 26, 2024 (09:00 A.M. IST) and will end on Sunday, September 29, 2024 (05:00 P.M. IST)**. During this period, Members of the Company, holding Shares in Dematerialised form, as on the Cut-off Date i.e., on **Tuesday, September 24, 2024 ('Cut-Off Date')** shall be entitled to cast their vote by remote E-Voting. Once the Vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
15. The facility for Voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their Vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to Vote through E-Voting system during the AGM.
16. Any person who becomes a Member of the Company after sending the Notice and holding Shares as on the **Cut-off date (Tuesday, September 24, 2024)** may obtain the Login-id and Password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if a Member is already registered with CDSL for remote E-Voting then he/she can use his/her existing User-id and Password for casting the Vote.
17. In case of Joint holders, the Joint holder who is higher in the order of Names, will be entitled to vote at the Meeting, if not already voted through remote E-Voting.
18. The Board of Directors has appointed M/s VCSR & Associates, Practicing Company Secretary, Hyderabad as the Scrutinizer to scrutinize the remote E-Voting Process and voting during the AGM, in a fair and transparent manner.
19. The Scrutinizer shall immediately, after the conclusion of E-Voting at the AGM, first count the Votes Cast during the AGM, thereafter, unblock the Votes Cast through remote E-Voting and make, not later than 2 working dates of conclusion of the AGM, a consolidated Scrutinizer's Report of the Total Votes Cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Results declared along with the Scrutinizer's Report shall be placed on the Website of the Company and on the Website of CDSL immediately. The results will also be communicated to BSE Limited, where the Shares of the Company are listed.
20. Instructions for attending the AGM through VC/OAVM:
  - a) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL E-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under Shareholders/ Members login by using the remote E-Voting credentials. The link for VC/OAVM will be available in Shareholder /

Members login where the EVSN of the Company is displayed.

- b) Members may join the Meeting through Laptops, Smartphones, Tablets and I-Pads for better experience. Further, Members will be required to use the Internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- c) Shareholders who would like to express their views / ask questions during the Meeting may register themselves as a speaker by sending their request in advance between **September 26, 2024 (09:00 am) to September 28, 2024 (05:00 pm)** from their registered E-mail address mentioning their names, DP-ID and Client ID / Folio Number, PAN and Mobile Number at [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in) Only those Members who have pre-registered themselves as a speaker will be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- d) Members are encouraged to submit their questions in advance with regard to the Financial Statements or any other matter to be placed at the 31<sup>st</sup> AGM, from their registered E-mail address, mentioning their Name, DP-ID and Client-ID Number / Folio Number and Mobile Number, to reach the Company's E-mail address at [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in) before **5:00 P.M. (IST) on Saturday, September 08, 2024**. Such questions by the Members shall be suitably replied by the Company.
- e) Subject to the receipt of Requisite number of Votes, the Resolutions forming part of the AGM Notice shall be deemed to be passed on the date of the AGM. the Company is pleased to provide the facility to exercise Members' Right to Vote at the 31<sup>st</sup> AGM by electronic means and the business may be transacted through E-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members attending the Meeting, who have not already cast their vote through Remote E-Voting shall be able to exercise their Voting Rights at the Meeting. The Members who have already cast their vote through Remote E-Voting may attend the Meeting but shall not be entitled to cast their vote again at the AGM.

21. The instructions to Shareholders for Voting Electronically are as under:

- (i). The **Voting Period commences on Thursday, September 26, 2024 (09:00 A.M.) and closes on Sunday, September 29, 2024 (05:00 P.M.)** During this period, the Shareholders of the Company, holding Shares in Dematerialized Form, as on the **Cut-off Date, Tuesday, September 24, 2024** may cast their vote electronically. The E-Voting Module shall be disabled by CDSL for Voting thereafter.
- (ii). Shareholders who have already voted prior to the Meeting Date would not be entitled to vote at the Meeting.

### **Login method for E-Voting and Joining Virtual Meetings for Individual Shareholders holding Securities in Demat Mode:**

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December 2020 on "E-Voting Facility provided by Listed Companies", Individual Shareholders holding Securities in Demat mode are allowed to cast their vote through their Demat Account maintained with the Depositories and Depository Participants. Shareholders are advised to update their Mobile Number and E-mail in their Demat Accounts in order to access the E-Voting Facility. Pursuant to the above said SEBI Circular, Login method for E-Voting and joining Virtual Meetings for Individual Shareholders holding Securities in Demat mode CDSL/NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders Holding Securities in Demat Mode with CDSL Depository	1. Users who have opted for CDSL EASI/EASIEST facility, can login through their existing User-id and Password. Option will be made available to reach E-Voting page without any further authentication. The URL for Users to login to EASI/EASIEST are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System MYEASI.
	2. After successful login to the EASI/EASIEST User will be able to see the E-Voting option for eligible Companies where the E-Voting is in progress as per the information provided by Company. On clicking the E-Voting option, the User will be able to see E-Voting page of the E-Voting Service Provider for casting your Vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting. Additionally, there are also links provided to access the system of all E-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME so that the User can visit the E-Voting Service Providers website directly



	3. If the user is not registered for EASI/ EASIEST, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> . To login click on login & New System MYEASI Tab and then click on registration option
	4. Alternatively, the User can directly access E-Voting Page by providing Demat Account Number and PAN on E-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> homepage. The system will authenticate the User by sending OTP on the Registered Mobile and E-mail as recorded in the Demat Account. After successful authentication, the User will be able to see the E-Voting option where the E-Voting is in progress and also able to directly access the system of all the E-Voting Service Providers.
Individual Shareholders Holding Securities in Demat Mode with NSDL Depository	1. If you are already registered for NSDL 'IDeAS' facility, please visit the E-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a Mobile. Once the Homepage of E-services is launched Click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' Section. A new screen will open. You will have to enter your User-id and Password. After successful authentication, you will be able to see E-Voting Services. Click on "Access to E-Voting" under E-Voting Services and you will be able to see E-Voting page. Click on Company name or E-Voting Service Provider name and you will be re-directed to E-Voting Service Provider website for casting your vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting.
	2. If the User is not registered for IDeAS E-services, option to register is available at <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com/</a> Select "Register Online for IDeAS" Portal or Click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>
	3. Visit the E-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the homepage of E-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User-id (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository Site wherein you can see E-Voting page. Click on Company name or E-Voting Service Provider name and you will be redirected to E-Voting Service Provider Website for casting your Vote during the remote E-Voting period or joining Virtual Meeting and Voting during the Meeting.
Individual Shareholders Holding Securities in Demat Mode Login through their Depository Participants (DP)	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for E-Voting facility. After Successful login, you will be able to see E-Voting option. Once you click on E-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see E-Voting feature. Click on Company Name or E-Voting Service Provider name and you will be redirected to E-Voting Service Provider Website for casting your vote during the remote E- Voting period or joining Virtual Meeting and voting during the Meeting
<i>Important note: Members who are unable to retrieve User-id/ Password are advised to use Forgot User-id and Forgot Password option available at above mentioned website.</i>	

**Helpdesk for Individual Shareholders holding Securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders Holding Securities in Demat Mode with CDSL	Members facing any technical issue in login can contact CDSL Helpdesk by sending a request at the following e-mail: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or Contact at a toll free no. 1800 22 5533
Individual Shareholders Holding Securities in Demat Mode with NSDL	Members facing any technical issue in login can contact NSDL Helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or Call at Toll Free No. 1800 10 20990 and 1800 22 4430

### Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

- (i). The Shareholders should log on to the E-Voting Website: [www.evotingindia.com](http://www.evotingindia.com)
- (ii). Click on “SHAREHOLDERS” Module.
- (iii). Now enter your User-id
  - i. For CDSL: 16 Digits Beneficiary ID
  - ii. For NSDL: 8 Character DP-ID followed by 8 Digits Client-ID
- iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the ‘Image Verification’ as displayed and Click on Login.
- v. If you are holding Shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and had voted on an earlier E-Voting of any Company, then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company /RTA or contact Company/RTA
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat Account or in the Company Records in order to login. If both the details are not recorded with the Depository or Company, please enter the Member-id /Folio Number in the ‘Dividend Bank Details’ field

- vii. After entering these details appropriately, click on ‘SUBMIT’ tab.
- viii. Shareholders holding Shares in Physical Form will then directly reach the Company selection screen. However, Shareholders holding Shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the ‘New Password’ field. Kindly note that this password is to be also used by the Demat Holders for Voting for Resolutions of any other Company on which they are eligible to vote, provided that the Company opts for E-Voting through CDSL Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Shareholders holding shares in Physical Form, the details can be used only for E-Voting on the Resolutions contained in this Notice.
- x. Click on the EVSN of the relevant Company (‘ACS Technologies Limited’) on which you choose to vote.
- xi. On the Voting Page, you will see ‘RESOLUTION DESCRIPTION’ and against the same the option ‘YES/NO’ for Voting. Select the option ‘YES’ or ‘NO’ as desired. The option ‘YES’ implies that you assent to the Resolution and option ‘NO’ implies that you dissent to the Resolution.
- xii. Click on the ‘RESOLUTIONS FILE LINK’ if you wish to view the entire Resolution details.
- xiii. After selecting the Resolution, you have decided to vote on, click on ‘SUBMIT’. A Confirmation Box will be displayed. If you wish to confirm your vote, click on ‘OK’, else to change your vote, click on ‘CANCEL’ and accordingly modify your vote.
- xiv. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your Vote
- xv. You can also take a print of the votes cast by clicking on ‘Click here to Print’ option on the Voting Page.
- xvi. If a Demat Account Holder has forgotten the login password then enter the User-id and the ‘Image Verification Code’ and click on Forgot Password and enter the details as prompted by the system.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting:**
  - Non – Individual Shareholders (i.e. Other than Individuals, HUF, NRI etc.) and Custodians are required

to log on to the website: [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the 'CORPORATES' Module.

- A Scanned copy of the Registration Form bearing the Stamp and Sign of the Entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details, a Compliance User should be created using the Admin login and Password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The List of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- It is Mandatory that a Scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Alternatively Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority Letter etc. together with the Attested Specimen Signature of the Duly Authorized Signatory who are authorized to vote, to the Scrutinizer and to the Company at the E-mail address: [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in) if they have voted from individual tab and not uploaded same in the CDSL E-Voting System for the Scrutinizer to verify the same.

If you have any queries or issues regarding E-Voting from the CDSL E-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43 All grievances connected with the facility for Voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr Manager, Central Depository Services (India) Limited (CDSL), Wing-A, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an E-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

**By order of the Board  
For ACS Technologies Limited**

**Ashok Kumar Buddharaju  
Chairman and Managing Director  
(DIN: 03389822)**

Date: 05/08/2024  
Place: Hyderabad

### **INFORMATION AT A GLANCE**

Particulars	Details
Date and Time of AGM	Monday, September 30, 2024 at 11:30 A.M. IST
Mode	Video conference and other audio-visual means
Cut-off date for-voting	Tuesday, September 24, 2024
E-voting start time and date	Thursday, September 26, 2024 (09:00 A.M.)
E-voting end time and date	Sunday, September 29, 2024 (05:00 P.M.)
E-voting website	<a href="http://www.evotingindia.com">www.evotingindia.com</a>
Participation through video-conferencing	<a href="http://www.cdslindia.com">www.cdslindia.com</a>
Helpline number for VC participation	022-23058738 and 022-23058542/43

**ANNEXURE TO NOTICE**

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**ITEM No. 3:**

**Continuation of Mr. CV Venkata Satyanarayana Murthy as Independent Director of the Company even after attaining the age of 75 years.**

The Members of the Company, at their 30<sup>th</sup> AGM held on 30<sup>th</sup> September, 2023, had appointed Mr. CV Venkata Satyanarayana Murthy, (DIN: 01830388), as an Independent Director of the Company for a term of five consecutive years i.e. from 30<sup>th</sup> September 2023 to 29<sup>th</sup> September 2028, pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules framed thereunder, read with Schedule IV to the Act.

Further, pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years, unless approved by shareholders as a special resolution.

Mr. CV Satyanarayana Murthy, is a person of high repute, integrity and has rich and varied experience in the field of business and governance and considering the significant value added by him to the Board of Directors and to the various Board Committees that he has been a member of, during his current term, the Board, Nomination and Remuneration Committee, at their respective Meetings held on 5<sup>th</sup> August, 2024, have recommended, subject to the approval of the Members in this AGM, for continuation of Mr. CV Satyanarayana Murthy, as an Independent Director till his current tenure of appointment which end on September, 2028, notwithstanding that he will attain the age of 75 years on January 1, 2025.”

The Members are, therefore, requested to grant their approval by way of a Special Resolution for the continuation of Mr. CV Satyanarayana Murthy as an Independent Director till his current tenure of appointment which end on September, 2028, notwithstanding that he will attain the age of 75 years on January 1, 2025.”

The requisite details of Mr. CV Satyanarayana Murthy pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings is given hereunder.

Except Mr. CV Satyanarayana Murthy and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of the resolutions set out at Item Nos. 3.

Your Directors recommend the special resolutions set forth in Item No. 3 for your approval.

**ITEM No. 4:**

**Appointment of Mrs. Anitha Alokam as Executive Director liable to retire by rotation**

Pursuant to the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company, the Board of Directors of the Company in their meeting held on 10<sup>th</sup> November, 2023, have accorded approval for Change of Designation of Mrs. Anitha Alokam from Non-Executive Director to Executive Director w.e.f 10<sup>th</sup> November, 2023 for a period of Five (5) years i.e. from 10<sup>th</sup> November, 2023, to 9<sup>th</sup> November, 2028.

The Members of the Company may please note that keeping in view the improvements in the operational and financial performance of the Company, responsibilities being shouldered by Mrs. Anitha Alokam and the objective decisions taken by her, subject to the approval of the Members of the Company by Special resolution, the Nomination and Remuneration Committee had recommended and the Board approved to pay remuneration of Rs. 1,00,000/- Lakhs p.m. (Rs. 12,00,000/- p.a.) notwithstanding that such remuneration may exceed 5% (five percent) of net profit being the limit specified under Section 197 and Schedule V of the Act in case of inadequacy or absence of profits for first 3 (three) years of her appointment i.e. **from 10<sup>th</sup> November, 2023 and ending 9<sup>th</sup> November, 2026** which can be ratified, modified for remaining period of her terms subject to the approval of the shareholders.

A copy of consent letter and all other necessary disclosures as required as per the requirements of the Companies Act, 2013 have been received from her.

The requisite details of Mrs. Anitha Alokam pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings is given hereunder.

Except Mrs. Anitha Alokam and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of the resolutions set out at Item Nos. 4.

Your Directors recommend the **special resolutions** set forth in Item No. 4 for your approval.

**The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the item no(s). B (iv) are as follows:**

**I. GENERAL INFORMATION:**

- (1) **Nature of Industry:** IT/ITES
- (2) **Date or expected date of commencement of commercial production:** Existing Company,
- (3) **In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Existing Company, not applicable.
- (4) **Financial performance based on given indicators:**

Sl. No	Particulars	Audited Figure for the FY ended 31.03.2024	Audited Figure for the FY ended 31.03.2023
1.	Net sales/Income from operations	8079.51	6883.57
2.	Other Income	9.76	5.17
3.	<b>Total Revenue</b>	<b>8089.27</b>	<b>6888.74</b>
4.	<b>Total Expenditure</b>	<b>7736.12</b>	<b>6588.75</b>
5.	Profit / (loss) before Exceptional items and Tax	353.15	299.99
6.	Exceptional items	-	-
7.	Provision for Tax		
	a) Current Tax	52.97	0.00
	b) Deferred Tax	(66.75)	13.19
	c) MAT Credit Write Down/ (Entitlement)	52.97	-
	d) Income Tax for earlier year	-	-
8.	<b>Net Profit/(loss) for the period</b>	<b>419.90</b>	<b>286.80</b>

- (5) **Export performance and net foreign exchange collaborations:** Nil

- (6) **Foreign Investment of Collaborators, if any:** Nil

**II. INFORMATION ABOUT APPOINTEES:**

Sl. No	Particulars	Mrs. Anitha Alokam
1.	Background details	Mrs. Anitha Alokam W/o Mr. A Prabhakara Rao, aged about 46 years, Graduate in B. Com, is the Executive Director of the Company. Under her abled leadership and supervision, the company has undertaken many projects and expansion activities and became the reputed corporate group.
2.	Past remuneration	Salary Rs. 11,50,000/- p.a.
3.	Recognition or awards	Several recognitions and accolades given by the Company were under her credit for his achievements and outstanding performance.
4.	Job profile and his suitability	Subject to the supervision and control of the Board of Directors, she oversees the operations of the Company and actualizes the operational plans into tangible results. She played a key role in overseeing the business affair of the

		company. She has vast experience of above 10 years in operation and administration in Technology industry and has successfully handled the operation and administration divisions.
5.	Remuneration proposed	Rs. 12,00,000/- lakhs p.a. Including other allowances & perquisites.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of the key Managerial Personnel in different companies in the industry have been fixed depends on divergent factors which are unknown to us; hence, could not be comparable. Further it also commensurate with the qualification and experience of the Managerial Personnel
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mrs. Anitha Alokam, Executive Director of the Company is wife of Mr. A. Prabhakara Rao, CFO of the Company. She holds 38,50,200 Shares in the Company. Apart from receiving remuneration as stated above she does not receive any other emoluments from the Company.

### III. OTHER INFORMATION:

#### (1) Reasons for inadequacy of profits:

The Company has new projects in hand, which required infusion of considerable amount of cash flow to complete these projects. The lending rates across all loans also becoming costlier leading to a fall in demand. These are the prime reason for likely inadequacy of profits in couple of years to come.

Steps taken or proposed to be taken for improvement:

- The company has already completed few of its projects and is ready to contribute in sales of the Company, hence, well equipped to participate in the future growth.
- There are so many projects which are under pipeline and are expected to be completed in couple of year which will support the cash flow of the company.
- Dealer's network and Marketing strategies has been improved to attract the customers.

The above measures yielded improved results and the company has been slowly recovering and regaining its strengths.

#### (2) Expected increase in productivity and profits in measurable terms:

With steps taken by the Company on operations front in improving the operations, marketing strategy followed has improved the sales and ultimately resulting in improving the sales and profitability of the Company.

**By order of the Board  
For ACS Technologies Limited**

Date: 05/08/2024  
Place: Hyderabad

**Ashok Kumar Buddharaju  
Chairman and Managing Director  
(DIN: 03389822)**



**Information about the Directors recommended for appointment / re-appointment / as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings**

<b>Name of the Director</b>	Mr. Ashok Kumar Buddharaju	Mr. CV Satyanarayana Murthy	Mrs. Anitha Alokam
<b>Age (in Years)</b>	57Years	74 Years	46 Years
<b>Qualification</b>	He is an Engineering graduate in Computer Sciences	Bachelors degree in Electrical and Electronics Engineering and M Tech in Neural Networks.	Graduate in B.COM
<b>Date of first appointment</b>	30/05/2023	05/09/2023	25/04/2023
<b>Terms &amp; Conditions of Re- appointment along with</b>	Being re-appointed as a Director liable to retire by rotation.	Pursuant to the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company, the Board of Directors of the Company in their meeting held on 5 <sup>th</sup> August, 2024, have accorded approval for continuation of Mr. CV Satyanarayana Murthy, as an Independent Director till his current tenure of appointment which end on September, 2028, notwithstanding that he will attain the age of 75 years on January 1, 2025.”	Pursuant to the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company, the Board of Directors of the Company in their meeting held on 10 <sup>th</sup> November, 2023, have accorded approval for Change of Designation of Mrs. Anitha Alokam from Non-Executive Director to Executive Director w.e.f 10 <sup>th</sup> November, 2023.
<b>Remuneration sought to be paid</b>	As detailed in the Corporate Governance Report forming part of the Annual Report.	He is entitled for sitting fees as other Non-Executive Independent Directors on the Board of the Company.	Salary Rs. 12,00,000/- per month and other allowances and perquisites as per the policy of the Company.
<b>Relationship with other Directors and other Key Managerial Personnel of the Company</b>	None of the Directors and Key Managerial Personnel are related to Mr. Ashok Kumar Buddharaju	None of the Directors and Key Managerial Personnel are related to Mr. CV Satyanarayana Murthy	None of the Directors and Key Managerial Personnel are related to Mrs. Anitha Alokam
<b>Brief Resume</b>	He had prior experience of over two decades in various IT companies viz. Wipro, Brigade and Varsun	CVSN Murthy is an established veteran in the IT industry. He has rich and hands-on experience of over 40 years in IT and Communications. Murthy holds	Dynamic and results-driven HR professional with [8] years of experience in hr profession, employee relations, and performance management. Adept at developing and implementing HR policies, fostering a positive workplace culture, and

			leveraging data-driven insights to drive organizational success. Proven track record in managing diverse HR functions and enhancing employee engagement.
<b>Expertise in specific functional area</b>	Ashok Buddharaju has expertise in several functional areas, including strategic planning, financial management, and operations oversight. He is skilled in business development, driving growth through new opportunities and partnerships. His expertise extends to marketing and sales, optimizing strategies to boost brand presence and revenue. Additionally, he manages human resources, focusing on talent acquisition and organizational culture. Risk management and compliance are also crucial, ensuring the company adheres to regulations. His expertise also includes management, innovation and technology adoption, and project management to enhance efficiency and competitive advantage.	He has started his career with a reputed management institute, Administrative Staff College of India (ASCI). He also had an association with Tera Software, KMC Constructions and Cosyn as Head of IT and Data Management Services. He is also an active Council member of Gerson and Lehrman Group (GLG), USA.	Anitha has expertise in Leadership and Management, Analytical thinking, project management and problem solving.
<b>Number of meetings of the Board attended during the year</b>	13 out of 13	8 out of 13	13 out of 13
<b>Names of other companies in which directorship(s) is held</b>	1. Varsun Etechnologies Private Limited 2. Albesun India Private Limited 3. Iotiq Innovations Private Limited	NIL	Bluenine Infra Technologies Private Limited
<b>Names of other companies in which holds the membership of Committees of the Board</b>	NIL	NIL	NIL
<b>No. of Equity Shares held in the Company as of 31<sup>st</sup> March, 2024</b>	83,62,676	NIL	38,50,200

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their 31<sup>st</sup> Annual Report together with the Company's Audited Financial Statements for the financial year ended March 31, 2024.

**1. FINANCIAL SUMMARY**

The Financial Performance Summary and the State of the Company's Affairs for the current financial year ended March 31, 2024, along with the figures for the previous financial year, are as follows:

Particulars	(Rs. in Lakhs)			
	Standalone		Consolidated	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Revenue from operations	8079.51	6883.57	8199.40	6944.98
Other Income	9.76	5.17	9.76	5.17
<b>Total Revenue</b>	<b>8089.27</b>	<b>6888.74</b>	<b>8209.16</b>	<b>6950.15</b>
Profit /(Loss) before Interest, Depreciation & Tax	1071.03	613.22	1085.59	624.29
Financial Charges	235.35	183.42	235.43	183.60
Depreciation	482.53	129.81	488.11	136.42
Profit / (Loss) before Tax	353.15	299.99	362.05	304.27
<b>Less: Tax Expenses</b>	<b>(66.75)</b>	<b>13.19</b>	<b>(64.59)</b>	<b>14.06</b>
<b>Profit / (Loss) for the Year after tax</b>	<b>419.90</b>	<b>286.80</b>	<b>426.65</b>	<b>290.21</b>

**2. STATE OF THE COMPANY'S AFFAIRS**

During the period under review, on the **Standalone basis**, the Company achieved Total Revenue of **Rs. 8089.27 Lakh** is increased by 17.43% as against the Total Revenue of Rs. 6888.74 Lakhs in previous financial year 2022-23. The Company has recorded a Net Profit after tax of **Rs. 419.90 Lakhs** is increased by 56.21% as against the Net Profit after tax of Rs. 286.80 Lakhs in previous financial year 2022-23.

During the period under review, on the **Consolidated basis**, the Company achieved Total Revenue of **Rs. 8209.16 Lakh** is increased by 18.12% as against the Total Revenue of Rs. 6950.15 Lakhs in previous financial year 2022-23. The Company has recorded a Net Profit after tax of **Rs. 426.65 Lakhs** is increased by 47.01% as against the Net Profit after tax of Rs. 290.21 Lakhs in previous financial year 2022-23.

