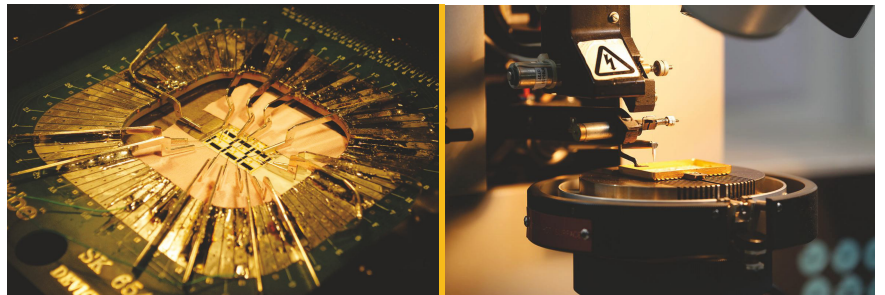


**KARNATAKA HYBRID**  
**MICRO DEVICES LTD**

# **Annual Report 2022-23**



# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

## Karnataka Hybrid Micro Devices Ltd.

Main Site: Plot No. 103, 4th Cross, KEONICS Electronics City,  
Hosur Road, Bangalore - 560100, Karnataka, India

has been registered by Intertek as conforming to the requirements of:

## ISO 9001:2015

The management system is applicable to:

Design and Manufacture of Hybrid Micro Circuits and Manufacture of  
Printed Circuit Boards Assemblies using Surface Mount and through  
hole Technologies.

**Certificate Number:**

IBA-0350.12

**Initial Certification Date:**

16 April 2005

**Date of Certification Decision:**

08 March 2023

**Issuing Date:**

10 March 2023

**Valid Until:**

12 April 2026



**Intertek**



A handwritten signature in black ink, appearing to read 'Calin Moldoveanu'.

**Calin Moldoveanu**

President, Business Assurance

Intertek Certification Limited, 10A Victory  
Park, Victory Road, Derby DE24 8ZF, United  
Kingdom

Intertek Certification Limited is a  
UKAS accredited body under  
schedule of accreditation no. 014.





## KARNATAKA HYBRID MICRO DEVICES LIMITED

CIN : U85110KA1992PLC012851

**Registered Office :** No. 103, 4th Cross, Electronic City, Phase I, Bengaluru - 560 100

**Telephone :** 91 80 28521506/1507 **Email :** info@khmdl.com **Web :** www.khmdl.com

### BOARD OF DIRECTORS

Mr. Gopal Purandar Das, M.Sc.,  
Prof. E.S. Dwarakadasa, B.E., M.S, Ph.D. (IISc), FNAE  
Mr. S.G. Raghavan, B.E.,  
Ms. Kuntala P Das, MS  
Mr. K.G. Raghavan, B. Com, LLB  
Dr. Gundu H.R. Rao, M.S., Ph.D.(USA)  
Mr. M V Sampath Kumar, BE-Mech., PGDM (IIM-C)  
Mr. C N Madhusudan, B.Sc., PGDM

Chairman & Managing Director  
Chairman Emeritus  
Director & Senior Advisor  
Director  
Director  
Independent Director  
Independent Director  
Independent Director

### AUDIT COMMITTEE

Mr. C N Madhusudan, Chairman  
Prof. E.S. Dwarakadasa, Member  
Mr. M V Sampath Kumar, Member

### NOMINATION & REMUNERATION COMMITTEE

Mr. C N Madhusudan, Chairman  
Prof. E S Dwarakadasa, Member  
Mr. M V Sampath Kumar, Member

### SHARE TRANSFER COMMITTEE:

Prof. E.S. Dwarakadasa, Chairman  
Mr. Gopal Purandar Das, Member  
Mr. K. Sivaram, Member

### CHIEF FINANCIAL OFFICER

Mr. K Sivaram

### AUDITORS

Messrs. Ishwar and Gopal  
Chartered Accountants  
Bangalore

### COMPANY SECRETARY

Ms. Swetha Sivasankaran  
w.e.f. 2<sup>nd</sup> May 2023

### COMPANY SECRETARY CONSULTANT

Mr. Vijayakrishna K T  
Company Secretary

### BANKERS

Canara Bank  
Industrial Finance Branch,  
Infantry Road  
Bangalore – 560 001

### REGISTRAR AND SHARE TRANSFER AGENT

NSDL Database Management Limited  
4th Floor Trade World A Wing, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai- 400013