**3. IMPORTANT HIGHLIGHTS WITH RESPECT TO THE LISTING APPROVAL OF THE COMPANY IN THE BSE LIMITED**

In accordance with Order No. CP (IB) NO.17/9/HDB/2022 issued by the Hon'ble National Company Law Tribunal (NCLT) and the Resolution Plan approved by the Hon'ble NCLT, the Board of the Company has resolved to implement the following measures:

1. Extinguishment of Promoters' Shareholding: The entire shareholding of the erstwhile promoters and promoter group of the Company will be extinguished without any payout.
2. Cancellation of Public Shareholding: The public shareholding of the Company will be reduced by 98% as of the record date.
3. Allotment of Equity Shares: A total of 20,00,000 (Twenty Lakhs) equity shares will be allotted to Mr. Vivek Kumar Ratakonda and Mr. Ashok Kumar Buddharaju, who are the Resolution Applicants.
4. 5,39,80,094 Equity Shares of Rs. 10/- each allotted on preferential basis for scheme of merger of ACS Technologies Ltd. With LN Industries Ltd (now known as ACS Technologies Ltd.)
5. 30,00,000 Equity Shares of Rs. 10/- each allotted on preferential basis bearing distinctive no. 57741949 to 60741948.

During the financial year 2023-24, the Company had applied to the BSE Limited for listing approval and the BSE has issued its in-principle approval vide its letter dated 5<sup>th</sup> April, 2024. The company is undergoing the process to take confirmation from CDSL and NSDL which is a pre-requisite to obtain trading approval from BSE.

**4. BOARD OF DIRECTORS AND OTHER INFORMATIONS**

- a) The Company's Board of Directors have been constituted in compliance with the provisions of Companies Act read with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulation". The Composition of the Board is as under:

5. Mr. Ashok Kumar Buddharaju	Chairman & Managing Director
6. Mrs. Anitha Alokam	Whole-time Director
7. Mr. CV Satyanarayana Murthy	Independent Director
8. Mr. Srinivasan Neti	Independent Director

- b) Details of Directors or KMPs resigned during and after the end of the financial year under review.

Sl. No	Name	Designation	Reason for Cessation	Date of Resignation (w.e.f)
1.	Mr. Garlapati Laxma Reddy	Independent Director	Cessation due to NCLT Order	25-04-2023
2.	Mr. Shailesh Shivram Mistry	Independent Director	Cessation due to NCLT Order	25-04-2023
3.	Mrs. Sneha Rupesh Talreja	Independent Director	Cessation due to NCLT Order	25-04-2023
4.	Mr. Kumar Reddy Madhu Lattupalli	Independent Director	Cessation due to NCLT Order	25-04-2023
5.	Mrs. Rama Devi Buddharaju	Director	Resignation	19-10-2023
6.	Mr. Venkata Nagarjuna. P	Company Secretary & Compliance Officer (KMP)	Resignation	04-11-2023
7.	Mr. Sridhar Pentela	Company Secretary & Compliance Officer (KMP)	Resignation	15-06-2024

- c) Details of Directors or KMPs appointed/re-appointed during and after the end of the financial year under review.

Sl. No	Name	Designation	appointed/re-appointed	Date of Resignation (w.e.f)
1.	Mr. Venkata Nagarjuna. P	Company Secretary & Compliance Officer (KMP)	Appointed	10-04-2023
2.	Mr. Ashok Kumar Buddharaju	Director	Appointed	25-04-2023
3.	Mrs. Rama Devi Buddharaju	Director	Appointed	25-04-2023
4.	Mrs. Anitha Alokam	Director	Appointed	25-04-2023
5.	Mr. A. Prabhakara Rao	CFO (KMP)	Appointed	05-05-2023
6.	Mr. Ashok Kumar Buddharaju	Chairman and Managing Director	Change in Designation	30-05-2023
7.	Mr. CV Satyanarayana Murthy	Independent Director	Appointed	05-09-2023
8.	Mr. Srinivasan Neti	Independent Director	Appointed	05-09-2023
9.	Mrs. Anitha Alokam	Executive Director	Change in Designation	10-11-2023
10.	Mr. Sridhar Pentela	Company Secretary & Compliance Officer (KMP)	Appointed	10-11-2023
11.	Ms. Shilpi Gunjan	Company Secretary & Compliance Officer (KMP)	Appointed	17-06-2024

- d) In accordance with the provisions of Companies Act, 2013, Sri. Ashok Kumar Buddharaju, Chairman & Managing Director of the Company would retire by rotation and, being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment at the ensuing Annual General Meeting.
- e) Details of Whole-Time Key Managerial Personal (KMP)

Pursuant to the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the period under review, the Key Managerial Personnels of the Company were Sri. Ashok Kumar Buddharaju, Chairman & Managing Director, Smt. Anitha Alokam, Whole-time Director, Sri. A. Prabhakara Rao, Chief Financial Officer and Mr. Sridhar Pentela Company Secretary & Compliance Officer.

Subsequent to the year under review, Mr. Sridhar Pentela, Company Secretary & Compliance Officer has resigned w.e.f. 15<sup>th</sup> June, 2024 and Ms. Shilpi Gunjan was appointed as Company Secretary & Compliance Officer w.e.f. 17<sup>th</sup> June, 2024.

- f) Other Disclosure

#### Board Evaluation

Pursuant to Section 178 (2) of the Companies Act, 2013, the Nomination and Remuneration Committee has evaluated the performance of individual Directors in its duly convened meeting. Pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Regulation 4 (2) (f) (ii) (9) of the ("SEBI (LODR) Regulation, 2015, the Board has carried out an evaluation of its own performance, as well as the evaluation of the Committees of the Board. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Remuneration Policy is stated in the Corporate Governance Report.

#### Familiarization Programmes for Independent Directors

The Independent Directors of the Company are eminent professionals with several decades of experience in banking and financial services, technology, finance, governance and management areas, and fully conversant and familiar with the business of the Company. The Company has an ongoing familiarization programme for all Independent Directors with regard to their roles, duties, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc.

#### Meetings

During the year Thirteen (13) Board Meetings and Five (5) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### **5. DIVIDEND**

The Directors have not recommended any dividend for the current financial year.

### **6. RESERVE AND SURPLUS**

During the financial year 2023-24, the Company has not transferred any amount to amount to general reserve.

### **7. SHARE CAPITAL**

#### **(a) No Change in Authorized Capital:**

During the year under review, there was no change in the Authorized Capital of the Company. The Authorized Capital of the Company is Rs. 172,00,00,000/- (Rupees One Hundred Seventy-Two Crore only) divided into 17,20,00,000 Equity shares of Rs. 10/- each.

#### **(b) Change in Issued/Subscribed/Paid-up Capital:**

During the period under review, the Issued/Subscribed/Paid-up Capital of the Company is increased from Rs.

55,94,19,480/- (Rupees Fifty Five Crore Ninety-Four Lakh Nineteen Thousand Four Hundred Eighty only) divided into 5,59,41,948 Equity shares of Rs. 10/- each to Rs. 60,74,19,480/- (Rupees Sixty Crore Seventy-Four Lakh Nineteen Thousand Four Hundred Eighty) divided into 6,07,41,948 Equity shares of Rs. 10/- (Rupees Ten only) each.

Company has not issued any Equity shares with differential rights, Sweat Equity Shares and also no Employee Stock Options were granted during the year under review. Therefore, no disclosures pursuant to Rule 4(4), Rule 8(13) and Rule 12 (9) of the Companies (Share Capital and Debenture Rules), 2014 are required to be given.

#### **8. DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Section 134(5) of the Companies Act, 2013, your directors confirm:

- a) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- b) That 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) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- d) That the directors had prepared the annual accounts on the going concern basis.
- e) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That 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.

#### **9. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has put in place the Prevention of Sexual Harassment Policy (POSH) in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Compliance Committee (ICC) has been constituted in compliance with the requirements of said Act to redress complaints received regarding sexual harassment. All employees are covered under this Policy. Employees at all levels are being sensitized about the Policy and the remedies available thereunder. During the Financial year 2023-24, Nil complaints were received by ICC.

#### **10. RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **A. CONSERVATION OF ENERGY**

- i. Company ensures that the Operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- ii. No specific investment has been made in reduction in energy consumption
- iii. As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

##### **B. TECHNOLOGY ABSORPTION**

There is no technology absorption involved in the operations of the Company.

##### **C. EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT**

No expenditure was incurred on Research and Development by the Company during the period under review.



**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	2023-24
Import	\$ 3,699.00 USD
Export	\$ 1,92,227.50 USD

**11. AUDITORS****A. STATUTORY AUDITORS**

M/s. GORANTLA & Co., Chartered Accountants, (Firm Registration No: 16943S) have been re-appointed at the 30<sup>th</sup> AGM held on September 30, 2023 as the Statutory Auditors of the Company for a second term of Five (5) consecutive years to audit the financial statements of the Company from FY 2023-24 to FY 2027-28 and to hold office from the conclusion of 30<sup>th</sup> AGM till the conclusion of 35<sup>th</sup> AGM. The Independent Auditors' Report and Annexure referred to this Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

**B. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s VCSR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2024-2025. The report of the Secretarial Auditor in Form MR-3 for the FY 2023-24 is enclosed as **Annexure 1** and forms part of this report. The Secretarial Auditors have, in their report, given observation that the Nomination and Remuneration Committee of the Company is not properly constituting with required no of non-executive Directors.

Reason for delay: The reconstitution of Nomination and Remuneration Committee with proper combination of Non-Executive Directors is in progress. The process got delayed because the Company is in transition period of implementation of the Merger order of Hon'ble NCLT.

**C. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES**

During the period under review, the Corporate Social Responsibility (CSR) provisions are not applicable to the Company.

**12. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975 in respect of employees of the Company and Directors is annexed herewith as **Annexure 2**.

**13. WEB-ADDRESS OF ANNUAL RETURN**

Web-address of the draft Annual Return pursuant to sub-section (3) of Section 92 is updated in the website of the Company. Link for the Annual Return is as under <https://www.acstechnologies.co.in/>

**14. RELATED PARTY TRANSACTIONS**

All related party transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. All the related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis. **Form AOC-2** will not form part of Board's report, as all the transactions with related parties are in arm's length basis or in ordinary course of business. There are no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large. Related party transactions as required under the Indian Accounting Standards are disclosed in Notes to the financial statements of the Company for the financial year ended March 31, 2024.

**15. HOLDING, SUBSIDIARY/ ASSOCIATE COMPANIES**

As on 31<sup>st</sup> March, 2024, the Company does not have any Holding Company, one (1) Subsidiary Company the details of which is tabulated hereunder.

S. No.	Name of the Company	Subsidiary/ Associate	% of Share Held
1.	IOTIQ Innovations Private Limited	Subsidiary	51

#### **16. CORPORATE GOVERNANCE**

The Corporate Governance Report together with the Certificate from the Practicing Company Secretary of the Company regarding compliance with the requirements of Corporate Governance as stipulated SEBI (LODR) Regulations, 2015 is appended as **Annexure 3** to this Report.

#### **17. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns, etc., is provided separately in the Annual Report and forms part of this Directors' Report.

#### **18. VIGIL MECHANISM / WHISTLEBLOWER POLICY**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has established a robust Vigil Mechanism and a whistle-blower policy in accordance with provisions of the Act and Listing Regulations. Under the whistle-blower policy, employees are free to report any improper activity resulting in violation of laws, rules, regulations, or code of conduct by any of the employees to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received is reviewed by the Competent Authority or Chairman of the Audit Committee as the case may be. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism/Whistle-Blower can be accessed on the Company's website at: <https://www.acstechnologies.co.in/>

#### **19. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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 Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairperson & Managing Director of the Company. The Internal Auditor 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 recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### **20. INTERNAL FINANCIAL CONTROL**

The Company has in place adequate internal financial control commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies which are in line with the Accounting Standards and the Act. These are in accordance with generally accepted accounting principles in India. The Company has a robust financial closure, certification mechanism for certifying adherence to various accounting policies, accuracy of provisions and other estimates.

#### **21. HEALTH AND SAFETY/ INDUSTRIAL RELATIONS**

The company continues to accord high priority to health and safety of employees at manufacturing locations. During the year under review, the company conducted safety training programmes for increasing disaster preparedness and awareness among all employees at the Head office and the cement plants. Training programmes and mock drills for safety awareness were also conducted for all employees. Safety Day was observed with safety competition programmes with aim to imbibe safety awareness among the employees at the Head office and the cement plants. During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**22. OTHER INFORMATION****A. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

**B. REPORTING OF FRAUDS**

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

**C. PUBLIC DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 73 or 74 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

**D. DEMATERIALIZATION OF SHARES**

The Equity Shares of your Company have been admitted by CDSL/ NSDL for dematerialization. In response to the compliance with SEBI Circular SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/73 dated April 20, 2018, your company had issued 4 (four) reminders to all the Shareholders whose shares are in physical mode and requested them to dematerialize their shares.

**E. RISK MANAGEMENT**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the Listing Regulation, risk management committee is non-mandatory committee in the Company as per the market capitalization. However, the Board of Directors has voluntarily constituted the Committee. At present the company has not identified any element of risk.

**F. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

During the period under review, there are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

Please note that During the previous financial year 2022-23, ACS Technologies Limited which was formerly known as LN Industries India Limited has filed a scheme of arrangement in Hon'ble National Company Law Tribunal (NCLT). Hyderabad and the Hon'ble NCLT passed order no. CP(IB) No. 17/9/HDB/2022 Dated 24<sup>th</sup> March 2023 approving the scheme.

**G. CHANGE IN THE NATURE OF BUSINESS**

During the Financial Year under review, there was no change in the nature of business of the Company.

**H. COMPLIANCE WITH SECRETARIAL STANDARD**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

**I. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

During the period under review, there were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**J. COST AUDIT**

The provisions of Section 148 of the Companies Act, 2013 w.r.t. cost audit is not application to the Company.

**K. CHANGE OF REGISTERED OFFICE OF THE COMPANY WITHIN THE LOCAL LIMIT OF THE CITY**

The registered office of the Company is changed from Plot No. 424/A, Road No. 18, Jubilee Hills, Hyderabad, Telangana, to the new address at Pardha Picasa, Level 7, Durgam Cheruvu Road, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081 in the local limits from its current address w.e.f. May 6, 2024.

**23. ACKNOWLEDGEMENT**

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and Co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

Date: 30/05/2024  
Place: Hyderabad

**By order of the Board  
For ACS Technologies Limited**

**Ashok Kumar Buddharaju  
Chairman and Managing Director  
(DIN: 03389822)**

Annexure-3REPORT ON CORPORATE GOVERNANCE**I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

At ACS Technologies Corporate Governance has been an integral part of the way we are doing our business. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our principal place of business, transparency in decision making process, fair & ethical dealings with all and last but not the least, accountability to all the stakeholders. The Company's corporate governance philosophy has been further strengthened through the ACS Technologies Business practices and Code of Corporate Disclosure Practices.

**II. GOVERNANCE STRUCTURE:**

- The Board of Directors consists of 4 Members out of whom 2 are Non-Executive Independent Directors, 2 are Promoter Executive Directors. The Composition of the Board is in conformity with the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 ('Listing Regulations').
- The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Regulation 36(3) of the SEBI (LODR) Regulation, 2015, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.
- The details of the Directorships in other Companies and Committee memberships/ Chairmanships in other Companies held by the Directors as on 31<sup>st</sup> March, 2024, are given below.
- Pecuniary relationship or transaction of the Non - executive Directors vis-à-vis the company:** None of the Non-executive Directors has any pecuniary relationship or transactions with the company.
- The Board of Directors met **Thirteen(13)** times during the year on 05.05.2023, 17.05.2023, 30.05.2023, 14.08.2023, 24.08.2023, 05.09.2023, 10.11.2023, 16.12.2023, 22.1.2024, 13.02.2024, 14.02.2024, 28.02.2024 and 20.03.2024, the maximum gap between any two meetings was not more than the maximum days allowed as per 173 (1) of the Companies Act, 2013 read with Regulation 17 (2) of the SEBI (LODR) Regulation, 2015 as extended from time to time.
- The details of Composition of Board of Directors, their attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/ memberships held by the Directors during the year are as follows:

S NO.	Name of the Directors	Category Particulars	Attendance			No. Directorship and Committee membership / chairmanship in other Companies		
			No. of Board Meetings held during the tenure		Last AGM	*Other Directorship	**Committee Membership	***Committee Chairmanship
			Held	Attended				
1.	Mr. Ashok Kumar Buddharaju	Chairman and Managing Director	13	13	YES	3	2	-
2.	Mrs. Anitha Alokam	Executive Director	13	13	YES	1	1	-
3.	#Mr. CV Satyanarayana Murthy	Non-Executive Director	13	8	YES	0	3	3
4.	#Mr. Srinivasan Neti	Independent Director	13	8	YES	0	3	-

\*Other Directorship-includes both private and public limited Companies.

\*\*Committee Membership-Only in Audit Committee and Stakeholders' Relationship committee.

\*\*\*Committee Chairmanship-Only in Audit Committee and Stakeholders' Relationship committee.

# Mr. CV Satyanarayana Murthy and Mr. Srinivasan Neti, appointed as Independent Directors w.e.f. 05.09.2023

**III. COMMITTEES:**

Currently, the Company has the Committees namely: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for noting. The details about composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder.

**a). AUDIT COMMITTEE:**

- i. The terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Act and Regulation 18 of the Listing Regulations read with Part C of Schedule II of the Listing Regulations and, inter-alia, include:
  - Overseeing the financial reporting process and disclosure of financial information.
  - Recommending the appointment / re-appointment of statutory auditors and fixation of audit fee.
  - Review of financial statements before submission to the Board.
  - Review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, related party transactions, scrutiny of inter corporate loans & investments.
  - Approval and review of related party transactions.
  - Valuation of assets/undertakings of the Company and appointment of registered valuers.
  - Reviewing the compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, etc., and
  - Reviewing the financial statements of unlisted subsidiary companies and, in particular, the investments made by them.
- ii. The previous Annual General Meeting of the Company was held on 30<sup>th</sup> September, 2024 and Mr. CV Satyanarayana Murthy, Chairman of the Audit Committee has attended previous AGM.
- iii. The Company has complied with all the requirements of section 177(4) of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015 relating to the composition of the Audit Committee. During the financial year 2023-24, **Five (5)** meetings of the Audit Committee were held on the May 17, 2023, May 30, 2023, August 14, 2023, November 10, 2023 and February 13, 2024. The details of the composition of the Committee and attendance of these members at the meetings are given below:

Name	Designation	Category	Meetings Attended
Mr. CV Satyanarayana Murthy*	Chairman	NED (I)	1
Mr. Srinivasan Neti*	Member	NED (I)	1
Mr. Ashok Kumar Buddharaju	Member	ED (I)	5

\*Mr. CV Satyanarayana Murthy and Mr. Srinivasan Neti, Non-Executive Independent Category w.e.f. 05.09.2023

NED (I) - Non-Executive Director (Independent Category)  
ED (P) - Executive Director (Promoter Category)

**b). REMUNERATION AND NOMINATION COMMITTEE:**

The Nomination and Remuneration Committee was constituted by the Board of the Company. However, the Committee is not properly constituted with required numbers of Non Executive Directors. The reconstitution of the Committee is delayed and is in progress due to the transition period of the implementation of the Merger Order of Hon'ble NCLT. The terms of reference of the Audit Committee are in accordance with and covers all the matters specified under Section 177 of the Act and Regulation 18 of the Listing Regulations read with Part C of Schedule II of the Listing Regulations and, inter-alia, include:

- To formulate the criteria for appointment of Directors/Senior Management including determining qualifications, positive attributes, and independence of Directors.
- Recommend the remuneration and periodic increments of the Managing/ Whole-time Director(s) and determine the annual incentive of the Managing/ Whole-time Director(s).



- Formulate, implement, administer, and superintend the Employee Stock Option Plan/Scheme(s) of the Company.
- Devise policy on Board diversity.
- Formulate criteria for evaluation of Independent Directors/Board.
- Recommend the Remuneration policy to the Board.
- Recommend to the Board, all remuneration in whatever form, payable to the Senior Management etc.

The committee met thrice (1) on May 17, 2023, May 30, 2023 and November 10, 2024 during the financial year ended March 31, 2024. The details of composition and attendance record of the members at the meeting were as follows:

Name	Designation	Category	Meetings Attended
Mr. CV Satyanarayana Murthy	Chairman	NED (I)	1
Mr. Srinivasan Neti	Member	NED (I)	1
Mrs. Anitha Alokam	Member	ED (I)	3

\*Mr. CV Satyanarayana Murthy and Mr. Srinivasan Neti, Non-Executive Independent Category w.e.f. 05.09.2023

### PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations the Board has carried out the annual evaluation of (i) its own performance; (ii) Individual Directors Performance (Including Independent Directors) and (iii) Performance of all committees of the Board, for the Financial Year 2023-24. The performance evaluation of the Independent Directors was carried out by the entire Board.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors and Chairperson is satisfactory.

#### c). STAKEHOLDERS RELATIONSHIP COMMITTEE:

- The terms of reference of the Stakeholders Relationship Committee are in accordance with and covers all the matters specified under Section 178 of the Act and Regulation 20 of the Listing Regulations read with Part D of Schedule II of the Listing Regulations, and inter-alia include:
  - Formulation of investor servicing policies.
  - Review and redressal of investor complaints.
  - Approval/overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of new / duplicate certificates, Demat/ Remat requests, administering the unclaimed shares suspense account.
  - Allotment of shares on exercise of Options by employees under the Employees Stock Option Scheme/Plan; and
  - Performing other functions as delegated to it by the Board from time to time.
- The committee met Twice (2) on May 17, 2023 and 10 November, 2023 during the financial year ended March 31, 2024. The details of composition and attendance record of the members at the meeting were as follows:inter-alia include:
  - The Shareholders are requested to note that in compliance with the modified guidelines for share transfers under corporate governance rules, the routine transfer of physical shares of the Company has been delegated to RTA and the share transfers has been completing within 30 days from the date of receipt of the valid transfer deeds. The other investor related complaints is reported to the Stakeholder's Relationship Committee.
  - The Company Secretary & Compliance Officer of the Company acts as a Secretary to the Committee.
  - The Company has designated an exclusive e-mail [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in) for redressal of shareholders' complaints/ grievances which is handled by the Compliance Officer.

Name	Designation	Category	Meetings Attended
Mr. CV Satyanarayana Murthy	Chairman	NED (I)	1

Mr. Srinivasan Neti	Member	NED (I)	1
Mr. Ashok Kumar Buddharaju	Member	ED (I)	2

d). **INTERNAL COMPLAINT COMMITTEE**

The company has an Internal Complaint Committee as envisaged under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for receiving complaint of sexual harassment. During the period under review, the Company has not received any complaint as such. The Committee consisting of the following members:

Name	Designation
Mrs. Snigdha Buddharaju	Chairman
Mrs. Harsha Chauhan	Member
Mr. Bharti Sinha	Member

e). **INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors met on February 8, 2024 inter alia, to discuss:

- Evaluation of the performance of Non-Executive Non-Independent Directors and the Board of Directors as a Whole;
- Evaluation of performance of the Executive Chairperson and the Managing Director
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the independent Directors were present at the meeting.

**IV. GENERAL BODY MEETING:**

**A. Annual General Meetings:**

Financial Year	Date	Time	Venue/Mode	Special Resolution
2022- 23	30.09.2023	12.00 PM	Physical Mode	Yes
2021-22	-	-	-	-
2020-21	-	-	-	-

**NOTE:** The Company was under NCLT proceedings, therefore AGM were not held for financial year 2021-22 and 2020-21.

**B. Extra Ordinary General Meeting:**

No EGM was held during the year under review,

**C. Postal Ballot:**

No Postal Ballot was conducted during the year under review.

**D. Circular Resolution:**

No circular resolution was passed during the year under review.

**V. MEANS OF COMMUNICATION:**

The quarterly, half yearly and yearly financial results are sent to the stock Exchanges immediately after the Board approves the same and are also published in English newspaper and in vernacular newspaper. Then same is also uploaded in the Company's website: [www.acstechnologies.co.in](http://www.acstechnologies.co.in).

**VI. GENERAL SHAREHOLDERS INFORMATION:**

**a) Corporate Identification Number**

CIN: L62099TG1993PLC015268;

BSE Scrip Code: **530745**

**b) Financial Year and Calendar (Tentative) 2024-2025:**

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared within 45 days of the end of that Quarter except the last quarter which is declared within 60 days of the end of the Quarter as follows:

<b>Financial Reporting for 2024-2025 (tentative)</b>	<b>On or before</b>
Quarter Ending 30.06.2024	14.08.2024
Half year ending 30.09.2024	14.11.2024
Quarter Ending 31.12.2024	14.02.2025
Year ending 31.03.2025	30.05.2025

**c) 31<sup>st</sup> Annual General Meeting:**

Date and Time	Monday, the 30 <sup>th</sup> September, 2024 at 11.30 AM
Venue/Mode	Video Conferencing mode

**d) Office Location and address for investors correspondence:**

<b>Office Locations</b>	
<b>Visakapatnam</b>	<b>Hyderabad</b>
D.No. 39-11-17/1, Sector - VI, Murali Nagar, Visakhapatnam - 530 007, Andhra Pradesh Tel: 0891-2552207	Level-7, Pardha Picasa Building, Madhapur,Durgam Cheruvu road, Hyderabad-500081.Telangana, India. Tel: 040- 49034464

The Shareholders may correspond with the Company for the redressal of their grievances, if any, to the Registered Office of the company. Level-7, Pardha Picasa Building, Madhapur,Durgam Cheruvu road, Hyderabad-500081.Telangana, India. Tel: 040- 49034464, E-mail ID: [cs@acstechnologies.co.in](mailto:cs@acstechnologies.co.in)

**e) Listed on Stock Exchanges:**

The Equity shares of the Company are listed on BSE Limited (BSE) having its registered office at Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001; Scrip Code: 506395.

Listing Fees: Listing Fees for Financial Year 2023-24 has been paid to Stock Exchange.

**f) Stock Price Data and performance:** The Trading approval of the shares of the Company is yet to be received from BSE Limited.

**g) Registrar & Share Transfer Agents**

**M/s. Skyline Financial Services Pvt. Ltd**  
A/505, Dattani Plaza,  
Andheri Kurla Road, Safeed Pool,  
Mumbai-400072  
Ph: 022 – 49721245  
Email: [subhashdhingreja@skylinerta.com](mailto:subhashdhingreja@skylinerta.com)

**h) Share Transfer System:**

Share transfer, transmission, issue of duplicate share certificate and claim of unclaimed shares is done via demat mode through the depositories with no involvement of the Company.

i) **Shareholding Pattern as on March, 2024:**

Category of Shareholders	No. of Shares Held	Percentage as a total no. of Shareholding
Promoter and Promoter group	2,89,71,294	47.70
Public Institutions	3,17,70,654	52.30
Body Corporates	NIL	NIL
Indian Public (including trusts & HUF)	NIL	NIL
Non- Resident Indians	NIL	NIL
<b>Grand Total</b>	<b>6,07,41,948</b>	<b>100%</b>

j) **Distribution of shareholding of the Company by number of shares held as on 31<sup>st</sup> March, 2024 is as follows:**

Particulars	Shareholders		Shareholding	
	Number	%	Value	%
UPTO – 5000	5940	91.16%	6318066	10.59%
5001 – 10000	252	3.87%	3901186	6.54%
10001 – 20000	194	2.98%	5058704	8.48%
20001 – 30000	61	0.94%	2939095	4.93%
30001 – 40000	12	0.18%	750460	1.26%
40001 – 50000	15	0.23%	1398326	2.34%
50001 – 100000	24	0.37%	3349296	5.61%
100001 & ABOVE	18	0.28%	35948478	60.25%
<b>Total</b>	<b>6516</b>	<b>100.00%</b>	<b>59663611</b>	<b>100.00%</b>

k) **Dematerialization of Shares:**

The Company's equity shares are dematerialized on Central Depository Services (India) Limited (CDSL) and National Securities Depositories Limited (NSDL). The Company's ISIN is **INE366C01013**. As on March 31, 2024, mode of holding shares is as under:

Mode of Holding	No. of Shares	Percentage
Demat mode	5,96,63,611	98.22%
Physical mode	10,78,337	1.78%
<b>Total</b>	<b>6,07,41,948</b>	<b>100.00%</b>

l) **Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments**

No GDRs/ ADRs/Warrants has been issued by the Company or Convertible Instruments has been issued by the Company.

m) **Commodity price risk or foreign risk and hedging activities**

The Company does not have commodity price risk nor does the Company engage in hedging activities.

**VII. CERTIFICATIONS**a) **CEO/MD and CFO Certification:**

As required by the Regulation 17(8) Part B of Schedule II of the SEBI (LODR) Regulation, 2015, the certificate from Managing Director and CFO is attached in the Annual Report as **Annexure 4**.

b) **CEO/MD Declaration on Compliance of Code of Conduct:**

As required under Clause D of Schedule V of the SEBI (LODR) Regulation, 2015, the Managing Director of the Company has furnished the requisite Certificates to the Board of Directors affirming that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Company's code of conduct. The Certificate is attached in the Annual Report as **Annexure 5**.

**c) Compliance Certificate of the Practicing Company Secretaries:**

As required under Clause E of Schedule V of the SEBI (LODR) Regulation, 2015, M/s. VCSR & Associates, Practicing Company Secretaries has certified that the company has complied with the conditions of the Corporate Governance as stipulated in Regulations 17 to 27 and other applicable provisions of SEBI (LODR) Regulation, 2015 and the same forms part of the Annual Report and the Certificate is annexed herewith as **Annexure 6**.

**d) Certificate of Non-Disqualification of Directors:**

None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR), Regulations, 2015, certificate obtained from M/s. VCSR & Associates, Practicing Company Secretaries on non- disqualification of directors of the Company is annexed herewith as **Annexure 7**.

**VIII. OTHER DISCLOSURES:**

- i. There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- ii. During the year under review, the trading approval is yet to be received by the Company.
- iii. In the preparation of financial statements, no treatment materially different from that prescribed in Indian Accounting Standards had been followed.
- iv. Vigil Mechanism: We have established Whistle Blower policy, a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. It is hereby affirmed that the mechanism provides direct access to the designated Ethics Counselor /Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company. The policy on Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company and can be accessed through the following link:[https://www.acstechnologies.co.in/ files/ugd/bdff5e\\_58963b14510b4243b6e519989997d865.pdf](https://www.acstechnologies.co.in/ files/ugd/bdff5e_58963b14510b4243b6e519989997d865.pdf)
- v. The Company has complied with the mandatory requirements within the allowed time and adopted, to the extent practicable to adopt, non-mandatory requirements as required under the SEBI (LODR) Regulation, 2015.
- vi. The Company's Subsidiaries details are given in the Directors Report and the policy on determining 'material' subsidiaries has been posted on the website of the Company and can be accessed through the following link:[https://www.acstechnologies.co.in/ files/ugd/bdff5e\\_1ad10ac98cec4384a0fcf7a1df00face.pdf](https://www.acstechnologies.co.in/ files/ugd/bdff5e_1ad10ac98cec4384a0fcf7a1df00face.pdf)
- vii. Most of the discretionary requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulation, 2015, which were practicable for the company to adopt have been adopted and applied.
- viii. The Company has complied with all the compliances with corporate governance requirements specified in regulation 17 to 27 and applicable clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulation, 2015, except delay in complying Regulation 17(1).

Date: 30/05/2024

Place: Hyderabad

**By order of the Board  
For ACS Technologies Limited**

**Ashok Kumar Buddharaju  
Chairman and Managing Director  
(DIN: 03389822)**

**MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014]

To  
The Members,  
M/s. ACS TECHNOLOGIES LIMITED,  
(Formerly known as LN INDUSTRIES INDIA LIMITED)  
(CIN: L62099TG1993PLC015268)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ACS TECHNOLOGIES LIMITED (CIN: L62099TG1993PLC015268), (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. ACS TECHNOLOGIES LIMITED books, papers, minute books, forms and returns filed, and other records maintained by the company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2024 complied with the statutory provisions listed hereunder and that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by M/s. ACS TECHNOLOGIES LIMITED ("the Company") for the financial year ended on 31/03/2024 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not applicable to the Company During the reporting period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company During the audit period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable to the Company During the audit period
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not applicable to the Company During the audit period.
  - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; Not applicable to the Company during the audit period.

and



- (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

1. Information Technology Act, 2005 and the Rules made there under,
2. Software Technology Parks of India Rules made there under,
3. The Special Economic Zones Act, 2005
4. The Trademarks Act, 1999,

We have also examined compliance with the applicable clauses of the following;

- I. Secretarial Standards issued by The Institute of Company Secretaries of India
- II. The Listing Agreement entered by the Company with Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except with the following observation(s).

1. The Company has not paid the Listing fee for the year ended 31.03.2024 within the time.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company is required to appoint Non- Executive Director / Independent Director for effective composition of Nomination and Remuneration Committee. However the company is in the process of selecting suitable candidate for such role.

In accordance with Order No. CP (IB) NO.17/9/HDB/2022 issued by the Hon'ble National Company Law Tribunal (NCLT) and the Resolution Plan approved by the Hon'ble NCLT, the old Board of Directors of the Company were resigned and new Board of Directors were appointed.

Details of Directors resigned during the financial year under review.

Sl. No	Name	Designation	Reason for Cessation	Date of Resignation (w.e.f)
1.	Mr. Garlapati Laxma Reddy	Independent Director	Cessation due to NCLT Order	25-04-2023
2.	Mr. Shailesh Shivram Mistry	Independent Director	Cessation due to NCLT Order	25-04-2023
3.	Mrs. Sneha Rupesh Talreja	Independent Director	Cessation due to NCLT Order	25-04-2023
4.	Mr. Kumar Reddy Madhu Lattupalli	Independent Director	Cessation due to NCLT Order	25-04-2023
5.	Mrs. Rama Devi Buddharaju	Director	Resignation	19-10-2023

Details of Directors appointed/re-appointed during the financial year under review

Sl. No	Name	Designation	appointed/re-appointed	Date of Appointment (w.e.f)
1.	Mr. Ashok Kumar Buddharaju	Director	Appointed	25-04-2023
2.	Mrs. Anitha Alokam	Director	Appointed	25-04-2023
3.	Mr. Ashok Kumar Buddharaju	Chairman and Managing Director	Change in Designation	30-05-2023
4.	Mr. CV Satyanarayana Murthy	Independent Director	Appointed	05-09-2023
5.	Mr. Srinivasan Neti	Independent Director	Appointed	05-09-2023
6.	Mrs. Anitha Alokam	Executive Director	Change in Designation	10-11-2023

- b) Adequate notice has given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, there were following specific events/actions, having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

In accordance with Order No. CP (IB) NO.17/9/HDB/2022 issued by the Hon'ble National Company Law Tribunal (NCLT) and the Resolution Plan approved by the Hon'ble NCLT, the Board of the Company has resolved to implement the following measures:

1. Extinguishment of Promoters' Shareholding: The entire shareholding of the erstwhile promoters and promoter group of the Company will be extinguished without any payout.
2. Cancellation of Public Shareholding: The public shareholding of the Company will be reduced by 98% as of the record date.
3. Allotment of Equity Shares: A total of 20,00,000 (Twenty Lakhs) equity shares will be allotted to Mr. Vivek Kumar Ratakonda and Mr. Ashok Kumar Buddharaju, who are the Resolution Applicants.
4. 5,39,80,094 Equity Shares of Rs. 10/- each allotted on preferential basis for scheme of merger of ACS Technologies Ltd. With LN Industries Ltd (now known as ACS Technologies Ltd.)
5. 30,00,000 Equity Shares of Rs. 10/- each allotted on preferential basis bearing distinctive no. 57741949 to 60741948.
6. The Company has Changed Name of the Company from LN Industries India Ltd to ACS Technologies Ltd.

During the financial year 2023-24, the Company had applied to the BSE Limited for listing approval and the BSE has issued its in-principle approval vide its letter dated 5th April, 2024. The company is undergoing the process to take confirmation from CDSL and NSDL which is a pre-requisite to obtain trading approval from BSE.

For **VCSR & Associates**  
Company Secretaries

Sd/-

**Ch. Veeranjanyulu**  
Partner  
CP No. 6392

Place: Hyderabad  
Date: 30.05.2024

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Annexure of Secretarial Audit Report**  
**ANNEXURE – A**

To,  
The Members,  
M/s ACS TECHNOLOGIES LIMITED,  
(Formerly known as LN INDUSTRIES INDIA LIMITED)  
(CIN: L62099TG1993PLC015268)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on their secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The Verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for our opinion.
3. The correctness and appropriateness of the financial records and Books of accounts of the company have not been verified.
4. Wherever required, we have obtained the Management representation about the compliances of laws, Rules, Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination is limited to verification of procedure on random test basis.
6. The Secretarial Audit is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 30.05.2024

For **VCSR & Associates**  
Company Secretaries

Sd/-  
**Ch. Veeranjanyulu**  
Partner  
CP No. 6392

## Annexure-2

**Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.****(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**

S. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees.
1.	Mr. Ashok Kumar Buddharaju (Chairman & Managing Director)	15:1
2.	Smt. Anitha Alokam (Executive Director)	5:1

Non-Executive Directors are getting seating fee in respect of attending Board meetings and Committee Meetings. No other remuneration is paid to them.

**(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

S. No.	Name of the Director & KMP	% increase in remuneration.
1.	Mr. Ashok Kumar Buddharaju	64.38
2.	Mrs. Anitha Alokam	8.26
3.	Mr. CV Satyanarayana Murthy	NIL
4.	Mr. Srinivasan Neti	NIL
5.	Mr. A. Prabhakara Rao	1.87
6.	Mr. Sridhar Pentela	NIL

**(iii) The percentage increase in the median remuneration of employees in the financial year**

30.64%

**(iv) The number of permanent employees on the rolls of company**

144

**(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average percentile increase in the salaries of employees is 9.54%. During the financial year ended 31<sup>st</sup> March, 2024, there are two whole time Directors viz., Chairman & Managing Director and Executive Director and the increment is show above in table no (ii). The increment in salaries of the employees are in line with the increment in the Managerial Remuneration as compared to other organisation of same sector and scale of business.

**(vi) Affirmation that the remuneration is as per the remuneration policy of the company**

The remuneration paid to the Key Managerial personnel is in accordance with the remuneration policy of the Company.

**Statement of Particulars of employees pursuant to Rule 5 (2) of the companies (appointment and remuneration of managerial personnel) rules, 2014**

Sl. No	Name & Designation	Remuneration Received  (Amount in Rs.)	Nature of Employment	Qualification & Experience of the employee	Date of commencement of employment	Age	The Last employment held before joining the Company	The % of equity shares held by the employee in the Company within the meaning of Clause (iii) of Sub-rule (2) of Rule 5	Whether is a relative of any Director or Manager of the Company
1	Mr. Ashok Kumar Buddharaju – (Chairman and Managing Director)	39,45,000	Contractual	BE (Computer Science)	25-04-2023	57	-	13.95	-
2	Mrs Rama Devi Buddharaju	24,47,400	Contractual	B.com	11.11.2023	54	-	9.14	Spouse of Mr. Ashok Kumar Buddharaju
3	Mrs. Anitha Alokam– (Whole-time Director)	12,45,000	Permanent	B.com	10.11.2023	46	-	6.34	Spouse of Mr. A. Prabhakara Rao, CFO
4	Mr Prabhakar rao Alokam	24,47,400	Permanent	Chartered Accountant	05.05.2024	50	-	13.77	
5	Ms Snigdha Buddharaju	14,99,616	Permanent	B.Tech	01-08-2017	29	-	4.32	Daughter of Mr Ashok kumar Buddharaju
6	Mr. Srinivasa Subbaraju Kosuri	15,00,000	Permanent	B.Tech	14-06-2023	57	-		
7	Mr.Harun Kaushik	15,00,000	Permanent	B.Tech	22-07-2024	37	-		
8	Hari Kishore Pendru	10,35,000	Permanent	MBA	01-04-2017	37	-		
9	Sudhaker Kasetti	8,50,000	Permanent	B.Tech	04-04-2024	40	-		
10	Phaneendra Bondalapati	7,00,008	Permanent	MBA	01.05.2022	37	-		
Notes:									
1	There are no other employees who draw remuneration in excess of the limits prescribed in Rule 5(2)(i), (ii) & (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014								

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members,  
M/s. ACS Technologies Limited,  
Formerly known as LN INDUSTRIES INDIA LIMITED  
Hyderabad.

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s ACS Technologies Limited having (CIN: L62099TG1993PLC015268) and having its registered office at Pardha Picasa, Level 7, Durgam Cheruvu Road, Madhapur, Hyderabad, Shaikpet, Telangana, India, 500081 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Details of Directors resigned during the financial year under review.

Sl. No	Name	Designation	Reason for Cessation	Date of Resignation (w.e.f)
6.	Mr. Garlapati Laxma Reddy	Independent Director	Cessation due to NCLT Order	25-04-2023
7.	Mr. Shailesh Shivram Mistry	Independent Director	Cessation due to NCLT Order	25-04-2023
8.	Mrs. Sneha Rupesh Talreja	Independent Director	Cessation due to NCLT Order	25-04-2023
9.	Mr. Kumar Reddy Madhu Lattupalli	Independent Director	Cessation due to NCLT Order	25-04-2023
10.	Mrs. Rama Devi Buddharaju	Director	Resignation	19-10-2023

Details of Directors appointed/re-appointed during the financial year under review

Sl. No	Name	Designation	appointed/re-appointed	Date of Appointment (w.e.f)
12.	Mr. Ashok Kumar Buddharaju	Director	Appointed	25-04-2023
13.	Mrs. Anitha Alokam	Director	Appointed	25-04-2023
14.	Mr. Ashok Kumar Buddharaju	Chairman and Managing Director	Change in Designation	30-05-2023
15.	Mr. CV Satyanarayana Murthy	Independent Director	Appointed	05-09-2023
16.	Mr. Srinivasan Neti	Independent Director	Appointed	05-09-2023
17.	Mrs. Anitha Alokam	Executive Director	Change in Designation	10-11-2023

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 30.05.2024

For VCSR & Associates  
Company Secretaries  
Sd/-  
**Ch. Veeranjanyulu**  
Partner  
CP No. 6392



## Management Discussions and Analysis

### 1. Past year Market Verticals and Performance

#### Key Market Verticals of ACS



ACS has been firmly entrenched in the following verticals over many years and has consistently shown YoY growth in revenues in these segments:

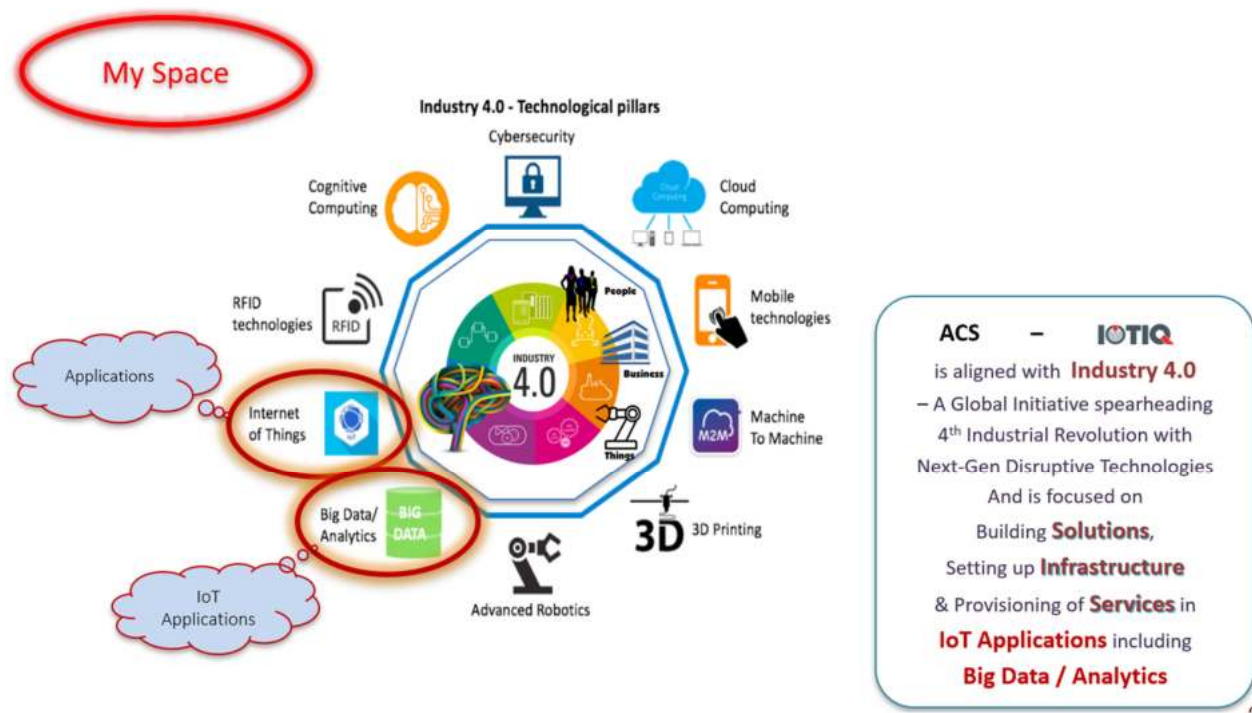
- IT Infrastructure – Provision, Implementation, Operations and Maintenance of IT Infrastructure including hardware, software, networks, data centres and allied equipment for large Defence/PSU/Banks/Airports etc. The company has successfully retained clientele and also added new large clients in Private Corporate Sector.
- Security and Surveillance – The company has shown growth in the ever growing vertical of Security and Surveillance and its proven track record of many decades with Defence and Govt units give it a competitive edge in providing System Integration Services in highly secure environments and stringent security requirements.
- Software and ITES – Minor growth in this segment but prestigious projects have been undertaken and successfully implemented in core Software Solutions and Services.
- IoT and Automation – Consistent growth and own product line development in Home and Building Automation Segment of IoT.

## 2. Inroads into new Verticals

ACS has made inroads into two key emerging verticals through R&D:

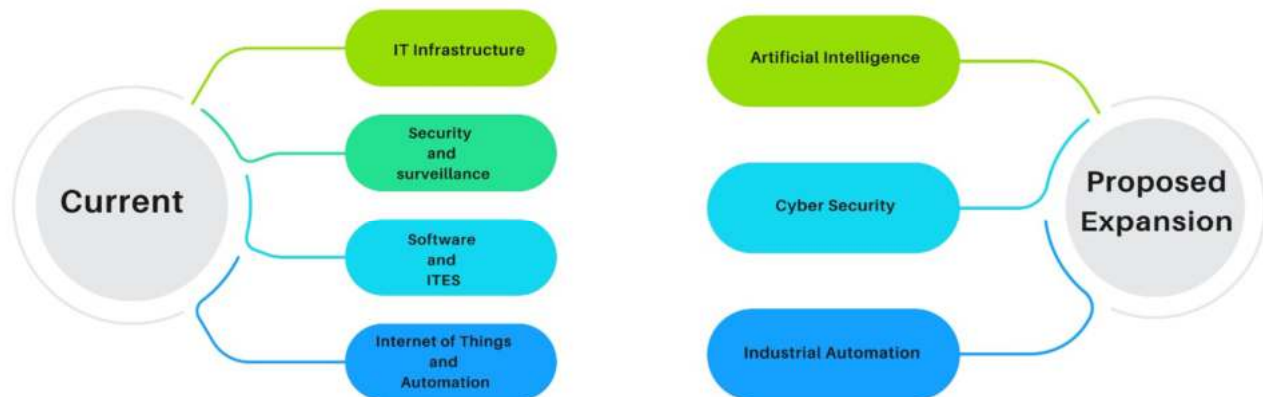
- Artificial Intelligence and Smart Data Analytics
- Industrial Automation

Additionally, it has onboarded experts in Cybersecurity Solutions and Audit and plans to provide these vertical services to Defence and Govt where there is a huge ongoing demand due to Digital Transformation and associated Cybersecurity Challenges. It is also planning inroads into Telecom Networking infrastructure as a Supplier and O&M provider.



ACS has successfully implemented one of its kind AI based System for a Defence Agency for a critical Military Application. It has developed core competency in AI based systems for Military and Industrial Automation Applications including design and implementation of Recurrent Neural Networks, Big Data Analytics, Predictive Maintenance, Usage Pattern Analysis and optimization of Energy Consuming resources. It has done experimental R&D in Industrial Automation Products with own designed Electronics, Communication, PCB's and Firmware for Power Electrical/Electronics Systems. Competency in emerging technologies is nurtured in house for AI based Chatbots, Customer Support Systems, HelpDesk, Smart Energy Monitoring, Pattern Recognition and capability to handle Terabytes of data elements in real time data acquisition and offline data analytics.

### 3. Planned Consolidation and Expansion of Verticals



**The markets in the current segments are an established business for ACS and the proposed expansion is in line with ACS capabilities and market trends indicative of a sustainable revenue opportunity over the next 5 years.**

**IOT in India** - Source: IOTWorldMagazine

#### **INDIA IOT MARKET SIZE AND FORECAST (2024, 2025, 2030)**

India's IoT market is poised for explosive growth, driven by rapid digital transformation, smart city initiatives, and increased adoption of IoT in agriculture, manufacturing, and healthcare. According to a report by *Research and Markets*, the IoT market in India is expected to reach \$15 billion by 2025, growing at a compound annual growth rate (CAGR) of 14% from 2024 to 2030.

The Indian government's push towards digitization through initiatives like Digital India and Smart Cities Mission is a major driver of IoT adoption. These initiatives aim to enhance urban infrastructure, improve service delivery, and create a sustainable environment, all of which are heavily reliant on IoT technologies. Additionally, the agriculture sector is seeing increased adoption of IoT for precision farming, soil monitoring, and automated irrigation systems, further propelling market growth.

Looking towards 2030, the Indian IoT market is expected to see significant advancements in smart healthcare, industrial IoT (IIoT), and consumer electronics. The proliferation of 5G networks across the country is also expected to boost IoT adoption, enabling more efficient and reliable IoT ecosystems.

## IT Services - Source: Statista – Market Research



### COMPARABLE ESTIMATES - IT SERVICES (INDIA)

in billion USD (US\$)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Statista</b>	12.15	12.61	13.65	13.07	14.78	19.03	22.41	26.45	30.61	34.77	39.04
<b>Gartner</b>	12.61	13.84	15.41	16.35	18.12	21.84	23.26	26.65			

Notes: The chart "Comparable Estimates" shows the forecasted development of the selected market from different sources. Please see the additional information for methodology and publication date.

Most recent update: Apr 2024

While IT Services remains a big opportunity for ACS and its strong 44 year track record is helping in achieving YoY growth, there are some emerging markets the ACS intends to tap. AI, Cybersecurity, Home Automation and Industrial Automation are the key focus areas for the company in the next 3 years.

Source: International Trade Administration, US Govt Site

Note: While this site talks about opportunities for US companies to enter AI market in India, ACS intends to leverage its Made in India AI software solutions to penetrate into segments in India where it already has an established presence and track record of IT services provision.

## INDIA ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) is rapidly transforming industries worldwide, and India is no exception. The AI market in India is projected to reach \$8 billion by 2025, growing at a CAGR of over 40% from 2020 to 2025.

### Trends:

**Adoption Across Sectors:** AI adoption is increasing across various sectors in India, driven by initiatives like the National AI Strategy and the National AI Portal launched by the Government of India. Sectors such as healthcare, finance, retail, manufacturing, and agriculture are witnessing rapid integration of AI technologies.

**Focus on Data Analytics:** With the exponential growth of data, there is a heightened focus on data analytics powered by AI. Companies are using AI-driven analytics to derive actionable insights, optimize operations, and drive innovation, supported by initiatives like the AI for All program launched by National Association of Software and Service Companies (NASSCOM).

**Government Initiatives:** The Indian government's initiatives like Digital India, Make in India, and Smart Cities Mission are driving AI adoption across sectors. Additionally, the recently launched National AI Portal and the National AI Strategy aim to foster AI research, development, and deployment across the country.

**Research and Development:** Indian research institutions and academic organizations are actively engaged in AI research and development. Institutes like the Indian Institutes of Technology (IITs), Indian Statistical Institute (ISI), and Indian Institute of Science (IISc) are conducting cutting-edge research in AI and contributing to the global AI knowledge base.

**Rise of AI Startups:** India has seen a surge in AI startups. These startups are attracting significant investments from both domestic and international investors, creating a vibrant ecosystem for AI innovation.

### Opportunities:

**Agriculture:** Precision farming and crop monitoring powered by AI have the potential to enhance agricultural productivity in India.

**Finance:** AI-powered solutions for fraud detection, risk assessment, and customer service automation are in high demand in the financial sector. U.S. fintech companies can leverage partnerships with Indian banks and financial institutions to deploy AI-driven solutions.

**Healthcare:** AI presents opportunities for predictive diagnostics, personalized treatment plans, and drug discovery in the healthcare sector. Indian information technology (IT) associations like NASSCOM are actively promoting AI-driven healthcare solutions...

**Retail:** AI-driven technologies such as recommendation engines and chatbots are transforming the retail sector in India. Collaborations between U.S. retail giants and Indian retailers can lead to the development of innovative AI-powered solutions for personalized shopping experiences.

**Manufacturing:** AI-powered predictive maintenance and quality control are revolutionizing the manufacturing sector in India.

Source Mordor Intelligence:

The India Cybersecurity Market size is estimated at USD 4.70 billion in 2024, and is expected to reach USD 10.90 billion by 2029, growing at a CAGR of 18.33% during the forecast period (2024-2029).

#### 4. Expansion of Business Geographies

ACS is expanding its business geographies and while its past revenues were predominantly from southern region of India, it is now proposing to expand through Channel Partners and own Sales Offices in Mumbai, Ahmedabad, Delhi NCS, Bengaluru and Bhubaneswar.

Its market expansion into global space specifically in Thailand and Middle East are being reinitiated. Earlier

#### 5. Planned Partnerships, Acquisitions and Research



**Partnerships** – ACS is now embarking on creating partnerships with established companies in IT and IoT supply chain to jointly market and provide Integrated IT solutions to its clientele.

**Acquisitions** – ACS has invested in some smaller startups and intends to continue the business model of acquiring or investing a stake in companies having tangible products and solutions in its domains of business with a view to increasing product/solutions range, reducing cost of product acquisition/supply and improved revenues thereof.

**Research** – Apart from inhouse R&D, ACS in the past few years has nurtured student level research and sponsored Projects for premier Engineering Colleges in India. In the coming FY, it has plans to enter into MoU's with reputed National and Global Institutions for Collaborative R&D and for Research Sponsorship with IPR acquisition and commercialization. It is engaged in discussions with Institutions in India, UK, Germany, Thailand and USA for such collaborative Product Development with ACS Team and Professors along with Research Scholars, in the fields of Artificial Intelligence, Big Data Analytics, Cognitive and Predictive Intelligence and Industrial Applications.



**Practicing Company Secretaries' Certificate on Corporate Governance under  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To  
The Members of  
ACS Technologies Limited**

This report contains details of compliance of conditions of Corporate Governance by M/s. ACS Technologies Limited ('the Company'), for the year ended 31<sup>st</sup> March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility**

The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents.

This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's responsibility**

Our examination was limited to procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations, at the end of Financial Year 31<sup>st</sup> March 2024 all the compliances of Regulation 17 to 27 has been complied.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016), 'Guidance Note on Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

We further report that the Company is required to appoint Non- Executive Director / Independent Director as per Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for effective composition of Nomination and Remuneration Committee. However the company is in the process of selecting suitable candidate for such role.

Place: Hyderabad  
Date: 30.05.2024

For VCSR & Associates  
Company Secretaries  
Sd/-  
Ch. Veeranjanyulu  
Partner  
CP No. 6392

## Annexure-5

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT**

To,  
The Members of ACS Technologies Limited

I, Ashok Kumar Buddharaju, Chairman and Managing Director of the Company hereby certify that the Board of Directors of ACS Technologies Limited has adopted a code of conduct for the Board Members and Senior Management of the Company ("the code"). The code is available on the website of the Company at [www.acstechnologies.co.in](http://www.acstechnologies.co.in).

Pursuant to Clause D of Schedule V of the SEBI (LODR) Regulation, 2015, I hereby declare that all Board members and Senior Management personnel have affirmed compliance with the Code for the financial year ended March 31, 2024.

**Date: 30/05/2024**  
Place: Hyderabad

**By order of the Board  
For ACS Technologies Limited**

**Ashok Kumar Buddharaju  
Chairman and Managing Director  
(DIN: 03389822)**

## Annexure-4

**CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATION, 2015**

Dear Shareholder,

We, Sri. Ashok Kumar Buddharaju, Chairman and Managing Director and Sri. A. Prabhakara Rao, CFO of ACS Technologies Limited hereby certifies that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the state of affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
- C. We accept overall responsibility for establishing and maintaining the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
- D. There are
  - a. no significant changes in internal controls over financial reporting during the year;
  - b. no significant changes in the accounting policies during the year and the Company has adopted Indian Accounting Standard (IND-AS).
  - c. no instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.
- E. We have fully complied with the Accounting Manual of the Company and reviewed very carefully the checklists prepared by the Company

**For ACS Technologies Limited**

**Ashok Kumar Buddharaju**  
Chairman and Managing Director  
(DIN: 03389822)  
Date: 30.05.2024  
Place: Hyderabad

**A. Prabhakara Rao**  
CFO  
Date: 30.05.2024  
Place: Hyderabad

# **STANDALONE FINANCIAL STATEMENTS & NOTES**

## **Independent Auditor's Report**

To the Members of  
**ACS Technologies Limited (Formerly LN Industries India Limited)**

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

#### **Opinion**

We have audited the accompanying Standalone Financial Statements of **ACS Technologies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information other than the standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## **Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 control with reference to standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statement.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv.
- a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons 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 management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons 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 that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Gorantla & Co  
Chartered Accountants  
Firm’s Registration No.: 016943S

Sriranga Gorantla  
Partner  
Membership No.: 222450  
UDIN: 24222450BKCMHJ9666

Place: Hyderabad  
Date: 30 May,2024

### **Annexure 1 to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, based on our examination of the registered sale deeds for non-agricultural land provided to us, we report that, the title in respect of the immovable properties disclosed in the financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of first charge on fixed assets, second charge on current assets and collateral charge on property. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.

- (iii) The Company has not provided guarantee or granted any loans or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year. Accordingly, reporting on clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) Based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the investment made are, prima facie, not prejudicial to the interest of the Company.
  - (c) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, during the year. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
  - (d) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, during the year. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
  - (e) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, during the year. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
  - (f) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, during the year. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not given any loans, or provided any guarantee or security to which provision of Section 185 of the Companies Act, 2013 is applicable. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, the requirement to report on clause 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales- tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as NIL

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in repayment of loans or borrowings, or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and hence, requirement to report on clause 3 (ix)(c) of the Order is not applicable to the Company.

(d) We report that no funds have been raised on short-term basis by the Company. Accordingly, requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(e) On overall examination of the financial statements, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised loans during the year on pledge of securities held in its subsidiary.

(x) (a) The company has not raised any monies by way of Initial Public Offer or further public offer (including debt instruments) during the year. Accordingly, requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made private placement during the year and complied with Section 42 of the Companies Act, 2013. Further, the funds raised through private placement were used for the purpose for which the funds were raised.



- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) No whistle blower complaints were received during the year.
- (xii) The Company is not a Nidhi Company and hence requirement to report on clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, requirement to report on clause 3 (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, requirement to report on clause 3 (xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) The Group does not have any CIC. Accordingly, the requirement to report on clause 3(xvi)(d) is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The provisions of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For Gorantla & Co  
Chartered Accountants  
Firm's Registration No.: 016943S

Sriranga Gorantla  
Partner  
Membership No.: 222450  
UDIN: 24222450BKCMHJ9666

Place: Hyderabad  
Date: 30 May, 2024

## **Annexure 2 to the Independent Auditor's Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to Standalone Financial Statements of **ACS Technologies Limited** (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone 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 controls with reference to standalone financial statements 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 with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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 the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gorantla & Co  
Chartered Accountants  
Firm's Registration No.: 016943S

Sriranga Gorantla  
Partner  
Membership No.: 222450  
UDIN: 24222450BKCMHJ9666

Place: Hyderabad  
Date: 30 May, 2024

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Standalone financial statements for the year ended March 31, 2024**

**1 Corporate information**

The standalone financial statements comprise financial statements of ACS Technologies Limited (Formerly Known as LN Industries India Limited) ("the Company") for the year ended March 31, 2024. The Company is a Company domiciled in India and incorporated under the provisions of Companies Act applicable in India on, 28 April, 1995. Its shares are listed on recognized stock exchanges of India, the Bombay Stock Exchange Limited. The registered office of the Company is located at Level 7, Pardha's Picasa, Madhapur, Hyderabad – 500081 Telangana, India.

The company is primarily engaged in the business as "System Integrator, Security and Surveillance, IOT Solutions, Software Products and Services" in the area of Information Technology.

The company was admitted in NCLT and Resolution Plan submitted by Mr. Ashok Kumar Buddharaju and Mr. Vivek Ratakonda was given consent by CoC. Hon'ble NCLT issued order dated 24<sup>th</sup> March, 2023 in respect of the resolution plan submitted by them and declared as successful resolution applicants. ACS Technologies Limited has been merged with the company as a part of the scheme of the arrangement mentioned in the resolution plan. Such merger is effective from the financial year 2022-23, hence the financials shown in the statements are including the financials of ACS Technologies Limited. Consideration offered by the Resolution Applicants in the plan has brought in well within the timelines given in the Hon'ble NCLT order. Such consideration has been disbursed to the respective parties as a per the approved resolution plan.

Successful Resolution Applicants took over the management affairs of the company including the induction directors in the board and appointment of key management personnel. The company is in the process of completing the other procedures as mentioned in the successful resolution plan and approach Bombay Stock Exchange for listing of shares as per the approved resolution plan.

The standalone financial statements are approved for issue by the Company's Board of Directors on 30<sup>th</sup> May, 2024.

**2 Significant Accounting Policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statement.

These financial statements have been prepared in Indian Rupee which is also the functional currency of the Company and all values are rounded to the thousands, except when otherwise indicated. These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each reporting period, as explained in the accounting policies below.

**2.2 Significant accounting judgements, estimates and assumptions.**

The preparation of the Company's standalone financial statements requires management to make judgements, 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 in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **Critical accounting estimates**

- i. **Goodwill:** Excess consideration paid over business value transferred under scheme of arrangement is considered as Goodwill and will be impaired over a period of time on straight line basis.
- ii. **Taxes:** Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the same can be utilized. A significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- iii. **Provisions and Contingent Liability:** The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **2.3 Current versus non-current classification**

The Company presents assets and liabilities in the standalone balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in the company's normal operating cycle.
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within twelve months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

### **Operating cycle for current and non-current classification**

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The company has taken Operating cycle to be twelve months.

### **2.4 Fair value measurement of financial instruments**

The Company measures financial instruments, such as, Investments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2.5 Property, Plant and Equipment**

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

## **2.6 Intangible asset**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

### Business Combination

ACS Technologies Limited merged with the company as per the scheme of arrangement approved by the Hon'ble NCLT, Hyderabad bench vide its order dated CP(IB) No.17/9/HDB/2022 dated 24<sup>th</sup> March, 2023.

Goodwill calculation statement		INR in Thousands
Particulars	Amount	
<b>Book value of assets and liabilities transferred</b>		
Property, plant and Equipment		1,18,130.45
Investments		20,050.53
Current Assets		6,53,606.80
<b>Total Assets</b>		<b>7,91,787.78</b>
Reserves & Surplus		2,61,364.48
Non Current Liabilities		58,398.04
Current Liabilities		2,02,124.80
<b>Total Liabilities</b>		<b>5,21,887.31</b>
Net Assets		2,69,900.47
Face value of equity shares of 5,39,80,094 Number issued to shareholders of ACS Technologies Limited		5,39,800.94
<b>Goodwill</b>		<b>2,69,900.47</b>

\* During the year, the company has recognised goodwill amounting to Rs.\_26,99,00,470/- arising out of the scheme of arrangement of merger of ACS Technologies Limited. The company is amortising goodwill over a period of 10 years on straight line basis from the year 2023-24 as the scheme of arrangement order has pronounced on 24th March, 2023 and received in the month of April 2023.

### 2.7 Depreciation and Amortization

Depreciation on Property, plant and equipment is provided on the written down value basis over the useful lives of assets specified in Schedule II to the Companies Act, 2013.

Software being intangible asset is amortized on written down value basis over a period of 6 years.

Goodwill being intangible asset is amortized on straight line basis over a period of 10 years.

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. The amortization period and the amortization method are reviewed at least at each financial year end.



## **2.8 "Impairment of Financial and Non-Financial Assets"**

"The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period."

In the case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates the assets' recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

## **2.9 Revenue Recognition**

The company is primarily engaged in the business as "System Integrator, Security and Surveillance, IOT Solutions, Software Products and Services" in the area of Information Technology.

### **Revenue from operation**

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

### **Contract balances**

**i. Trade receivables:** The amounts billed on the customer for work performed and are unconditionally due for payment i.e., only passage of time is required before payment falls due, are disclosed in the balance sheet as trade receivables.

**ii. Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

### **Interest income**

Interest income from a financial asset is recognised using an effective interest rate method.

### **Dividend**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **2.10 Taxes on income**

### **Current income tax**

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

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

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

"Deferred tax liabilities are recognised for all taxable temporary differences, except:"

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

"All other acquired tax benefits realized are recognised in profit or loss."

### **2.11 Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the

period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **2.12 Leases**

### **Where the Company is lessee**

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

#### **i) Right-of-use asset**

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

The right-of-use assets are also subject to impairment."

#### **ii) Lease Liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

## **2.13 Foreign currencies transactions and translation**

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

## **2.14 Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **2.15 Employee benefits**

### **Defined benefit plans**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of OCI.

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

"Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

### **Termination benefits**

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

### **Compensated Absences**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

## **2.16 Provisions and Contingencies**

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

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

Provisions and contingent liability are reviewed at each balance sheet.

## **2.17 Borrowing costs**

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

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

## **2.18 Related party transactions**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## **2.19 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## **Financial assets**

### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Subsequent measurement of financial assets: All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- a) Financial assets at amortized cost.
- b) Financial assets at fair value through other comprehensive income (FVTOCI)
- c) Financial assets at fair value through profit or loss (FVTPL)

#### **a) Financial assets at amortized cost**

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

#### **b) Financial assets at fair value through other comprehensive income (FVTOCI) "**

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments designated at FVOCI:

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

#### **c) Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

## **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i) the Company has transferred substantially all the risks and rewards of the asset, or
  - ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI.
- c) Financial guarantee contracts which are not measured as at FVTPL.

"The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition."

"For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. "

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**Offsetting:**

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

**Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement**

"The measurement of financial liabilities depends on their classification, as described below:"

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in the fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in the fair value of such liability are recognised in the statement of profit or loss.

**Loans and borrowings**

"This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings."

**De-recognition**

"A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

"Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are



recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

#### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**For Gorantla & Co.,**  
**Chartered Accountants**  
Firm's Registration No. 016943S

For and on behalf of the Board of Directors of  
**ACS Technologies Limited**

**Sri Ranga Gorantla**  
Partner  
Membership No: 222450  
UDIN:

**Ashok Kumar Buddharaju**  
Chairman and Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
ACS: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Standalone Balance Sheet as at March 31, 2024**

(All amounts in Thousands)

	Notes	As at 31-03-2024	As at 31-03-2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	34,712.886	39,756.464
Capital work in progress		34,825.974	-
Goodwill	4	2,42,910.423	2,69,900.470
Other Intangible assets	4	90,932.844	78,373.987
Financial assets			
Investment	5	20,050.530	20,050.530
Other non-current assets	10	28,659.634	31,844.038
		<b>4,52,092.291</b>	<b>4,39,925.489</b>
<b>Current assets</b>			
Inventories	6	2,73,007.918	1,38,258.913
Financial assets			
Trade receivables	7	4,12,283.524	4,60,497.667
Cash and cash equivalents	8	2,636.920	1,588.478
Bank balances other than cash and cash equivalent	8	14,512.470	14,195.214
Other financial assets	9	4,494.802	7,111.581
Other current assets	10	44,190.487	38,150.939
		<b>7,51,126.121</b>	<b>6,59,802.782</b>
<b>Total assets</b>		<b>12,03,218.412</b>	<b>10,99,728.281</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	6,07,419.480	5,59,419.480
Other equity	12	3,33,123.115	2,61,364.475
<b>Total equity</b>		<b>9,40,542.595</b>	<b>8,20,783.955</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	51,437.073	56,037.590
Deferred tax liabilities (net)	14	-	6,674.568
Other non-current liabilities			
		<b>51,437.073</b>	<b>62,712.158</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	1,06,973.833	1,12,623.729
Trade payables	15		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		80,079.417	85,296.766
Other current liabilities	16	9,161.211	7,621.212
Provisions	17	15,024.283	10,690.462
		<b>2,11,238.744</b>	<b>2,16,232.159</b>
<b>Total liabilities</b>		<b>2,62,675.817</b>	<b>2,78,944.317</b>
<b>Total equity and liabilities</b>		<b>12,03,218.412</b>	<b>10,99,728.271</b>

The accompanying notes are an integral part of the standalone financial statements  
In terms of our report attached

**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of  
**ACS TECHNOLOGIES LIMITED**  
CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHJ9666

**Ashok Kumar Buddharaju**  
Chairman & Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of Standalone Profit and Loss for the Period ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

	Notes	31-Mar-24	31-Mar-23
<b>Income</b>			
Revenue from operations	18	8,07,950.593	6,88,356.522
Other income	19	976.360	516.945
<b>Total Income</b>		<b>8,08,926.953</b>	<b>6,88,873.467</b>
<b>Expenses</b>			
Direct Expenses	20	7,37,359.849	5,48,039.021
Changes in inventories of Stock-in-trade	21	(1,34,749.005)	(1,324.387)
Employee benefits expense	22	72,878.359	69,921.477
Finance costs	23	23,534.847	18,342.433
Depreciation and amortisation expense	24	48,253.106	12,980.542
Other expenses	25	26,334.630	10,917.051
<b>Total expenses</b>		<b>7,73,611.786</b>	<b>6,58,876.137</b>
<b>Profit before exceptional items and tax</b>		<b>35,315.167</b>	<b>29,997.330</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>35,315.167</b>	<b>29,997.330</b>
Tax expenses			
Current tax		5,297.275	5,007.155
Deferred tax charge/ (credit)		(6,674.568)	1,319.386
MAT (Credit)		(5,297.275)	(5,007.155)
<b>Income tax expense</b>		<b>(6,674.568)</b>	<b>1,319.386</b>
<b>Profit for the year</b>		<b>41,989.735</b>	<b>28,677.944</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		(231.095)	-
Income tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(231.095)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>41,758.640</b>	<b>28,677.944</b>
<b>Earnings per equity share (in INR) [nominal value of INR 10 per share (Previous year - INR 10 per share)]</b>			
Basic		0.73	0.61
Diluted		0.73	0.61

The accompanying notes are an integral part of the standalone financial statements  
In terms of our report attached

**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

**For and on behalf of the Board of Directors of**  
ACS TECHNOLOGIES LIMITED  
CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHJ9666

**Ashok Kumar Buddharaju**  
Chairman & Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of Standalone Cash Flows for the year ended March 31, 2024**

(All amounts in Thousands)

	31-Mar-24	31-Mar-23
<b>Operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>35,315.167</b>	<b>29,997.330</b>
<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
Depreciation and Amortization	48,253.106	12,980.542
Net foreign exchange differences	-	-
Finance income	(976.360)	(516.945)
Finance cost	23,534.847	18,342.433
Balance written off	-	-
Re-measurement gains/ (losses) on defined benefit plan	(231.095)	-
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	48,214.143	(4,60,497.667)
(Increase)/ decrease in inventories	(1,34,749.005)	(1,38,258.913)
(Increase)/ decrease in financial assets	(3,422.769)	(41,635.964)
(Increase)/ decrease in other assets	-	-
Merger impact	-	5,355.182
Increase/ (decrease) in trade payables	(5,217.349)	39,513.959
Increase/ (decrease) in provisions	1,539.999	3,022.288
Increase/ (decrease) in other liabilities	4,333.821	10,690.462
	16,594.505	(5,21,007.293)
Income tax paid (net of refund)	-	-
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>16,594.505</b>	<b>(5,21,007.293)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,778.338)	(42,547.140)
Purchase of intangible assets	(26,000.000)	(88,563.853)
Investment made in Capital Work in Progress	(34,825.974)	-
Investment made in subsidiary and others	-	(20,050.530)
Interest received	976.360	516.945
<b>Net cash flows from / (used in) investing activities (B)</b>	<b>(62,627.952)</b>	<b>(1,50,644.578)</b>
<b>Financing activities</b>		
Proceeds from borrowings, net	(5,649.896)	1,12,623.729
Repayment of unsecured loans	(4,600.517)	(2,22,047.599)
Change in Non current assets	3,184.404	(31,844.038)
Issue of share capital	48,000.000	(4,86,935.600)
Interest paid (gross)	(23,534.847)	(18,342.433)
Profit from Transferor company (Opening Balance - Merger Impact)	-	76,334.610
Goodwill	-	(2,69,900.470)
Securities Premium	30,000.000	(9,03,672.000)
General Reserve	-	(1,500.000)
CIRP Adjustment	-	24,26,924.068
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>47,399.144</b>	<b>6,81,640.267</b>
Net increase/ (decrease) in cash and cash equivalents	1,365.697	9,988.397
Cash and cash equivalents at the beginning of the year (refer note 10)	15,783.694	5,795.297
<b>Cash and cash equivalents at the end of the period (refer note 10)</b>	<b>17,149.390</b>	<b>15,783.694</b>

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

In terms of our report attached

**For Gorantla & Co.**

Chartered Accountants

ICAI Firm registration number: 016943S

**Sri Ranga Gorantla**

Designated Partner

Membership No.:222450

UDIN: 24222450BKCMHJ9666

Place: Hyderabad

Date: 30/05/2024

For and on behalf of the Board of Directors of

**ACS TECHNOLOGIES LIMITED**

CIN: L62099TG1993PLC015268

**Ashok Kumar Buddharaju**

Chairman & Managing Director

DIN: 03389822

**A. Prabhakara Rao**

Chief Financial Officer

**Anitha Alokam**

Director

DIN: 07309591

**Sridhar Pentela**

Company Secretary

M. No.: A55735

**Notes to the Standalone financial statements for the year ended March 31, 2024**  
(All amounts in Thousands, except share data and where otherwise stated)

**3 Property, plant and equipment**

	Land	Computers	Electrical Installation	Furniture and fixtures	Office equipment	Vehicle	Total
<b>Cost or valuation</b>							-
<b>At April 1, 2022</b>	-	15,536.302	1,718.303	2,669.406	2,067.457	17,954.581	<b>39,946.049</b>
Additions	18,699.553	724.000	1,144.475	4,307.278	1,966.920	-	<b>26,842.226</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>18,699.553</b>	<b>16,260.302</b>	<b>2,862.778</b>	<b>6,976.684</b>	<b>4,034.377</b>	<b>17,954.581</b>	<b>66,788.275</b>
<b>At April 1, 2023</b>	18,699.553	16,260.302	2,862.778	6,976.684	4,034.377	17,954.581	<b>66,788.275</b>
Additions	-	288.664	166.983	174.739	34.766	2,113.186	<b>2,778.338</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	<b>18,699.553</b>	<b>16,548.966</b>	<b>3,029.761</b>	<b>7,151.423</b>	<b>4,069.143</b>	<b>20,067.767</b>	<b>69,566.613</b>
<b>Depreciation and impairment</b>							
<b>At April 1, 2022</b>	-	11,469.534	1,197.976	2,284.615	1,910.262	7,378.748	<b>24,241.135</b>
Depreciation charge for the year	-	703.421	233.734	252.254	279.288	1,321.979	<b>2,790.676</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	-	<b>12,172.955</b>	<b>1,431.710</b>	<b>2,536.869</b>	<b>2,189.550</b>	<b>8,700.727</b>	<b>27,031.811</b>
<b>At April 1, 2023</b>	-	12,172.955	1,431.710	2,536.869	2,189.550	8,700.727	<b>27,031.811</b>
Depreciation charge for the year	-	2,549.846	645.233	658.260	494.707	3,473.870	<b>7,821.916</b>
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	-	<b>14,722.801</b>	<b>2,076.943</b>	<b>3,195.129</b>	<b>2,684.257</b>	<b>12,174.597</b>	<b>34,853.727</b>
<b>Net Book value</b>							
<b>At April 1, 2022</b>	-	<b>4,066.768</b>	<b>520.327</b>	<b>384.791</b>	<b>157.195</b>	<b>10,575.833</b>	<b>15,704.914</b>
<b>At April 1, 2023</b>	<b>18,699.553</b>	<b>4,087.347</b>	<b>1,431.068</b>	<b>4,439.815</b>	<b>1,844.827</b>	<b>9,253.854</b>	<b>39,756.464</b>
<b>At March 31, 2024</b>	<b>18,699.553</b>	<b>1,826.165</b>	<b>952.818</b>	<b>3,956.294</b>	<b>1,384.886</b>	<b>7,893.170</b>	<b>34,712.886</b>

**4 Goodwill and Other Intangible assets**

	Goodwill	Computer Software
<b>Cost or valuation</b>		
<b>At April 1, 2022</b>	-	1,02,723.269
Additions	2,69,900.470	27,500.000
Disposals	-	-
<b>At March 31, 2023</b>	<b>2,69,900.470</b>	<b>1,30,223.269</b>
<b>At April 1, 2023</b>	2,69,900.470	1,30,223.269
Additions	-	26,000.000
Disposals	-	-
<b>At March 31, 2024</b>	<b>2,69,900.470</b>	<b>1,56,223.269</b>
<b>Amortization and impairment</b>		
<b>At April 1, 2022</b>	-	41,659.416
Amortization charge for the year	-	10,189.866
Disposals	-	-
<b>At March 31, 2023</b>	-	<b>51,849.282</b>
<b>At April 1, 2023</b>	-	51,849.282
Amortization charge for the year	26,990.047	13,441.143
Disposals	-	-
<b>At March 31, 2024</b>	<b>26,990.047</b>	<b>65,290.425</b>
<b>Net Book value</b>		
<b>At April 1, 2022</b>	-	<b>61,063.853</b>
<b>At April 1, 2023</b>	<b>2,69,900.470</b>	<b>78,373.987</b>
<b>At March 31, 2024</b>	<b>2,42,910.423</b>	<b>90,932.844</b>

**ACS TECHNOLOGIES LIMITED**
**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**5 Investment**

		<b>In Thousands</b>	
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Non-current investments:</b>			
Unquoted Equity Instruments		20,050.530	20,050.530
<b>Total investments</b>		<b>20,050.530</b>	<b>20,050.530</b>
Aggregate amount of Unquoted Investments		20,050.530	20,050.530
	<b>Face value</b>	<b>Nos.</b>	
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Unquoted Equity Instruments</b>			
<i>Carried at cost</i>			
<b>Investment</b>			
IOTIQ Innovations Private Limited	INR 10	5,100	5,100
KIOT Innovations Private Limited	INR 10	12,618	12,618
<b>Total Unquoted Equity Instruments</b>		<b>20,050.530</b>	<b>20,050.530</b>

**6 Inventories**

		<b>In Thousands</b>	
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
(Valued at lower of cost and net realizable value)			
Stock in Hand		17,918.879	16,308.274
Working in Progress		2,55,089.039	1,21,950.639
<b>Total Inventories</b>		<b>2,73,007.918</b>	<b>1,38,258.913</b>

**7 Trade receivables**

		<b>In Thousands</b>	
		<b>Current</b>	<b>Non Current</b>
		<b>31-Mar-24</b>	<b>31-Mar-23</b>
Trade receivables considered good- Unsecured		4,12,283.524	4,60,497.667
Receivables from related parties		-	-
Trade Receivables - credit impaired		-	-
<b>Total Trade receivables</b>		<b>4,12,283.524</b>	<b>4,60,497.667</b>
<i>Trade receivables</i>			
Unsecured, considered good			
-From Related Parties		-	-
-From Others		4,12,283.524	4,60,497.667
Trade Receivables - credit impaired		-	-
		4,12,283.524	4,60,497.667
<i>Impairment Allowance (allowance for bad and doubtful debts)</i>			
Less: Allowance for Credit Impairment		-	-
<b>Net Trade receivables</b>		<b>4,12,283.524</b>	<b>4,60,497.667</b>

**Trade Receivables Aging Schedule**

		<b>In Thousands</b>				
<b>Particulars</b>	<b>Outstanding for following periods from due date of payments</b>					<b>Total</b>
	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1- 2 years</b>	<b>2- 3 years</b>	<b>More than 3 years</b>	
Undisputed trade-receivables - considered good	4,12,283.524	-	-	-	-	4,12,283.524
Undisputed trade-receivables - which have significant incre	-	-	-	-	-	-
Undisputed trade-receivables - credit impaired	-	-	-	-	-	-
Disputed trade-receivables - considered good	-	-	-	-	-	-
Disputed trade-receivables - which have significant increas	-	-	-	-	-	-
Disputed trade-receivables - credit impaired	-	-	-	-	-	-
Less: Allowance for Impairment	-	-	-	-	-	-
<b>Total</b>	<b>4,12,283.524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,12,283.524</b>

**At March 31, 2023**

		<b>In Thousands</b>				
<b>Particulars</b>	<b>Outstanding for following periods from due date of payments</b>					<b>Total</b>
	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1- 2 years</b>	<b>2- 3 years</b>	<b>More than 3 years</b>	
Undisputed trade-receivables - considered good	4,60,497.667	-	-	-	-	4,60,497.667
Undisputed trade-receivables - which have significant incre	-	-	-	-	-	-
Undisputed trade-receivables - credit impaired	-	-	-	-	-	-
Disputed trade-receivables - considered good	-	-	-	-	-	-
Disputed trade-receivables - which have significant increas	-	-	-	-	-	-
Disputed trade-receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,60,497.667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,60,497.667</b>

ACS TECHNOLOGIES LIMITED

Notes to the Standalone financial statements for the year ended March 31, 2024

(All amounts in Thousands, except share data and where otherwise stated)

8 Cash and cash equivalents and other bank balances

	In Thousands	
	31-Mar-24	31-Mar-23
<b>Cash and cash equivalents</b>		
<i>Balances with banks:</i>		
– On current accounts	2,579.190	1,443.424
– Deposits with less than three months maturity	-	-
Cash on hand	57.730	145.054
<b>Cash and cash equivalents Balances with banks:</b>	<b>2,636.920</b>	<b>1,588.478</b>
<b>Other bank balances</b>		
– Deposits with maturity for less than 12 months	-	-
– Deposits with maturity for more than 12 months*	-	-
– Margin money deposit	-	-
– Deposits with maturity for more than 3 months but less than 12 months	14,512.470	14,195.214
	<b>14,512.470</b>	<b>14,195.214</b>

9 Other financial assets

	In Thousands			
	Current		Non-current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Unsecured and considered good, unless otherwise stated</b>				
Security deposits	2,805.694	3,667.869	-	-
Interest accrued on fixed deposits	1,106.806	2,945.908	-	-
Advance to employee	582.302	497.804	-	-
Trade advance to related parties	-	-	-	-
Other advances	-	-	-	-
<b>Considered Doubtful</b>				
Other receivables	-	-	-	-
Less: Provision for Doubtful receivables	-	-	-	-
<b>Net Other financial assets</b>	<b>4,494.802</b>	<b>7,111.581</b>	<b>-</b>	<b>-</b>

10 Other assets

	In Thousands			
	Current		Non-current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Prepaid expenses	-	-	-	-
Balances with statutory/ government authorities	19,769.044	20,499.424	-	-
Advance to suppliers	1,583.380	2,500.470	-	-
Advance to related party	18,738.063	14,857.322	-	-
Other advances	4,100.000	293.723	-	-
Misc. Expenses to the extent not written off(on account of CIRP adjustment)	-	-	28,659.634	31,844.038
Misc. Expenses to the extent not written off	-	-	-	-
<b>Total Other assets</b>	<b>44,190.487</b>	<b>38,150.939</b>	<b>28,659.634</b>	<b>31,844.038</b>

**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

<b>11 Equity share capital</b>	<b>in Thousand</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Authorised Share Capital</b>		
17,20,00,000 (17,20,00,000) Equity Shares of INR 10 each	17,20,000.000	17,20,000.000
<b>Issued, Subscribed and Paid-up</b>		
6,07,41,948 (5,57,41,948) Equity Shares of INR 10 each, fully paid-up	6,07,419.480	5,57,419.480
Share Application Money	-	2,000.000
<b>Total Issued, Subscribed and Paid-up Equity Shares</b>	<b>6,07,419.480</b>	<b>5,59,419.480</b>

Transferor company authorised capital of Rs.2,700.00 Lakhs i.e. 2,70,00,000 Equity shares of INR 10 each was included in the authorised capital in the year 2022-23 due to merger

**The reconciliation of the number of shares as at March 31, 2024 is set out below:**

	<b>No. of Shares</b>	<b>in Thousand</b>
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2022</b>	<b>10,16,85,900</b>	<b>10,16,859.000</b>
Add: Shares issued during the year	5,39,80,094	5,39,800.940
Less: Extinguishment of shares during year	9,99,24,046	9,99,240.460
<b>At March 31, 2023</b>	<b>5,57,41,948</b>	<b>5,57,419.480</b>
Add: Shares issued during the year	50,00,000	50,000.000
Less: Extinguishment of shares during year	-	-
<b>At March 31, 2024</b>	<b>6,07,41,948</b>	<b>6,07,419.480</b>

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

**Equity shares allotted as fully paid-up pursuant to scheme of arrangement without payment being received in cash**

5,39,80,094 equity shares were issued during the financial year 2022-23 pursuant to scheme of arrangement between ACS Technologies Limited and the Company vide order passed by Honourable National Company Law Tribunal, Hyderabad Bench, Hyderabad-1 dated. March 24, 2023.



**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31-Mar-24		31-Mar-23	
	No of Shares	Holding percentage	No of Shares	Holding percentage
<b>Equity shares of INR.10 each fully paid up</b>				
Ashok Kumar Buddharaju	83,62,676	13.77%	64,14,068	11.88%
Ramadevi Buddharaju	55,51,892	9.14%	55,51,892	10.29%
Prabhakara Rao Alokam	84,72,642	13.95%	84,72,642	15.37%
Anitha Alokam	38,50,200	6.34%	38,50,200	7.13%
Other Public	3,45,04,538	56.81%	3,14,53,146	55.33%

**Details of Shares held by promoters**

**As at March 31, 2024**

Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of year	% age of Total Shares	% change during the year
<b>Equity shares of INR.10 each fully paid up</b>					
Ashok Kumar Buddharaju	64,14,068	19,48,608	83,62,676	13.77%	30.38%
Ramadevi Buddharaju	55,51,892	-	55,51,892	9.14%	0.00%
Prabhakara Rao Alokam	84,72,642	-	84,72,642	13.95%	0.00%
Anitha Alokam	38,50,200	-	38,50,200	6.34%	0.00%
Snigdha Buddharaju	26,26,884	-	26,26,884	4.32%	0.00%
Deepak Alokam	50,608	(48,608)	2,000	0.00%	-96.05%
Gowtham Alokam	5,000	-	5,000	0.01%	0.00%
<b>Total</b>	<b>2,69,71,294</b>	<b>19,00,000</b>	<b>2,88,71,294</b>	<b>47.53%</b>	<b>-65.67%</b>

**As at March 31, 2023**

Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of year	% age of Total Shares	% change during the year
<b>Equity shares of INR.10 each fully paid up</b>					
Ashok Kumar Buddharaju	-	64,14,068	64,14,068	11.51%	11.51%
Ramadevi Buddharaju	-	55,51,892	55,51,892	9.96%	9.96%
Prabhakara Rao Alokam	-	84,72,642	84,72,642	15.20%	15.20%
Anitha Alokam	-	38,50,200	38,50,200	6.91%	6.91%
Snigdha Buddharaju	-	26,26,884	26,26,884	4.71%	4.71%
Deepak Alokam	-	50,608	50,608	0.09%	0.09%
Gowtham Alokam	-	5,000	5,000	0.01%	0.01%
<b>Total</b>	<b>-</b>	<b>2,69,71,294</b>	<b>2,69,71,294</b>	<b>48.39%</b>	<b>48.39%</b>

Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**12 Other equity**

	<b>in Thousand</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	-	-
Changes during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>General Reserve</b>		
Balance at the beginning of the year	-	15,00,000
Changes during the year	-	(15,00,000)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Equity Share Premium Account</b>		
Balance at the beginning of the year	1,85,848.000	10,89,520.000
Changes during the year	30,000.000	(10,89,520.000)
Transferor Company Premium during the year	-	1,85,848.000
<b>Closing balance</b>	<b>2,15,848.000</b>	<b>1,85,848.000</b>
<b>Net Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	75,516.475	(24,26,924.068)
Changes during the year	-	24,26,924.068
Transferor Company opening balance	-	76,334.610
Profit during the year	41,989.735	28,677.945
Bonus adjustment during the year	-	(29,496.080)
<i>Other comprehensive income</i>	-	-
Re-measurement gains/ (losses) on defined benefit plans	(231.095)	-
<b>Net Surplus / (deficit) in the statement of profit and loss</b>	<b>1,17,275.115</b>	<b>75,516.475</b>
<b>Total other equity</b>	<b>3,33,123.115</b>	<b>2,61,364.475</b>

# ACS TECHNOLOGIES LIMITED

## Statement of changes in equity for the year ended March 31, 2024

(All amounts in Thousands, except share data and where otherwise stated)

### a. Equity share capital

#### (1) Current reporting period

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Number of Shares	5,57,41,948	50,00,000	6,07,41,948
Amount ( in Rs.)	5,57,419.480	50,000.000	6,07,419.480

#### (2) Previous reporting period

Particulars	Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
Number of Shares	10,16,85,900	(4,59,43,952)	5,57,41,948
Amount ( in Rs.)	10,16,859.000	(4,59,439.520)	5,57,419.480

### b. Other equity \*

#### For the year ended March 31, 2024

Particulars				Total
	General Reserve	Security Premium	Retained earnings	
As at April 1, 2023	-	1,85,848.000	75,516.475	2,61,364.475
Changes during the year	-	30,000.000	-	30,000.000
Transferor Company opening balance	-	-	-	-
Profit/additions during the year of Transferor Company	-	-	41,989.735	41,989.735
Bonus of the Transferor company during the year	-	-	-	-
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans	-	-	(231.095)	(231.095)
<b>Total comprehensive income</b>	-	<b>2,15,848.000</b>	<b>1,17,275.115</b>	<b>3,33,123.115</b>
<b>As at March 31, 2023</b>	-	<b>2,15,848.000</b>	<b>1,17,275.115</b>	<b>3,33,123.115</b>

## ACS TECHNOLOGIES LIMITED

### Statement of changes in equity for the year ended March 31, 2024

(All amounts in Thousands, except share data and where otherwise stated)

#### For the year ended March 31, 2024

Particulars	Attributable to equity holders of the Company			Total
	Reserves and Surplus			
	General Reserve	Security Premium	Retained earnings	
As at April 1, 2023	1,500.000	10,89,520.000	(24,26,924.068)	(13,35,904.068)
Changes during the year	(1,500.000)	(10,89,520.000)	24,26,924.068	13,35,904.068
Transferor Company opening balance	-	-	76,334.610	76,334.610
Profit/additions during the year of Transferor Company	-	1,85,848.000	28,677.945	2,14,525.945
Bonus of the Transferor company during the year	-	-	(29,496.080)	(29,496.080)
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-
Total comprehensive income	-	1,85,848.000	75,516.475	2,61,364.475
As at March 31, 2024	-	1,85,848.000	75,516.475	2,61,364.475

\*Also refer note 12

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

In terms of our report attached

#### For Gorantla & Co.

Chartered Accountants

ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of

**ACS TECHNOLOGIES LIMITED**

CIN: L62099TG1993PLC015268

#### Sri Ranga Gorantla

Designated Partner

Membership No.:222450

#### Ashok Kumar Buddharaju

Chairman & Managing Director

DIN: 03389822

#### Anitha Alokam

Director

DIN: 07309591

Place: Hyderabad

Date: 30/05/2024

#### A. Prabhakara Rao

Chief Financial Officer

#### Sridhar Pentela

Company Secretary

M. No.: A55735

**ACS TECHNOLOGIES LIMITED**
**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**13 Borrowings**

	<b>in Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Non-current borrowings</b>		
<b>Unsecured loans</b>		
Unsecured loans from Promoters and relatives	34,303.892	8,746.961
From Corporate Bodies	-	18,421.490
Business Loan	13,133.493	22,326.391
	<b>47,437.385</b>	<b>49,494.842</b>
<b>Secured loans</b>		
Term Loan	-	2,382.653
Vehicle Loan	3,999.688	4,160.095
	<b>3,999.688</b>	<b>6,542.748</b>
<b>Total of Non-current borrowings</b>	<b>51,437.073</b>	<b>56,037.590</b>
<b>Current borrowings</b>		
<b>Loan repayable on demand from Bank</b>		
Working Capital from HDFC Bank Limited	87,898.925	98,516.361
<b>Secured loans</b>		
Current maturity of Long term loans	19,074.908	14,107.368
<b>Total current borrowings</b>	<b>1,06,973.833</b>	<b>1,12,623.729</b>

\* The Company is having Fund Based limit of Rs. 14.50 Cr and Non-Fund Based limit of Rs. 6.00 Cr with HDFC Bank Limited. These Limits are secured by First Charge on Fixed Assets, Second Charge on Current Assets and Collateral Charge on Fixed Property of One of the Directors of the Company.

**14 Deferred tax liabilities (net)**

	<b>in Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<i>Deferred tax assets</i>		
Difference between carrying amounts of property, plant and equipment in		
On account of provision for gratuity and leave encashment		
On account of unabsorbed depreciation and carried forward losses		
<b>Gross deferred tax assets</b>	<b>-</b>	<b>-</b>
<i>Deferred tax liabilities</i>		
Difference between carrying amounts of property, plant and equipment in	6,674.568	5,355.182
Current Year Provision	(6,674.568)	1,319.386
<b>Gross deferred tax liabilities</b>	<b>-</b>	<b>6,674.568</b>
<b>Net deferred tax liability</b>	<b>-</b>	<b>6,674.568</b>
<b>Net deferred tax liability recognised*</b>	<b>-</b>	<b>6,674.568</b>

\*Deferred tax asset is recognised to the extent of the probability of taxable profits in future periods.

**ACS TECHNOLOGIES LIMITED**
**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**15 Trade payables**

	31-Mar-24	31-Mar-23
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	80,079.417	85,296.766
<b>Total Trade payables</b>	<b>80,079.417</b>	<b>85,296.766</b>

**Trade Payable Aging Schedule**
**As at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	80,079.417	-	-	-	80,079.417
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>80,079.417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,079.417</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	85,296.766	-	-	-	85,296.766
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>85,296.766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,296.766</b>

**16 Other current liabilities**

	31-Mar-24	31-Mar-23
Advance from customers	-	-
Payable towards statutory dues	-	-
Payable to employees	8,587.528	6,948.013
Creditors for expenses	573.683	673.199
<b>Total Other current liabilities</b>	<b>9,161.211</b>	<b>7,621.212</b>

**Breakup of financial liabilities carried at amortised cost**

	31-Mar-24	31-Mar-23
Borrowings	47,437.385	49,494.842
Other financial liabilities	-	-
Trade payables	80,079.417	85,296.766
<b>Total financial liabilities carried at amortised cost</b>	<b>1,27,516.802</b>	<b>1,34,791.608</b>

**17 Provisions**

	Short term		Long term	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Provision for employee benefits</b>				
Provision for gratuity	5,240.231	2,182.711	-	-
Provision for Income Tax	5,297.275	5,007.155	-	-
Provision for expenses	4,486.777	3,500.596	-	-
<b>Total Provisions</b>	<b>15,024.283</b>	<b>10,690.462</b>	<b>-</b>	<b>-</b>

**ACS TECHNOLOGIES LIMITED**
**Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**18 Revenue from operations**

Particulars	31-Mar-24	31-Mar-23
Revenue from Sale of Goods and Services	7,92,239.793	5,57,706.026
Revenue from Export Services	15,710.800	1,30,650.496
	<b>8,07,950.593</b>	<b>6,88,356.522</b>

**18.1 Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue (other than rental income) from contracts with customers by timing of transfer of goods or services.

**Timing of transfer of goods or services**

Particulars	31-Mar-24	31-Mar-23
Revenue from goods or services transferred to customers at a point in time	8,07,950.593	6,88,356.522
Revenue from goods or services transferred over time	-	-
	<b>8,07,950.593</b>	<b>6,88,356.522</b>

**19 Other income**

Particulars	31-Mar-24	31-Mar-23
Interest on fixed deposits	976.360	516.945
	<b>976.360</b>	<b>516.945</b>

**20 Direct Expenses**

Particulars	31-Mar-24	31-Mar-23
Purchases and direct expenses	6,87,692.975	4,84,015.770
Servicing & Repairs	24,896.627	49,083.772
Consultancy Charges	23,359.587	13,506.978
Discount Paid	1,410.660	1,432.501
	<b>7,37,359.849</b>	<b>5,48,039.021</b>

**21 Changes in inventories of Stock-in-trade**

Particulars	31-Mar-24	31-Mar-23
<b>Opening stock</b>		
-Stock	16,308.274	14,762.128
-Work in Progress	1,21,950.639	1,22,172.398
	<b>1,38,258.913</b>	<b>1,36,934.526</b>
<b>Closing stock</b>		
-Stock	17,918.879	16,308.274
-Work in Progress	2,55,089.039	1,21,950.639
	<b>2,73,007.918</b>	<b>1,38,258.913</b>
	<b>(1,34,749.005)</b>	<b>(1,324.387)</b>

**ACS TECHNOLOGIES LIMITED****Notes to the Standalone financial statements for the year ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**22 Employee benefits expense**

Particulars	31-Mar-24	31-Mar-23
Salaries, wages and bonus*	58,558.104	59,090.926
Contribution to provident and other funds	4,785.139	3,891.360
Gratuity	2,841.137	2,182.711
Staff welfare expenses	742.461	446.262
Employee Compensation Expenses	5,951.518	4,310.218
	<b>72,878.359</b>	<b>69,921.477</b>

\*includes Directors remuneration of INR 38.39 Lakhs (P.Y INR 59.52 Lakhs)

**23 Finance costs**

Particulars	31-Mar-24	31-Mar-23
Interest on borrowing	19,693.415	17,376.712
Other finance charges	3,841.432	965.721
	<b>23,534.847</b>	<b>18,342.433</b>

**24 Depreciation and amortisation expense**

Particulars	31-Mar-24	31-Mar-23
Depreciation on property, plant and equipment	7,821.916	2,790.676
Amortisation of intangible assets	13,441.143	10,189.866
Amortisation of Goodwill	26,990.047	-
	<b>48,253.106</b>	<b>12,980.542</b>

**25 Other expenses**

Particulars	31-Mar-24	31-Mar-23
Advertisement Expenses	146.245	-
Business Promotion	784.650	594.872
Communication expenses	742.135	651.520
CIRP Expenses (W/o)	3,184.404	-
Depository and Exchange expenses	1,859.899	76.870
Directors sitting fees	65.000	60.000
Electricity charges	638.485	547.474
Insurance	368.107	516.252
Legal and Professional Expenses	225.000	-
Miscellaneous expenses	3,785.409	320.308
Payment to auditor*	400.000	400.000
Printing and Stationery	479.927	531.349
Rates and taxes	542.809	1,637.958
Rent	8,285.754	1,906.087
Repairs and maintenance	1,488.739	1,048.509
Travelling and conveyance expenses	3,338.067	2,625.852
	<b>26,334.630</b>	<b>10,917.051</b>

**\* Payment to auditor**

	31-Mar-24	31-Mar-23
As auditor:		
Audit fee [including for Limited review]	300.000	300.000
Tax audit fee	100.000	100.000
In other capacity:	-	-
Other services	-	-
	<b>400.000</b>	<b>400.000</b>



**ACS TECHNOLOGIES LIMITED**

(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to standalone financial statements for the year ended 31st March 2024**

(All amounts INR in Thousands, except share data and where otherwise stated)

**No 26 : Segment Information**

The Company is primarily engaged in IT / ITES related services and hence disclosing information as per requirements of Ind AS 108 "Operating Segments" is not applicable.

**No 27 : Contingent liability and capital commitments****(a) Contingent liability :**

Particulars	Nature of dues	(In ₹ thousands)	Remarks
Bank Guarantee outstanding as on the balance sheet date	Performance Bank Guarantees	32,424.405	Issued to various customers against orders received

**(b) Capital Comotments :**

There were no capital commitments during the year

**No 28 : Earnings and expenditure in foreign currency (on accrual basis)****Earnings in foreign currency**

Particulars	As at at 31 March 2024	As at at 31 March 2023
Sales	15,710.800	1,30,650.496

**Expenditure in foreign currency**

Particulars	As at at 31 March 2024	As at at 31 March 2023
NIL	-	-

**No : 29 Leases**

The company has operating lease for office premise, which is renewable on periodical basis and cancelable at its option. Lease expenses on such operating lease recognised in the Profit and Loss account on a straight line basis over the lease term.

**No : 30 Provision for Gratuity**

(In ₹ thousands)

Particulars	Gratuity	
	As at at 31 March 2024	As at at 31 March 2023
Change in benefit obligations	-	-
PV Obligation as at the start	5,616.060	-
Acquisition adjustment	-	-
Interest Cost	421.214	-
Past-service cost *	-	4,577.820
Current Service cost	1,275.457	1,038.240
Curtailment Cost/ (Credit)	-	-
Settlement Cost/(Credit)	-14.712	-
Remeasurements - Due to Demographic Assumptions	75.312	-
Remeasurements - Due to Financial Assumptions	-242.532	-
Remeasurements - Due to Experience Adjustments	398.315	-
Benefits paid/ due to be paid	-	-
Actuarial(gain)/loss on oblig	-	-
PV Obligation as at the end	7,529.134	5,616.060

\* 25% of the Past Service Cost has been charged to the Profit & Loss Account in the Financial year 2023-24. Balance of 50% will be charged to Profit & Loss Account in the coming two financial years equally.

Employees are entitled to a benefit equivalent to fifteen days' last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972 subject to a maximum of INR 20 Lakhs. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company has created the liability as on March 31, 2024 as per the Actuarial Valuation.

**No 31 : Auditors Remuneration**

(In ₹ thousands)

Particulars	As at at 31 March 2024	As at at 31 March 2023
Statutory audit fees	400.00	400.00
Other services	-	-
Out of pocket expenses	-	-
<b>Total</b>	<b>400.00</b>	<b>400.00</b>

**No 32 Amounts payable to Micro, Small and Medium enterprises**

Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

<b>No 33 : Related Party Disclosures</b>			
i) Subsidiary	: IOTIQ Innovations Private Limited		
ii) Entities in which directors are interested	1. Varsun Etechnologies Private Limited 2. Albesun India Private Limited 3. Bluenine Infra Technologies Private Limited		
iii) Key Managerial Personnel	1. Mr. Ashok Kumar Buddharaju, Chairman and Managing Director 2. Mrs. Anitha Alokam, Whole Time Director 3. Mr. A. Prabhakara Rao, Chief Financial Officer 4. Mr. Sridhar Pentela, Company Secretary		
iv) Persons having Substantial Interest in Voting Power	1. Mr. Ashok Kumar Buddharaju 2. Mrs. Rama Buddharaju 3. Mrs. Anitha Alokam 4. Mr. Prabhakara Rao. A		
<b>B. Non Executive Directors and Independent Directors on the Board of the Company</b>			
<b>Name of the personnel</b>		<b>Relationship</b>	
NIL		NA	
<b>C. Details of transactions with Related Parties</b> <span style="float: right;">(In ₹ thousands)</span>			
<b>Name of the Related party</b>	<b>Nature of the Transactions</b>	<b>2023-24</b>	<b>2022-23</b>
		<b>Balance outstanding as on 31 March 2024</b>	<b>Balance outstanding as on 31 March 2023</b>
IOTIQ Innovations Private Limited	Opening Balance	14,857.33	9,848.85
	Unsecured loan received	7,397.07	8,659.92
	Unsecured loan returned	-5,200.10	-3,651.45
	Interest charged	-	-
	Other charges	-	-
	Closing Balances	17,054.31	14,857.33
	Investment in Equity	51.00	51.00
	<u>Client Transactions</u>		
	Opening Balance	-	-
	Purchases	-	-
Bluenine Infra Technologies Pvt Ltd	Sales	-	-
	Closing balance	-	-
	Opening Balance	-25,925.33	6,493.19
	Purchases	-1,18,929.89	-4,90,291.75
	Sales	-	-
Ashok Kumar Buddharaju	Payment/Receipt/Set off	1,39,259.39	4,57,873.23
	Closing Balance (Credit)	-	-
		-5,595.83	-25,925.33
Rama Buddharaju	Managerial Remuneration	3,912.60	2,400.00
Anitha Alokam	Managerial Remuneration	1,203.00	2,402.40
Prabhakara Rao. A	Managerial Remuneration	1,212.60	1,150.00
P.V. Nagarjuna	Salary	2,415.00	2,277.40
Sridhar Pentela	Salary	394.12	604.19
	Salary	370.25	-
<b>No 34 Investor Education Protection Fund</b>			
There are no outstanding dues to Investor Education Protection Fund as on 31 March 2024.			
As per our report attached			
<b>For Gorantla &amp; Co.</b>		For and on behalf of the Board of Directors of	
Chartered Accountants		<b>ACS TECHNOLOGIES LIMITED</b>	
ICAI Firm registration number: 016943S		CIN: L62099TG1993PLC015268	
<b>Sri Ranga Gorantla</b>		<b>Ashok Kumar Buddharaju</b>	<b>Anitha Alokam</b>
Designated Partner		Chairman & Managing Director	Director
Membership No.:222450		DIN: 03389822	DIN: 07309591
UDIN: 24222450BKCMHJ9666			
Place: Hyderabad		<b>A. Prabhakara Rao</b>	<b>Sridhar Pentela</b>
Date: 30/05/2024		Chief Financial Officer	Company Secretary
			M. No.: A55735

ACS TECHNOLOGIES LIMITED (Formerly Known as LN INDUSTRIES INDIA LIMITED) Notes to standalone financial statements for the year ended 31st March 2024 (All amounts INR in Thousands, except share data and where otherwise stated)								
No 35 Fair value measurements								
The carrying value of financial instruments by categories is as follows: <span style="float:right">(In ₹ thousands)</span>								
Particulars	31-Mar-24			31-Mar-23				
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost		
Financial assets								
Trade receivables	-	-	4,12,283.524	-	-	4,60,497.667		
Cash and cash equivalents	-	-	2,636.920	-	-	1,588.478		
Bank balance other than cash and cash equivalents	-	-	14,512.470	-	-	14,195.214		
Other financials assets	-	-	4,494.802	-	-	7,111.581		
Inventories	-	-	2,73,007.918	-	-	1,38,258.913		
Total	-	-	7,06,935.634	-	-	6,21,651.853		
Financial liabilities								
Borrowings	-	-	1,06,973.833	-	-	1,12,623.729		
Trade payables	-	-	80,079.417	-	-	85,296.766		
Other financial liabilities	-	-	9,161.211	-	-	7,621.212		
Total	-	-	1,96,214.461	-	-	2,05,541.707		
Fair value hierarchy								
The following table provides the fair value measurement hierarchy of the Company's assets and liabilities <span style="float:right">(In ₹ thousands)</span>								
Particulars	31-Mar-24				31-Mar-23			
	Carrying amount	Fair value through profit or loss	At Amortised Cost	At Cost	Carrying amount	Fair value through profit or loss	At Amortised Cost	At Cost
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
Measured at cost/ amortised cost/fair value through profit and loss								
Trade receivables	4,12,283.524	-	-	-	4,60,497.667	-	-	-
Cash and cash equivalents	2,636.920	-	-	-	1,588.478	-	-	-
Bank balance other than cash and cash equivalents	14,512.470	-	-	-	14,195.214	-	-	-
Other financials assets	4,494.802	-	-	-	7,111.581	-	-	-
Inventories	2,73,007.918	-	-	-	1,38,258.913	-	-	-
Total	7,06,935.634	-	-	-	6,21,651.853	-	-	-
Assets for which fair value are disclosed								
Measured at amortised cost								
Borrowings	1,06,973.833	-	-	-	1,12,623.729	-	-	-
Trade payables	80,079.417	-	-	-	85,296.766	-	-	-
Other financial liabilities	9,161.211	-	-	-	7,621.212	-	-	-
	1,96,214.461	-	-	-	2,05,541.707	-	-	-
Notes:								
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.								
Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.								
Level 3 inputs are unobservable inputs for the asset or liability.								
There have been no transfers between the levels during the period.								
Financial instruments carried at amortised cost such as trade receivables, other financial assets, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to short term nature.								
For financial assets & liabilities that are measured at fair value, the carrying amounts are equal to the fair values.								
No 36. Financial risk management objectives and policies								
The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents and other bank balances that derive directly from its operations.								
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.								
A. Market risk								
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and security deposits.								
The Company is not exposed to significant interest rate risk as at the respective reporting dates.								
The Company's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the investments are not exposed to significant price risk.								
B. Credit risk								
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (short term bank deposits). The Company only deals with parties which has good credit rating / worthiness given by external rating agencies or based on companies internal assessment.								
Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.								

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 4,49,483.44 Thousands (March 31, 2023- INR 4,96,331.89 Thousand) being the total of the carrying amount of Cash and cash equivalents, bank deposits, trade receivables, investments and other financial assets.

**Trade receivables**

IND AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on ageing which are receivables for more than six months.

**C. Liquidity risk**

Liquidity risk refers to the risk that the Company can not meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensured that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**No 37. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans & borrowings, less cash and cash equivalents.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

	(In ₹ thousands)	
	31-Mar-24	31-Mar-23
Borrowings	51,437.073	62,712.158
Less: Cash and cash equivalents	17,149.390	15,783.692
<b>Net debt</b>	<b>34,287.683</b>	<b>46,928.466</b>
Equity share capital	6,07,419.480	5,59,419.480
Other equity	3,33,123.115	2,61,364.475
<b>Total capital</b>	<b>9,40,542.595</b>	<b>8,20,783.955</b>
<b>Capital and net debt</b>	<b>9,74,830.278</b>	<b>8,67,712.421</b>
Gearing ratio	3.52%	5.41%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 except as per Hon'ble NCLT Order.

**No 38 Standards issued but not effective**

There were no standards issued but not effective at the time of issuance of the Company's financial statements, hence the disclosure is not applicable.

**No 39 Significant event after the reporting period**

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

**No 40 Corporate social responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company does not meeting the applicability threshold, and hence no need to spend on corporate social responsibility (CSR) activities.

**No 41. Code of Social Security**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**No 42 Other Statutory Information**

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

2. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

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

4. The Company do not have any transactions with Crypto Currency or Virtual Currency where the Company has traded or invested in Crypto Currency or Virtual Currency during the year.

5. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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.

7. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ACS TECHNOLOGIES LIMITED  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)  
Notes to standalone financial statements for the year ended 31st March 2024  
(All amounts INR in Thousands, except share data and where otherwise stated)

No 43 Earnings Per Share (Basic and Diluted)  
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.  
  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible debentures) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.  
  
The following table reflects the income and share data used in the basic and diluted EPS computations: (In ₹ thousands)

Particulars	31 March 2024	31 March 2023
Basic Earning per Share		
Profit / Loss after tax	41,758.640	28,677.944
Profit/Loss after tax (excluding extraordinary items)	41,758.640	28,677.944
Weighted average number of Equity shares outstanding during the year	5,75,09,071	4,68,21,645
Nominal value of Equity share	10	10
Earnings per share	0.726	0.612
Earnings per share (excluding extraordinary items)	0.726	0.612
Diluted Earning per Share		
Profit / Loss after tax	41,758.640	28,677.944
Profit/Loss after tax (excluding extraordinary items)	41,758.640	28,677.944
Weighted average number of Equity shares outstanding during the year	5,75,09,071	4,68,21,645
Nominal value of Equity share	10	10
Earnings per share	0.726	0.612
Earnings per share (excluding extraordinary items)	0.726	0.612

No 44 Ratio Analysis

Particulars	Unit of Measurement	2023-24	2022-23	Variation in %	Reason for Variation above 25%
Current Ratio	In multiple	3.56	3.05	16.53	
Debt-Equity Ratio	In multiple	0.05	0.08	(28.42)	Increase in Networth due to free Equity shares issue at premium and addition of Profit to the internal accruals
Debt Service Coverage Ratio	In multiple	6.85	2.36	189.76	Due to Increase in profit and Decrease in Liabilities
Return on Equity Ratio	In %	4.74	11.43	(58.52)	Due to Increase in profit
Inventory Turnover Ratio	In Months	3.28	4.48	(26.70)	Due to billing of work-in-progress
Trade receivables Turnover Ratio	In Days	197	244	(19.26)	
Trade payables Turnover Ratio	In Days	37	35	7.49	
Net Working Capital Turnover Ratio	In %	163.07	213.91	(23.76)	
Net Profit Ratio	In %	5.17	4.17	24.06	
Return on Capital Employed	In %	6.96	11.16	(37.62)	Due to Increase in share capital and free reserves
Return on Investment (Assets)	In %	3.63	5.17	(29.87)	Due to Increase in profit

No 45 Prior year comparatives  
The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

No 46 Approval of Financial Statements  
The financial statements were approved for issue by the Board of Directors on May 30, 2024.

As per our report attached  
For Gorantla & Co.  
Chartered Accountants  
ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of  
ACS TECHNOLOGIES LIMITED  
CIN: L62099TG1993PLC015268

Sri Ranga Gorantla  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHJ9666

Ashok Kumar Buddharaju  
Chairman & Managing Director  
DIN: 03389822

Anitha Alokam  
Director  
DIN: 07309591

Sridhar Pentela  
Company Secretary  
M. No.: A55735

Place: Hyderabad  
Date: 30/05/2024

A. Prabhakara Rao  
Chief Financial Officer

# **CONSOLIDATED FINANCIAL STATEMENTS & NOTES**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**ACS Technologies Limited (Formerly LN Industries India Limited)**

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

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of **ACS Technologies Limited** (hereinafter referred to as “the Parent”) and its subsidiary (the Parent and its subsidiary together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated statements give the information required by the Companies Act, 2013, as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### **Basis for opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (“SA”s). Our responsibilities under those Standards are further described in the Auditor’s Responsibility 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Information other than the Consolidated financial statements and Auditor’s Report Thereon**

The Parent’s Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors including Annexures thereto, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially

misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditor.

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 and Those Charged with Governance for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the 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 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 judgement 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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 business activities within the Group 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 business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

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, 2024 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.

### **Other Matters**

We did not audit the financial statements of one subsidiary, included in the consolidated financial statements of the Company whose financial statements includes total assets of ₹ 229.80 Lakhs as at March 31, 2024, total revenue of ₹ 119.89 Lakhs and net cash inflows amounting to ₹ 1.16 Lakhs for the year ended on that date. This financial statement has been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion above on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor on separate financial statements and the other financial information of subsidiaries.

### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/the "Order") 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 included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditor.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation

of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” which is based on the auditors’ reports of the Parent and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiaries.
  - iv.
    - a) The respective Managements of the companies included in the Group, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or its subsidiaries to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or its subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The respective Managements of the companies included in the Group, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or its subsidiaries from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent Company or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditor to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Parent company or its subsidiaries has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Parent and its subsidiaries has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For Gorantla & Co  
Chartered Accountants  
Firm’s Registration No.: 016943S

Sriranga Gorantla  
Partner  
Membership No.: 222450  
UDIN: 24222450BKCMHL6996

Place: Hyderabad  
Date: 30 May,2024

## **Annexure 1 to the Independent Auditor's Report**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Spacenet Enterprises India Limited (hereinafter referred to as the "Parent") and its subsidiary companies, as of that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 Parent's internal financial controls with reference to consolidated financial statements of the Company and its subsidiary companies incorporated in India.

### **Meaning of Internal Financial Controls with reference to consolidated financial statements**

A company's internal financial control with reference to consolidated financial statement 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 with reference to consolidated financial statements 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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 the explanations given to us, the Parent and its subsidiary companies, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Parent, in so far as it relates to subsidiaries which is company incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For Gorantla & Co  
Chartered Accountants  
Firm's Registration No.: 016943S

Sriranga Gorantla  
Partner  
Membership No.: 222450  
UDIN: 24222450BKCMHL6996

Place: Hyderabad  
Date: 30 May,2024

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the year ended March 31, 2024**

**1 Corporate information**

The Consolidated financial statements comprise financial statements of ACS Technologies Limited (Formerly Known as LN Industries India Limited) ("the Company") for the year ended March 31, 2024. The Company is a Company domiciled in India and incorporated under the provisions of Companies Act applicable in India on, 28 April, 1995. Its shares are listed on recognized stock exchanges of India, the Bombay Stock Exchange Limited. The registered office of the Company is located at Level 7, Pardha's Picasa, Madhapur, Hyderabad – 500081 Telangana, India.

The company is primarily engaged in the business as "System Integrator, Security and Surveillance, IOT Solutions, Software Products and Services" in the area of Information Technology.

The company was admitted in NCLT and Resolution Plan submitted by Mr. Ashok Kumar Buddharaju and Mr. Vivek Ratakonda was given consent by CoC. Hon'ble NCLT issued order dated 24<sup>th</sup> March, 2023 in respect of the resolution plan submitted by them and declared as successful resolution applicants. ACS Technologies Limited has been merged with the company as a part of the scheme of the arrangement mentioned in the resolution plan. Such merger is effective from the financial year 2022-23, hence the financials shown in the statements are including the financials of ACS Technologies Limited. Consideration offered by the Resolution Applicants in the plan has brought in well within the timelines given in the Hon'ble NCLT order. Such consideration has been disbursed to the respective parties as a per the approved resolution plan.

Successful Resolution Applicants took over the management affairs of the company including the induction directors in the board and appointment of key management personnel. The company is in the process of completing the other procedures as mentioned in the successful resolution plan and approach Bombay Stock Exchange for listing of shares as per the approved resolution plan.

The Consolidated financial statements are approved for issue by the Company's Board of Directors on 30<sup>th</sup> May, 2024.

**2 Significant Accounting Policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Consolidated financial statement.

These financial statements have been prepared in Indian Rupee which is also the functional currency of the Company and all values are rounded to the thousands, except when otherwise indicated. These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities which are measured at fair value or amortized cost at the end of each reporting period, as explained in the accounting policies below.



## 2.2 Significant accounting judgements, estimates and assumptions.

The preparation of the Company's Consolidated financial statements requires management to make judgements, 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 in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Critical accounting estimates

- i. **Goodwill:** Excess consideration paid over business value transferred under scheme of arrangement is considered as Goodwill and will be impaired over a period of time on straight line basis.
- ii. **Taxes:** Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the same can be utilized. A significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- iii. **Provisions and Contingent Liability:** The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## 2.3 Current versus non-current classification

The Company presents assets and liabilities in the Consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in the company's normal operating cycle.
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within twelve months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

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

### Operating cycle for current and non-current classification

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The company has taken Operating cycle to be twelve months.

## **2.4 Fair value measurement of financial instruments**

The Company measures financial instruments, such as, Investments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognized in the Consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2.5 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such a cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major

inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. Gains or losses arising from derecognition of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## 2.6 Intangible asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the affect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

## Business Combination

ACS Technologies Limited merged with the company as per the scheme of arrangement approved by the Hon'ble NCLT, Hyderabad bench vide its order dated CP(IB) No.17/9/HDB/2022 dated 24<sup>th</sup> March, 2023.

Goodwill calculation statement		INR in Thousands
Particulars		Amount
<b>Book value of assets and liabilities transferred</b>		
Property, plant and Equipment		1,18,130.45
Investments		20,050.53
Current Assets		6,53,606.80
<b>Total Assets</b>		<b>7,91,787.78</b>
Reserves & Surplus		2,61,364.48
Non Current Liabilities		58,398.04
Current Liabilities		2,02,124.80
<b>Total Liabilities</b>		<b>5,21,887.31</b>
Net Assets		2,69,900.47
Face value of equity shares of 5,39,80,094 Number issued to shareholders of ACS Technologies Limited		5,39,800.94
<b>Goodwill</b>		<b>2,69,900.47</b>

\* During the year, the company has recognised goodwill amounting to Rs. 26,99,00,470/- arising out of the scheme of arrangement of merger of ACS Technologies Limited. The company is amortising goodwill over a period of 10 years on straight line basis from the year 2023-24 as the scheme of arrangement order has pronounced on 24th March, 2023 and received in the month of April 2023.

## **2.7 Depreciation and Amortization**

Depreciation on Property, plant and equipment is provided on the written down value basis over the useful lives of assets specified in Schedule II to the Companies Act, 2013.

Software being intangible asset is amortized on written down value basis over a period of 6 years.

Goodwill being intangible asset is amortized on straight line basis over a period of 10 years.

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. The amortization period and the amortization method are reviewed at least at each financial year end.

## **2.8 "Impairment of Financial and Non-Financial Assets"**

"The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period."

In the case of non-financial assets, assessment of impairment indicators involves consideration of future risks. Further, the company estimates the assets' recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

## **2.9 Revenue Recognition**

The company is primarily engaged in the business as "System Integrator, Security and Surveillance, IOT Solutions, Software Products and Services" in the area of Information Technology.

### **Revenue from operation**

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

### **Contract balances**

**i. Trade receivables:** The amounts billed on the customer for work performed and are unconditionally due for payment i.e., only passage of time is required before payment falls due, are disclosed in the balance sheet as trade receivables.

**ii. Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognised as revenue when the Company performs under the contract.

**Interest income**

Interest income from a financial asset is recognised using an effective interest rate method.

**Dividend**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**2.10 Taxes on income****Current income tax**

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

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

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

"Deferred tax liabilities are recognised for all taxable temporary differences, except:"

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of taxable temporary differences associated with investments in subsidiary and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- i. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

"All other acquired tax benefits realized are recognised in profit or loss."

## **2.11 Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity shares holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **2.12 Leases**

### **Where the Company is lessee**

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

#### **i) Right-of-use asset**

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

The right-of-use assets are also subject to impairment."

**ii) Lease Liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

**2.13 Foreign currencies transactions and translation**

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

In preparing the financial statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the statement of profit and loss for the period.

**2.14 Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **2.15 Employee benefits**

### **Defined benefit plans**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of the financial year. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of OCI.

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

"Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

### **Termination benefits**

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

### **Compensated Absences**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

## **2.16 Provisions and Contingencies**

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

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the



contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

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

Provisions and contingent liability are reviewed at each balance sheet.

### **2.17 Borrowing costs**

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

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

### **2.18 Related party transactions**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. Impairment assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### **2.19 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Subsequent measurement of financial assets: All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification financial assets.

Following are the categories of financial instrument:

- a) Financial assets at amortized cost.
- b) Financial assets at fair value through other comprehensive income (FVTOCI)
- c) Financial assets at fair value through profit or loss (FVTPL)

#### **a) Financial assets at amortized cost**

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

#### **b) Financial assets at fair value through other comprehensive income (FVTOCI) "**

Debt financial assets measured at FVOCI:

Debt instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity Instruments designated at FVOCI:

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

#### **c) Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets such as unquoted Mutual funds are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i) the Company has transferred substantially all the risks and rewards of the asset, or
  - ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured at FVTOCI.
- c) Financial guarantee contracts which are not measured as at FVTPL.

"The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition."

"For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. "

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

#### **Offsetting:**

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

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

### **Subsequent measurement**

"The measurement of financial liabilities depends on their classification, as described below:"

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in the fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in the fair value of such liability are recognised in the statement of profit or loss.

### **Loans and borrowings**

"This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings."

### **De-recognition**

"A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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

loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**For Gorantla & Co.,**  
**Chartered Accountants**  
Firm's Registration No. 016943S

For and on behalf of the Board of Directors of  
**ACS Technologies Limited**

**Sri Ranga Gorantla**  
Partner  
  
Membership No: 222450  
UDIN: 23222450BGWMYW1253

**Ashok Kumar Buddharaju**  
Chairman and Managing  
Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
ACS: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Consolidated Balance Sheet as at March 31, 2024**

(All amounts in Thousands)

	Notes	As at 31-03-2024	As at 31-03-2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	35,439.530	40,635.439
Capital work in progress		34,825.974	-
Goodwill	4	2,42,910.423	2,69,900.470
Other Intangible assets	4	94,418.667	81,019.829
Intangible Assets under development		4,750.000	4,750.000
Financial assets			
Investment	5	19,999.530	19,999.530
Other non-current assets	10	28,659.634	31,844.038
		<b>4,61,003.759</b>	<b>4,48,149.306</b>
<b>Current assets</b>			
Inventories	6	2,84,656.504	1,46,026.057
Financial assets			
Trade receivables	7	4,13,464.179	4,61,308.456
Cash and cash equivalents	8	3,319.912	2,155.786
Bank balances other than cash and cash equivalent	8	14,512.470	14,195.214
Other financial assets	9	4,725.867	7,111.581
Other current assets	10	27,410.108	38,940.338
		<b>7,48,089.040</b>	<b>6,69,737.422</b>
<b>Total assets</b>		<b>12,09,092.799</b>	<b>11,17,886.738</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	6,07,419.480	5,59,419.480
Other equity	12	3,33,838.961	2,62,093.163
Non Controlling Interest		736.774	49.000
<b>Total equity</b>		<b>9,41,995.215</b>	<b>8,21,561.643</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	52,420.395	71,878.234
Deferred tax liabilities (net)	14	166.913	6,777.051
Other non-current liabilities			
		<b>52,587.308</b>	<b>78,655.285</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	1,06,973.833	1,12,623.729
Trade payables	15		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		81,153.897	86,055.612
Other current liabilities	16	11,005.099	8,223.757
Provisions	17	15,377.446	10,766.712
		<b>2,14,510.275</b>	<b>2,17,669.800</b>
<b>Total liabilities</b>		<b>2,67,097.583</b>	<b>2,96,325.085</b>
<b>Total equity and liabilities</b>		<b>12,09,092.798</b>	<b>11,17,886.728</b>

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of  
**ACS TECHNOLOGIES LIMITED**  
CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHL6996

**Ashok Kumar Buddharaui**  
Chairman & Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of Consolidated Profit and Loss for the Period ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

	Notes	31-Mar-24	31-Mar-23
<b>Income</b>			
Revenue from operations	18	8,19,939.727	6,94,497.620
Other income	19	976.360	516.945
<b>Total Income</b>		<b>8,20,916.087</b>	<b>6,95,014.565</b>
<b>Expenses</b>			
Direct Expenses	20	7,48,232.137	5,53,363.710
Changes in inventories of Stock-in-trade	21	(1,38,630.447)	(3,933.838)
Employee benefits expense	22	75,284.757	71,606.538
Finance costs	23	23,543.245	18,359.648
Depreciation and amortisation expense	24	48,811.400	13,642.098
Other expenses	25	27,470.191	11,550.408
<b>Total expenses</b>		<b>7,84,711.283</b>	<b>6,64,588.563</b>
<b>Profit before exceptional items and tax</b>		<b>36,204.804</b>	<b>30,426.002</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>36,204.804</b>	<b>30,426.002</b>
Tax expenses			
Current tax		5,447.549	5,078.709
Deferred tax charge/ (credit)		(6,610.138)	1,363.755
MAT (Credit)		(5,297.275)	(5,037.435)
<b>Income tax expense</b>		<b>(6,459.864)</b>	<b>1,405.029</b>
<b>Profit for the year</b>		<b>42,664.667</b>	<b>29,020.973</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		(231.095)	-
Income tax effect		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(231.095)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>42,433.572</b>	<b>29,020.973</b>
<b>Total comprehensive income for the period attributable to :</b>			
Owners of the Company		42,102.856	29,020.973
Non-controlling interests		330.717	-
<b>Earnings per equity share (in INR) [nominal value of INR 10 per shar (Previous year - INR 10 per share)]</b>			
Basic		0.74	0.61
Diluted		0.74	0.61

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

**For and on behalf of the Board of Directors of**  
ACS TECHNOLOGIES LIMITED  
CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHL6996

**Ashok Kumar Buddharaju**  
Chairman & Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of Consolidated Cash Flows for the year ended March 31, 2024**

(All amounts in Thousands)

	31-Mar-24	31-Mar-23
<b>Operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>36,204.804</b>	<b>30,426.002</b>
<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
Depreciation and Amortization	48,811.400	13,642.098
MAT Credit Entitlement	-	30.280
Finance income	(976.360)	(516.945)
Finance cost	23,543.245	18,359.648
Adjustment of Non Controlling Interest	(687.774)	-
Re-measurement gains/ (losses) on defined benefit plan	(231.095)	-
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	47,844.277	(4,60,632.238)
(Increase)/ decrease in inventories	(1,38,630.447)	(1,40,868.364)
(Increase)/ decrease in financial assets	13,915.944	(40,642.406)
(Increase)/ decrease in other assets	-	-
Merger impact	-	5,355.182
Increase/ (decrease) in trade payables	(4,901.715)	40,272.805
Increase/ (decrease) in provisions	2,781.342	3,624.833
Increase/ (decrease) in other liabilities	4,610.734	9,694.552
	32,284.355	(5,21,254.554)
Income tax paid (net of refund)	150.274	(71.554)
<b>Net cash flows from / (used in) operating activities (A)</b>	<b>32,134.081</b>	<b>(5,21,326.108)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,778.338)	(44,122.003)
Purchase of intangible assets	(27,245.945)	(91,738.990)
Investment made in Capital Work in Progress	(34,825.974)	-
Investment made in subsidiary and others	-	(20,050.530)
Interest received	976.360	516.945
<b>Net cash flows from / (used in) investing activities (B)</b>	<b>(63,873.897)</b>	<b>(1,55,394.578)</b>
<b>Financing activities</b>		
Proceeds from borrowings, net	(5,649.896)	1,12,623.729
Repayment of unsecured loans	(19,457.839)	(2,17,039.125)
Change in Non current assets	3,184.404	(31,844.038)
Non Controlling Interest	687.774	-
Issue of share capital	48,000.000	(4,86,935.600)
Interest paid (gross)	(23,543.245)	(18,359.648)
Profit from Transferor company (Opening Balance - Merger Impact)	-	76,434.610
Goodwill	-	(2,69,900.470)
Securities Premium	30,000.000	(9,03,672.000)
General Reserve	-	(1,500.000)
CIRP Adjustment	-	24,26,924.068
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>33,221.198</b>	<b>6,86,731.526</b>
Net increase/ (decrease) in cash and cash equivalents	1,481.382	10,010.841
Cash and cash equivalents at the beginning of the year (refer note 10)	16,351.002	6,340.161
<b>Cash and cash equivalents at the end of the period (refer note 10)</b>	<b>17,832.384</b>	<b>16,351.002</b>

The accompanying notes are an integral part of the consolidated financial statements  
In terms of our report attached

**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of  
**ACS TECHNOLOGIES LIMITED**  
CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHL6996

**Ashok Kumar Buddharaju**  
Chairman & Managing Director  
DIN: 03389822

**Anitha Alokam**  
Director  
DIN: 07309591

Place: Hyderabad  
Date: 30/05/2024

**A. Prabhakara Rao**  
Chief Financial Officer

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735



**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

**3 Property, plant and equipment**

	Land	Computers	Electrical Installation	Furniture and fixtures	Office equipment	Vehicle	Total
<b>Cost or valuation</b>							-
<b>At April 1, 2022</b>	-	15,706.302	1,718.303	2,669.406	2,067.457	18,954.581	41,116.049
Additions	18,699.553	724.000	1,144.475	4,307.278	1,966.920	-	26,842.226
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	18,699.553	16,430.302	2,862.778	6,976.684	4,034.377	18,954.581	67,958.275
<b>At April 1, 2023</b>	18,699.553	16,430.302	2,862.778	6,976.684	4,034.377	18,954.581	67,958.275
Additions	-	288.664	166.983	174.739	34.766	2,113.186	2,778.338
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	18,699.553	16,718.966	3,029.761	7,151.423	4,069.143	21,067.767	70,736.613
<b>Depreciation and impairment</b>							
<b>At April 1, 2022</b>	-	11,499.102	1,197.976	2,284.615	1,910.262	7,507.944	24,399.899
Depreciation charge for the	-	726.831	233.734	252.254	279.288	1,430.830	2,922.937
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2023</b>	-	12,225.933	1,431.710	2,536.869	2,189.550	8,938.774	27,322.836
<b>At April 1, 2023</b>	-	12,225.933	1,431.710	2,536.869	2,189.550	8,938.774	27,322.836
Depreciation charge for the	-	2,579.093	645.233	658.260	494.707	3,596.954	7,974.247
Disposals	-	-	-	-	-	-	-
<b>At March 31, 2024</b>	-	14,805.026	2,076.943	3,195.129	2,684.257	12,535.728	35,297.083
<b>Net Book value</b>							
<b>At April 1, 2022</b>	-	4,207.200	520.327	384.791	157.195	11,446.637	16,716.150
<b>At April 1, 2023</b>	18,699.553	4,204.369	1,431.068	4,439.815	1,844.827	10,015.807	40,635.439
<b>At March 31, 2024</b>	18,699.553	1,913.940	952.818	3,956.294	1,384.886	8,532.039	35,439.530

**4 Goodwill and Other Intangible assets**

	Goodwill	Computer Software
<b>Cost or valuation</b>		
<b>At April 1, 2022</b>	-	1,06,335.250
Additions	2,69,900.470	27,500.000
Disposals	-	-
<b>At March 31, 2023</b>	2,69,900.470	1,33,835.250
<b>At April 1, 2023</b>	2,69,900.470	1,33,835.250
Additions	-	27,245.945
Disposals	-	-
<b>At March 31, 2024</b>	2,69,900.470	1,61,081.195
<b>Amortization and impairment</b>		
<b>At April 1, 2022</b>	-	42,096.260
Amortization charge for the year	-	10,719.161
Disposals	-	-
<b>At March 31, 2023</b>	-	52,815.421
<b>At April 1, 2023</b>	-	52,815.421
Amortization charge for the year	26,990.047	13,847.106
Disposals	-	-
<b>At March 31, 2024</b>	26,990.047	66,662.528
<b>Net Book value</b>		
<b>At April 1, 2022</b>	-	64,238.990
<b>At April 1, 2023</b>	2,69,900.470	81,019.829
<b>At March 31, 2024</b>	2,42,910.423	94,418.667

Notes to the Consolidated financial statements for the Period ended March 31, 2024  
(All amounts in Thousands)

5 Investment

		In Thousands			
		31-Mar-24		31-Mar-23	
<b>Non-current investments:</b>					
Unquoted Equity Instruments		19,999.530		19,999.530	
<b>Total investments</b>		<b>19,999.530</b>		<b>19,999.530</b>	
Aggregate amount of Unquoted Investments		19,999.530		19,999.530	
		Nos.		In Thousands	
Face value		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Unquoted Equity Instruments</b>					
<i>Carried at cost</i>					
<b>Investment</b>					
KIOT Innovations Private Limited	INR 10	12,618	-	19,999.530	19,999.530
<b>Total Unquoted Equity Instruments</b>				<b>19,999.530</b>	<b>19,999.530</b>

6 Inventories

	In Thousands	
(Valued at lower of cost and net realizable value)	31-Mar-24	31-Mar-23
Stock in Hand	27,392.786	24,075.418
Working in Progress	2,57,263.718	1,21,950.639
<b>Total Inventories</b>	<b>2,84,656.504</b>	<b>1,46,026.057</b>

7 Trade receivables

	In Thousands			
	Current		Non Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Trade receivables considered good- Unsecured	4,13,464.179	4,61,308.456	-	-
Receivables from related parties	-	-	-	-
Trade Receivables - credit impaired	-	-	-	-
<b>Total Trade receivables</b>	<b>4,13,464.179</b>	<b>4,61,308.456</b>	<b>-</b>	<b>-</b>
<i>Trade receivables</i>				
Unsecured, considered good				
-From Related Parties	-	-	-	-
-From Others	4,13,464.179	4,61,308.456	-	-
Trade Receivables - credit impaired	-	-	-	-
	4,13,464.179	4,61,308.456	-	-
<i>Impairment Allowance (allowance for bad and doubtful debts)</i>				
Less: Allowance for Credit Impairment	-	-	-	-
<b>Net Trade receivables</b>	<b>4,13,464.179</b>	<b>4,61,308.456</b>	<b>-</b>	<b>-</b>

Trade Receivables Aging Schedule

	In Thousands					
Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed trade-receivables - considered good	4,13,464.179	-	-	-	-	4,13,464.179
Undisputed trade-receivables - which have significant increa	-	-	-	-	-	-
Undisputed trade-receivables - credit impaired	-	-	-	-	-	-
Disputed trade-receivables - considered good	-	-	-	-	-	-
Disputed trade-receivables - which have significant increase	-	-	-	-	-	-
Disputed trade-receivables - credit impaired	-	-	-	-	-	-
Less: Allowance for Impairment	-	-	-	-	-	-
<b>Total</b>	<b>4,13,464.179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,13,464.179</b>

At March 31, 2023

	In Thousands					
Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
Undisputed trade-receivables - considered good	4,61,308.456	-	-	-	-	4,61,308.456
Undisputed trade-receivables - which have significant increa	-	-	-	-	-	-
Undisputed trade-receivables - credit impaired	-	-	-	-	-	-
Disputed trade-receivables - considered good	-	-	-	-	-	-
Disputed trade-receivables - which have significant increase	-	-	-	-	-	-
Disputed trade-receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,61,308.456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,61,308.456</b>

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**  
(All amounts in Thousands)

**8 Cash and cash equivalents and other bank balances**

	In Thousands	
	31-Mar-24	31-Mar-23
<b>Cash and cash equivalents</b>		
Balances with banks:		
– On current accounts	3,248.330	1,996.879
– Deposits with less than three months maturity	-	-
Cash on hand	71.582	158.907
<b>Cash and cash equivalents Balances with banks:</b>	<b>3,319.912</b>	<b>2,155.786</b>
<b>Other bank balances</b>		
– Deposits with maturity for more than 3 months but less than 12 months	14,512.470	14,195.214
	<b>14,512.470</b>	<b>14,195.214</b>

**9 Other financial assets**

	In Thousands			
	Current		Non-current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Unsecured and considered good, unless otherwise stated</b>				
Security deposits	2,805.694	3,667.869	-	-
Interest accrued on fixed deposits	1,106.806	2,945.908	-	-
Advance to employee	813.367	497.804	-	-
Trade advance to related parties	-	-	-	-
Other advances	-	-	-	-
<b>Considered Doubtful</b>				
Other receivables	-	-	-	-
Less: Provision for Doubtful receivables	-	-	-	-
<b>Net Other financial assets</b>	<b>4,725.867</b>	<b>7,111.581</b>	<b>-</b>	<b>-</b>

**10 Other assets**

	In Thousands			
	Current		Non-current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Prepaid expenses	72.000	72.000	-	-
Balances with statutory/ government authorities	19,940.846	20,790.817	-	-
Advance to suppliers	1,613.492	17,569.188	-	-
Advance to related party	1,683.770	-	-	-
Other advances	4,100.000	508.333	-	-
Misc. Expenses to the extent not written off(on account of CIRP adjustment)	-	-	28,659.634	31,844.038
Misc. Expenses to the extent not written off	-	-	-	-
<b>Total Other assets</b>	<b>27,410.108</b>	<b>38,940.338</b>	<b>28,659.634</b>	<b>31,844.038</b>

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

<b>11 Equity share capital</b>	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Authorised Share Capital</b>		
17,20,00,000 (17,20,00,000) Equity Shares of INR 10 each	17,20,000.000	17,20,000.000
<b>Issued, Subscribed and Paid-up</b>		
6,07,41,948 (5,57,41,948) Equity Shares of INR 10 each, fully paid-up	6,07,419.480	5,57,419.480
Share Application Money	-	2,000.000
<b>Total Issued, Subscribed and Paid-up Equity Shares</b>	<b>6,07,419.480</b>	<b>5,59,419.480</b>

Transferor company authorised capital of Rs.2,700.00 Lakhs i.e. 2,70,00,000 Equity shares of INR 10 each was included in the authorised capital in the year 2022-23 due to merger

**The reconciliation of the number of shares as at March 31, 2023 is set out below:**

	<b>No. of Shares</b>	<b>In Thousands</b>
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2022</b>	<b>10,16,85,900</b>	<b>10,16,859.000</b>
Add: Shares issued during the year	5,39,80,094	5,39,800.940
Less: Extinguishment of shares during year	9,99,24,046	9,99,240.460
<b>At March 31, 2023</b>	<b>5,57,41,948</b>	<b>5,57,419.480</b>
Add: Shares issued during the year	50,00,000	50,000.000
Less: Extinguishment of shares during year	-	-
<b>At March 31, 2024</b>	<b>6,07,41,948</b>	<b>6,07,419.480</b>

**Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

**Equity shares allotted as fully paid-up pursuant to scheme of arrangement without payment being received in cash**

5,39,80,094 equity shares were issued during the financial year 2022-23 pursuant to scheme of arrangement between ACS Technologies Limited and the Company vide order passed by Honourable National Company Law Tribunal, Hyderabad Bench, Hyderabad-1 dated. March 24, 2023.

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

**Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder	31-Mar-24		31-Mar-23	
	No of Shares	Holding percentage	No of Shares	Holding percentage
<b>Equity shares of INR.10 each fully paid up</b>				
Ashok Kumar Buddharaju	83,62,676	13.77%	64,14,068	11.88%
Ramadevi Buddharaju	55,51,892	9.14%	55,51,892	10.29%
Prabhakara Rao Alokam	84,72,642	13.95%	84,72,642	15.37%
Anitha Alokam	38,50,200	6.34%	38,50,200	7.13%
Other Public	3,45,04,538	56.81%	3,14,53,146	55.33%

**Details of Shares held by promoters**

**As at March 31, 2024**

Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of year	% age of Total Shares	% change during the year
<b>Equity shares of INR.10 each fully paid up</b>					
Ashok Kumar Buddharaju	64,14,068	19,48,608	83,62,676	13.77%	30.38%
Ramadevi Buddharaju	55,51,892	-	55,51,892	9.14%	0.00%
Prabhakara Rao Alokam	84,72,642	-	84,72,642	13.95%	0.00%
Anitha Alokam	38,50,200	-	38,50,200	6.34%	0.00%
Snigdha Buddharaju	26,26,884	-	26,26,884	4.32%	0.00%
Deepak Alokam	50,608	(48,608)	2,000	0.00%	-96.05%
Gowtham Alokam	5,000	-	5,000	0.01%	0.00%
<b>Total</b>	<b>2,69,71,294</b>	<b>19,00,000</b>	<b>2,88,71,294</b>	<b>47.53%</b>	<b>-65.67%</b>

**As at March 31, 2023**

Promoter Name	No. of Shares at the beginning of the year	Change during the year	No. of shares at the end of year	% age of Total Shares	% change during the year
<b>Equity shares of INR.10 each fully paid up</b>					
Ashok Kumar Buddharaju	-	64,14,068	64,14,068	11.51%	11.51%
Ramadevi Buddharaju	-	55,51,892	55,51,892	9.96%	9.96%
Prabhakara Rao Alokam	-	84,72,642	84,72,642	15.20%	15.20%
Anitha Alokam	-	38,50,200	38,50,200	6.91%	6.91%
Snigdha Buddharaju	-	26,26,884	26,26,884	4.71%	4.71%
Deepak Alokam	-	50,608	50,608	0.09%	0.09%
Gowtham Alokam	-	5,000	5,000	0.01%	0.01%
<b>Total</b>	<b>-</b>	<b>2,69,71,294</b>	<b>2,69,71,294</b>	<b>48.39%</b>	<b>48.39%</b>

Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

**12 Other equity**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	-	-
Changes during the year	-	-
<b>Closing balance</b>	-	-
<b>General Reserve</b>		
Balance at the beginning of the year	-	1,500.000
Changes during the year	-	(1,500.000)
<b>Closing balance</b>	-	-
<b>Equity Share Premium Account</b>		
Balance at the beginning of the year	1,85,848.000	10,89,520.000
Changes during the year	30,000.000	(10,89,520.000)
Transferor Company Premium during the year	-	1,85,848.000
<b>Closing balance</b>	<b>2,15,848.000</b>	<b>1,85,848.000</b>
<b>Net Surplus / (deficit) in the statement of profit and loss</b>		
Balance at the beginning of the year	76,245.163	(24,26,924.068)
Changes during the year	-	24,26,924.068
Transferor Company opening balance	-	76,720.270
Profit during the year	42,433.572	29,020.973
Bonus adjustment during the year	-	(29,496.080)
Less: Share of Non Controlling Interest	(687.774)	-
<i>Other comprehensive income</i>		
Re-measurement gains/ (losses) on defined benefit plans		
<b>Net Surplus / (deficit) in the statement of profit and loss</b>	<b>1,17,990.961</b>	<b>76,245.163</b>
<b>Total other equity</b>	<b>3,33,838.961</b>	<b>2,62,093.163</b>

**ACS TECHNOLOGIES LIMITED**

(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of changes in equity for the year ended March 31, 2024**

(All amounts in Thousands)

**a. Equity share capital****(1) Current reporting period**

Particulars	Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
Number of Shares	5,57,41,948	50,00,000	6,07,41,948
<b>Amount ( in Rs.)</b>	<b>55,74,19,480</b>	<b>5,00,00,000</b>	<b>60,74,19,480</b>

**(2) Previous reporting period**

Particulars	Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
Number of Shares	10,16,85,900	(4,59,43,952)	5,57,41,948
<b>Amount ( in Rs.)</b>	<b>1,01,68,59,000</b>	<b>(45,94,39,520)</b>	<b>55,74,19,480</b>

**b. Other equity \*****For the year ended March 31, 2024**

Particulars				Total
	General Reserve	Security Premium	Retained earnings	
As at April 1, 2023	-	1,85,848.000	76,245.163	2,62,093.163
Changes during the year	-	30,000.000	-	30,000.000
Transferor Company opening balance	-	-	-	-
Profit/additions during the year of Transferor Company	-	-	42,433.572	42,433.572
Bonus of the Transferor company during the year	-	-	-	-
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-
Total comprehensive income	-	2,15,848.000	1,17,990.961	3,33,838.961
As at March 31, 2024	-	2,15,848.000	1,17,990.961	3,33,838.961

**ACS TECHNOLOGIES LIMITED**

(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Statement of changes in equity for the year ended March 31, 2024**

(All amounts in Thousands)

**For the year ended March 31, 2023**

Particulars	Attributable to equity holders of the Company			Total
	Reserves and Surplus			
	General Reserve	Security Premium	Retained earnings	
As at April 1, 2022	1,500.000	10,89,520.000	(24,26,924.068)	(13,35,904.068)
Changes during the year	(1,500.000)	(10,89,520.000)	24,26,924.068	13,35,904.068
Transferor Company opening balance	-	-	76,720.270	76,720.270
Profit/additions during the year of Transferor Company	-	1,85,848.000	29,020.973	2,14,868.973
Bonus of the Transferor company during the year	-	-	(29,496.080)	(29,496.080)
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-
Total comprehensive income	-	1,85,848.000	76,245.163	2,62,093.163
As at March 31, 2023	-	1,85,848.000	76,245.163	2,62,093.163

\*Also refer note 12

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

In terms of our report attached

**For Gorantla & Co.**

Chartered Accountants

ICAI Firm registration number: 016943S

For and on behalf of the Board of Directors of

**ACS TECHNOLOGIES LIMITED**

CIN: L62099TG1993PLC015268

**Sri Ranga Gorantla**

Designated Partner

Membership No.:222450

UDIN: 24222450BKCMHL6996

**Ashok Kumar Buddharaju**

Chairman &amp; Managing Director

DIN: 03389822

**Anitha Alokam**

Director

DIN: 07309591

Place: Hyderabad

Date: 30/05/2024

**A. Prabhakara Rao**

Chief Financial Officer

**Sridhar Pentela**

Company Secretary

M. No.: A55735



**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

**13 Borrowings**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Non-current borrowings</b>		
<b>Unsecured loans</b>		
Unsecured loans from Promoters and relatives	35,287.214	9,730.283
From Corporate Bodies	-	33,278.812
Business Loan	13,133.493	22,326.391
	<b>48,420.707</b>	<b>65,335.486</b>
<b>Secured loans</b>		
Term Loan	-	2,382.653
Vehicle Loan	3,999.688	4,160.095
	<b>3,999.688</b>	<b>6,542.748</b>
<b>Total of Non-current borrowings</b>	<b>52,420.395</b>	<b>71,878.234</b>
<b>Current borrowings</b>		
<b>Loan repayable on demand from Bank</b>		
Working Capital from HDFC Bank Limited	87,898.925	98,516.361
<b>Secured loans</b>		
Current maturity of Long term loans	19,074.908	14,107.368
<b>Unsecured loans</b>		
Unsecured loans from Promoters and relatives	-	-
<b>Total current borrowings</b>	<b>1,06,973.833</b>	<b>1,12,623.729</b>

**14 Deferred tax liabilities (net)**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<i>Deferred tax assets</i>		
Difference between carrying amounts of property, plant and equipment in		
On account of provision for gratuity and leave encashment		
On account of unabsorbed depreciation and carried forward losses		
<b>Gross deferred tax assets</b>	<b>-</b>	<b>-</b>
<i>Deferred tax liabilities</i>		
Difference between carrying amounts of property, plant and equipment in	6,777.051	5,413.296
Current Year Provision	(6,610.138)	1,363.755
<b>Gross deferred tax liabilities</b>	<b>166.913</b>	<b>6,777.051</b>
<b>Net deferred tax liability</b>	<b>166.913</b>	<b>6,777.051</b>
<b>Net deferred tax liability recognised*</b>	<b>166.913</b>	<b>6,777.051</b>

\*Deferred tax asset is recognised to the extent of the probability of taxable profits in future periods.

**ACS TECHNOLOGIES LIMITED**

(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands)

**15 Trade payables**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than	81,153.897	86,055.612
<b>Total Trade payables</b>	<b>81,153.897</b>	<b>86,055.612</b>

**Trade Payable Aging Schedule**

<b>As at March 31, 2024</b>						<b>In Thousands</b>
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>	
	<b>Less than 1 year</b>	<b>1- 2 years</b>	<b>2- 3 years</b>	<b>More than 3 years</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	81,153.897	-	-	-	81,153.897	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	
<b>Total</b>	<b>81,153.897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,153.897</b>	

<b>As at March 31, 2023</b>						<b>In Thousands</b>
<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>	
	<b>Less than 1 year</b>	<b>1- 2 years</b>	<b>2- 3 years</b>	<b>More than 3 years</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	86,055.612	-	-	-	86,055.612	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	
<b>Total</b>	<b>86,055.612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,055.612</b>	

**16 Other current liabilities**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Advance from customers	1,487.090	319.018
Payable towards statutory dues	-	-
Payable to employees	8,944.326	7,172.332
Creditors for expenses	573.683	732.407
<b>Total Other current liabilities</b>	<b>11,005.099</b>	<b>8,223.757</b>

**Breakup of financial liabilities carried at amortised cost**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Borrowings	48,420.707	65,335.486
Other financial liabilities	-	-
Trade payables	81,153.897	86,055.612
<b>Total financial liabilities carried at amortised cost</b>	<b>1,29,574.604</b>	<b>1,51,391.098</b>

**17 Provisions**

	<b>In Thousands</b>			
	<b>Short term</b>		<b>Long term</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Provision for employee benefits</b>				
Provision for gratuity	5,240.231	2,182.711	-	-
Provision for Income Tax	5,447.549	5,083.405	-	-
Provision for expenses	4,689.666	3,500.596	-	-
<b>Total Provisions</b>	<b>15,377.446</b>	<b>10,766.712</b>	<b>-</b>	<b>-</b>

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**18 Revenue from operations**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Revenue from Sale of Goods and Services	8,04,228.927	5,63,847.124
Revenue from Export Services	15,710.800	1,30,650.496
	<b>8,19,939.727</b>	<b>6,94,497.620</b>

**18.1 Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue (other than rental income) from contracts with customers by timing of transfer of goods or services.

**Timing of transfer of goods or services**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Revenue from goods or services transferred to customers at a point in time	8,19,939.727	6,94,497.620
Revenue from goods or services transferred over time	-	-
	<b>8,19,939.727</b>	<b>6,94,497.620</b>

**19 Other income**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Interest on fixed deposits	976.360	516.945
	<b>976.360</b>	<b>516.945</b>

**20 Direct Expenses**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Purchases and direct expenses	6,96,107.767	4,88,321.563
Servicing & Repairs	27,206.021	49,865.592
Consultancy Charges	23,507.689	13,744.054
Discount Paid	1,410.660	1,432.501
	<b>7,48,232.137</b>	<b>5,53,363.710</b>

**21 Changes in inventories of Stock-in-trade**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Opening stock</b>		
-Stock	22,910.355	19,919.821
-Work in Progress	1,23,115.702	1,22,172.398
	<b>1,46,026.057</b>	<b>1,42,092.219</b>
<b>Closing stock</b>		
-Stock	27,392.786	24,075.418
-Work in Progress	2,57,263.718	1,21,950.639
	<b>2,84,656.504</b>	<b>1,46,026.057</b>
	<b>(1,38,630.447)</b>	<b>(3,933.838)</b>

**ACS TECHNOLOGIES LIMITED**  
(Formerly Known as LN INDUSTRIES INDIA LIMITED)

**Notes to the Consolidated financial statements for the Period ended March 31, 2024**

(All amounts in Thousands, except share data and where otherwise stated)

**22 Employee benefits expense**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Salaries, wages and bonus*	60,956.326	60,639.432
Contribution to provident and other funds	4,785.139	3,891.360
Gratuity expense	2,841.137	2,182.711
Staff welfare expenses	750.637	462.696
Employee Compensation Expenses	5,951.518	4,430.339
	<b>75,284.757</b>	<b>71,606.538</b>

\*includes Directors remuneration of INR 38.39 Lakhs (P.Y INR 59.52 Lakhs)

**23 Finance costs**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Interest on borrowing	19,693.415	17,376.712
Other finance charges	3,849.830	982.936
	<b>23,543.245</b>	<b>18,359.648</b>

**24 Depreciation and amortisation expense**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Depreciation on property, plant and equipment	7,974.247	2,922.937
Amortisation of intangible assets	13,847.106	10,719.161
Amortisation of Goodwill	26,990.047	-
	<b>48,811.400</b>	<b>13,642.098</b>

**25 Other expenses**

	<b>In Thousands</b>	
<b>Particulars</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
Advertisement Expenses	146.245	-
Business Promotion	784.650	594.872
Communication expenses	801.181	680.135
CIRP Expenses (W/o)	3,184.404	-
Depository and Exchange expenses	1,887.772	76.870
Directors sitting fees	65.000	60.000
Electricity charges	663.899	573.724
Insurance	403.672	537.108
Legal and Professional Expenses	225.000	-
Miscellaneous expenses	4,010.136	320.308
Payment to auditor*	430.000	420.000
Preliminary Expenditure (W/O)	-	2.100
Printing and Stationery	494.987	537.329
Rates and taxes	542.809	1,654.208
Rent	8,454.754	2,056.087
Repairs and maintenance	1,491.939	1,225.510
Travelling and conveyance expenses	3,883.743	2,812.157
	<b>27,470.191</b>	<b>11,550.408</b>

**\* Payment to auditor**

	<b>In Thousands</b>	
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
As auditor:		
Audit fee [including for Limited review]	320.000	320.000
Tax audit fee	110.000	100.000
	<b>430.000</b>	<b>420.000</b>

<b>ACS TECHNOLOGIES LIMITED</b> <b>CIN: L62099TG1993PLC015268</b> <b>Notes to Consolidated financial statements for the year ended 31st March 2024</b> (All amounts in Indian rupees in Thousands, except share data and where otherwise stated)			
<b>No 26 : Segment Information</b> The Company is primarily engaged in IT / ITES related services and hence disclosing information as per requirements of Ind AS 108 "Operating Segments" is not applicable.			
<b>No 27 : Contingent liability and capital commitments</b> <b>(a) Contingent liability :</b>			
<b>Particulars</b>	<b>Nature of dues</b>	<b>(In ₹ thousands)</b>	<b>Remarks</b>
Bank Guarantee outstanding Outstanding as on the balance sheet date	Performance Bank Guarantees	32,424.405	Issued to various customers against orders received
<b>(b) Capital Comotments :</b> There were no capital commitments during the year			
<b>No 28 : Earnings and expenditure in foreign currency (on accrual basis)</b> <b>Earnings in foreign currency</b>			
<b>Particulars</b>	<b>As at at 31 March 2024</b>	<b>As at at 31 March 2023</b>	
Sales	15,710.800	1,30,650.496	
<b>Expenditure in foreign currency</b>			
<b>Particulars</b>	<b>As at at 31 March 2024</b>	<b>As at at 31 March 2023</b>	
NIL	-	-	
<b>No : 29 Leases</b> The company has operating lease for office premise, which is renewable on periodical basis and cancelable at its option. Lease expenses on such operating lease recognised in the Profit and Loss account on a straight line basis over the lease term.			
<b>No : 30 Provision for Gratuity</b> (In ₹ thousands)			
	<b>Gratuity</b>		
<b>Particulars</b>	<b>As at at 31 March 2024</b>	<b>As at at 31 March 2023</b>	
Change in benefit obligations	5,616.060	-	
PV Obligation as at the start	-	-	
Acquisition adjustment	-	-	
Interest Cost	421.214	-	
Past-service cost *	-	4,577.820	
Current Service cost	1,275.457	1,038.240	
Curtailment Cost/ (Credit)	-	-	
Settlement Cost/(Credit)	-14.712	-	
Remeasurements - Due to Demographic Assumptions	75.312	-	
Remeasurements - Due to Financial Assumptions	-242.532	-	
Remeasurements - Due to Experience Adjustments	398.315	-	
Benefits paid/ due to be paid	-	-	
Actuarial(gain)/loss on oblig	-	-	
PV Obligation as at the end	<b>7,529.134</b>	<b>5,616.060</b>	
* 25% of the Past Service Cost has been charged to the Profit & Loss Account in the Financial year 2023-24. Balance of 50% will be charged to Profit & Loss Account in the coming two financial years equally.			
Employees are entitled to a benefit equivalent to fifteen days' last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972 subject to a maximum of INR 20 Lakhs. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company has created the liability as on March 31, 2024 as per the Actuarial Valuation.			
<b>No 31 : Auditors Remuneration</b> (In ₹ Thousands)			
<b>Particulars</b>	<b>As at at 31 March 2024</b>	<b>As at at 31 March 2023</b>	
Statutory audit fees	430.00	420.00	
Other services	-	-	
Out of pocket expenses	-	-	
<b>Total</b>	<b>430.00</b>	<b>420.00</b>	

**No 32 Amounts payable to Micro, Small and Medium enterprises**

Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

**No 33 : Related Party Disclosures**

i) Entities in which directors are interested	1. Varsun Etechnologies Private Limited 2. Albesun India Private Limited 3. Bluenine Infra Technologies Private Limited
ii) Key Managerial Personnel	1. Mr. Ashok Kumar Buddharaju, Chairman and Managing Director 2. Mrs. Anitha Alokam, Whole Time Director 3. Mr. A. Prabhakara Rao, Chief Financial Officer 4. Mr. Sridhar Pentela, Company Secretary
iii) Persons having Substantial Interest in Voting Power	1. Mr. Ashok Kumar Buddharaju 2. Mrs. Rama Buddharaju 3. Mrs. Anitha Alokam 4. Mr. Prabhakara Rao. A

**B. Non Executive Directors and Independent Directors on the Board of the Company**

Name of the personnel	Relationship
NIL	NA

**C. Details of transactions with Related Parties**

(In ₹ Thousands)

Name of the Related party	Nature of the Transactions	2023-24	2022-23
		Balance outstanding as on 31 March 2024	Balance outstanding as on 31 March 2023
Bluenine Infra Technologies Pvt Ltd	Opening Balance	-25,925.33	6,493.19
	Purchases	-1,18,929.89	-4,90,291.75
	Sales	-	-
	Payment/Receipt/Set off	1,39,259.39	4,57,873.23
	Closing Balance (Credit)	-	-
		-5,595.83	-25,925.33
Ashok Kumar Buddharaju	Managerial Remuneration	3,912.60	2,400.00
Rama Buddharaju	Managerial Remuneration	1,203.00	2,402.40
Anitha Alokam	Managerial Remuneration	1,212.60	1,150.00
Prabhakara Rao. A	Salary	2,415.00	2,277.40
P.V. Nagarjuna	Salary	394.12	604.19
Sridhar Pentela	Salary	370.25	-

**No 34 Material partly owned subsidiary**

Financial information of subsidiary that have material non-controlling interest is provided below:

Particulars	Country of incorporation and operation	As at 31 March 2024	As at 31 March 2023
IOTIQ Innovations Private Limited	India	51.00%	51.00%
Accumulated balance of material non-controlling interest:		736.774	49.000
Profit / (Loss) allocated to material non-controlling interest:		330.717	168.084

The summarised financial information of this subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of Profit and loss	As at 31 March 2024	As at 31 March 2023
Revenue from operations	11,989.134	6,141.098
<b>Total income</b>	<b>11,989.134</b>	<b>6,141.098</b>
Direct Expenses	10,872.288	5,324.689
Change in Inventories	-3,881.442	-2,609.451
Employees Benefit Expenses	2,679.733	1,685.061
Finance Cost	8.398	17.215
Depreciation and Amortisation Expenses	558.295	661.556
Other Expenses	862.226	633.357
<b>Total Expenses</b>	<b>11,099.498</b>	<b>5,712.427</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>889.636</b>	<b>428.671</b>
Tax Expenses	214.704	85.643
<b>Profit/(Loss) for the year from continuing operations</b>	<b>674.932</b>	<b>343.028</b>
Total comprehensive income	674.932	343.028
Attributable to non-controlling interests	330.717	168.084

Summarized Balance Sheet	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalent (current)	682.992	567.307
Property, plant and equipments (non-current)	726.644	878.975
Other Intangible Assets (non-current)	3,485.823	2,645.842
Intangible Assets under development (non-current)	4,750.000	4,750.000
Inventories (current)	11,648.586	7,767.144
Deferred Tax Assets (non-current)	(166.913)	(102.483)
Trade Receivable and other financial assets (current)	1,180.655	810.789
Loans and Advance (current)	333.177	498.006
Other Current Assets	171.802	291.393
Trade payable and other financial liabilities (current)	(1,074.480)	(758.846)
Borrowings (non-current)	(18,037.615)	(15,840.644)
Other Current Liabilities (current)	(1,843.888)	(543.337)
Provisions (current)	(353.163)	(135.458)
<b>Total equity</b>	<b>1,503.620</b>	<b>828.688</b>
<b>Attributable to:</b>		
Equity holders of parent	766.846	422.631
Non-controlling interest	736.774	406.057
<b>Summarized cash flow information</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>
Operating	(826.943)	(218.815)
Investing	(1,245.945)	(4,750.000)
Financing	2,188.573	4,991.259
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>115.685</b>	<b>22.444</b>
<p><b>No 35 Investor Education Protection Fund</b>  There are no outstanding dues to Investor Education Protection Fund as on 31 March 2024.</p> <p>As per our report attached</p> <p><b>For Gorantla &amp; Co.</b>  Chartered Accountants  ICAI Firm registration number: 016943S</p> <p><b>Sri Ranga Gorantla</b>  Designated Partner  Membership No.:222450  UDIN: 24222450BKCMHL6996</p> <p>Place: Hyderabad  Date: 30/05/2024</p> <p>For and on behalf of the Board of Directors of  <b>ACS TECHNOLOGIES LIMITED</b>  CIN: L62099TG1993PLC015268</p> <p><b>Ashok Kumar Buddharaju</b>  Chairman &amp; Managing Director  DIN: 03389822</p> <p><b>A. Prabhakara Rao</b>  Chief Financial Officer</p> <p><b>Anitha Alokam</b>  Director  DIN: 07309591</p> <p><b>Sridhar Pentela</b>  Company Secretary  M. No.: A55735</p>		

**ACS TECHNOLOGIES LIMITED**

CIN: L62099TG1993PLC015268

**Notes to Consolidated financial statements for the year ended 31st March 2024**

(All amounts in Indian rupees in Thousands, except share data and where otherwise stated)

**No 36 Fair value measurements**

The carrying value of financial instruments by categories is as follows:

(In ₹ Thousands)

Particulars	31-Mar-24			31-Mar-23		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
<b>Financial assets</b>						
Trade receivables	-	-	4,13,464.179	-	-	4,61,308.456
Cash and cash equivalents	-	-	3,319.912	-	-	2,155.786
Bank balance other than cash and cash equivalents	-	-	14,512.470	-	-	14,195.214
Other financials assets	-	-	4,725.867	-	-	7,111.581
Inventories	-	-	2,84,656.504	-	-	1,46,026.057
<b>Total</b>	-	-	<b>7,20,678.932</b>	-	-	<b>6,30,797.094</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,06,973.833	-	-	1,12,623.729
Trade payables	-	-	81,153.897	-	-	86,055.612
Other financial liabilities	-	-	11,005.099	-	-	8,223.757
<b>Total</b>	-	-	<b>1,99,132.829</b>	-	-	<b>2,06,903.098</b>

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(In ₹ Thousands)

Particulars	31-Mar-24				31-Mar-23			
	Carrying amount	Fair value through profit or loss	At Amortised Cost	At Cost	Carrying amount	Fair value through profit or loss	At Amortised Cost	At Cost
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial assets</b>								
Measured at cost/ amortised cost/fair value through profit and loss								
Trade receivables	4,13,464.18	-	-	-	4,61,308.46	-	-	-
Cash and cash equivalents	3,319.91	-	-	-	2,155.79	-	-	-
Bank balance other than cash and cash equivalents	14,512.470	-	-	-	14,195.21	-	-	-
Other financials assets	4,725.87	-	-	-	7,111.58	-	-	-
Inventories	2,84,656.50	-	-	-	1,46,026.06	-	-	-
<b>Total</b>	<b>7,20,678.93</b>	-	-	-	<b>6,30,797.09</b>	-	-	-
<b>Assets for which fair value are disclosed</b>								
Measured at amortised cost								
Borrowings	1,06,973.83	-	-	-	1,12,623.73	-	-	-
Trade payables	81,153.90	-	-	-	86,055.61	-	-	-
Other financial liabilities	11,005.10	-	-	-	8,223.76	-	-	-
	<b>1,99,132.83</b>	-	-	-	<b>2,06,903.10</b>	-	-	-

**Notes:**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

Financial instruments carried at amortised cost such as trade receivables, other financial assets, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to short term nature.

For financial assets &amp; liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**No 37. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.



**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and security deposits.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

The Company's equity investments are mainly strategic in nature and are generally held on a long term basis. Further, the investments are not exposed to significant price risk.

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (short term bank deposits). The Company only deals with parties which has good credit rating / worthiness given by external rating agencies or based on companies internal assessment.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was INR 4,51,296.09 Thousands (March 31, 2023- INR 4,96,331.89 Thousand) being the total of the carrying amount of Cash and cash equivalents, bank deposits, trade receivables, investments and other financial assets.

**Trade receivables**

IND AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on ageing which are receivables for more than six months.

**C. Liquidity risk**

Liquidity risk refers to the risk that the Company can not meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensured that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**No 38. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans & borrowings, less cash and cash equivalents.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

	(In ₹ Thousands)	
	31-Mar-24	31-Mar-23
Borrowings	52,587.31	78,655.29
Less: Cash and cash equivalents	17,832.38	16,351.00
<b>Net debt</b>	<b>34,754.93</b>	<b>62,304.29</b>
Equity share capital	6,07,419.48	5,59,419.48
Other equity	3,33,838.96	2,62,093.16
<b>Total capital</b>	<b>9,41,258.44</b>	<b>8,21,512.64</b>
<b>Capital and net debt</b>	<b>9,76,013.37</b>	<b>8,83,816.93</b>
Gearing ratio	3.56%	7.05%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 except as per Hon'ble NCLT Order.

**No 39 Standards issued but not effective**

There were no standards issued but not effective at the time of issuance of the Company's financial statements, hence the disclosure is not applicable.

**No 40 Significant event after the reporting period**

There were no significant adjusting event that accrued subsequent to the reporting period which may require an adjustment to the balance sheet.

**No 41 Corporate social responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company does not meeting the applicability threshold, and hence no need to spend on corporate social responsibility (CSR) activities.

**No 42 Code of Social Security**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**No 43 Other Statutory Information**

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

2. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

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

4. The Company does not have any transactions with Crypto Currency or Virtual Currency where the Company has traded or invested in Crypto Currency or Virtual Currency during the year.

5. The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

7. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

**ACS TECHNOLOGIES LIMITED**  
**CIN: L62099TG1993PLC015268**

**Notes to Consolidated financial statements for the year ended 31st March 2024**

(All amounts in Indian rupees in Thousands, except share data and where otherwise stated)

**No 44 Earnings Per Share (Basic and Diluted)**

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

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

The following table reflects the income and share data used in the basic and diluted EPS computations: (In ₹ Thousands)

Particulars	31 March 2024	31 March 2023
<b>Basic Earning per Share</b>		
Profit / Loss after tax	42,664.67	29,020.97
Profit/Loss after tax (excluding extraordinary items)	42,664.67	29,020.97
Number Equity Shares at the end of Financial year	5,75,09,071	4,68,21,645
Nominal value of Equity share	10	10
Earnings per share	0.742	0.620
Earnings per share (excluding extraordinary items)	0.742	0.620
<b>Diluted Earning per Share</b>		
Profit / Loss after tax	42,664.67	29,020.97
Profit/Loss after tax (excluding extraordinary items)	42,664.67	29,020.97
Weighted average number of Equity shares outstanding during the year - No	5,75,09,071	4,68,21,645
Nominal value of Equity share	10.00	10.00
Earnings per share	0.742	0.620
Earnings per share (excluding extraordinary items)	0.742	0.620

**No 45 Ratio Analysis**

Particulars	Unit of Measurement	2023-24	2022-23	Variation in %	Reason for Variation above 25%
Current Ratio	In multiple	3.49	3.08	13.34	
Debt-Equity Ratio	In multiple	0.06	0.10	(41.69)	Increase in Networth due to free Equity shares issue at premium and addition of Profit to the internal accruals
Debt Service Coverage Ratio	In multiple	8.67	3.46	150.40	Due to Increase in profit and Decrease in Liabilities
Return on Equity Ratio	In %	4.84	3.53	36.97	Due to Increase in profit
Inventory Turnover Ratio	In Months	3.18	4.31	(26.22)	Due to billing of work-in-progress
Trade receivables Turnover Ratio	In Days	194	242	-19.73	
Trade payables Turnover Ratio	In Days	37	45	-17.75	
Net Working Capital Turnover Ratio	In %	160.48	201.38	-20.31	
Net Profit Ratio	In %	5.20	4.18	24.47	
Return on Capital Employed	In %	6.99	10.53	-33.61	Due to Increase in share capital and free reserves
Return on Investment (Assets)	In %	3.67	2.60	41.25	Due to Increase in profit

**No 46 Prior year comparatives**

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

**No 47 Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on May 30, 2024.

As per our report attached  
**For Gorantla & Co.**  
Chartered Accountants  
ICAI Firm registration number: 016943S

**Sri Ranga Gorantla**  
Designated Partner  
Membership No.:222450  
UDIN: 24222450BKCMHL6996

Place: Hyderabad  
Date: 30/05/2024

For and on behalf of the Board of Directors of  
**ACS TECHNOLOGIES LIMITED**  
CIN: L62099TG1993PLC015268

**Ashok Kumar Buddharaju**  
Chairman & Managing Director  
DIN: 03389822

**A. Prabhakara Rao**  
Chief Financial Officer

**Anitha Alokam**  
Director  
DIN: 07309591

**Sridhar Pentela**  
Company Secretary  
M. No.: A55735