Table of Contents	Page No.
Notice	2 - 4
Board's Report	5 - 13
Annexure to the Board's Report	14 - 20
Auditor's Report	21 - 29
Balance Sheet as at 31 <sup>st</sup> March, 2023	30
Statement of Profit & Loss for the year ended 31st March, 2023	31
Cash Flow Statement	32
Notes attached to and forming part of the Financial Statements for the year ended 31 <sup>st</sup> March, 2023	33 - 35
Notes to Financial Statements for the year ended 31 <sup>st</sup> March, 2023	36 - 49



## KARNATAKA HYBRID MICRO DEVICES LIMITED

CIN : U85110KA1992PLC012851

Registered Office : No. 103, 4th Cross, Electronic City, Phase I, Bengaluru - 560 100

### NOTICE

Notice is hereby given that the Thirty First (31<sup>st</sup>) Annual General Meeting ('AGM') of Karnataka Hybrid Micro Devices Limited (the "Company") will be held at 5:00 pm on Friday, 29<sup>th</sup> September, 2023 over Video Conferencing ("VC")/ Other Audio Visual Means("OAVM") at the Registered Office of the Company situated at No. 103, 4<sup>th</sup> Cross, Electronic City, Phase 1, Bengaluru – 560 100 (deemed venue of the Meeting) in compliance with the General Circular numbers 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 and 20/2021, 02/2022 to transact the following business:

#### ORDINARY BUSINESS:

**1. Adoption of Financial Statements for the financial year ended March 31, 2023.**

To receive, consider and adopt the Audited Financial Statements including Balance Sheet of the Company as at 31<sup>st</sup> March, 2023 and the Statement of Profit and Loss for the year ended on that date together with the Board's Report and Independent Auditor's Report thereon.

**2. Re-appointment of Mr. Eswarahalli Sundararajan Dwarakadasa (holding DIN: 00233589), who retires by rotation.**

To appoint a Director in place of Mr. Eswarahalli Sundararajan Dwarakadasa (holding DIN: 00233589), who retires by rotation and, being eligible, offers himself for re -appointment.

**3. Re-appointment of Mr. Sundararaman Govindaraghavan, (holding DIN:06971823), who retires by rotation.**

To appoint a Director in place of Mr. Sundararaman Govindaraghavan, (holding DIN: 06971823), who retires by rotation and, being eligible, offers himself for re -appointment.

By Order of the Board

For and on behalf of the Board of Directors of  
**Karnataka Hybrid Micro Devices Ltd.**

Sd/-

**Gopal Purandar Das**

Chairman & Managing Director

DIN: 06850671

Address: No. 12, KCN Mansion  
Madhavanagar, Yamunabai Road  
Bangalore - 560001

Place: Bangalore

Date : 18<sup>th</sup> August, 2023

**NOTES:**

1. **AS THE AGM SHALL BE CONDUCTED THROUGH VC / OAVM, THE FACILITY FOR APPOINTMENT OF PROXY BY THE MEMBERS IS NOT AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**
2. The Company intends to convene the AGM in compliance with applicable provisions of the Act read with **Circular no. 14/2020, dated 8<sup>th</sup> April, 2020, Circular no. 17/2020, dated 13<sup>th</sup> April, 2020, Circular no. 20/2020, dated 5<sup>th</sup> May, 2020, Circular no. 22/2020, dated 15<sup>th</sup> June, 2020 Circular number 02/2021 dated 13<sup>th</sup> January, 2021, Circular number 21/2021 dated 14<sup>th</sup> December, 2021, Circular number 19/2021 dated 8<sup>th</sup> December, 2021 and Circular Number 02/2022 dated 5<sup>th</sup> May, 2022 through VC / OAVM, without the physical presence of the Members at a common venue.**
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. On account of threat posed by COVID-19 and in terms of the MCA, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. All the documents referred to in the accompanying Notice and other statutory registers shall be available for inspection through electronic mode, based on any request received.
7. The detailed instructions are being attached herewith for attending AGM through video conference
8. Notification issued by the Ministry of Corporate Affairs (MCA) dated 10<sup>th</sup> September, 2018 mandates for issue and transfer of securities only in demat form by all the unlisted public companies. Members holding Shares in physical form are advised to dematerialize their Shares to avoid the risks associated with the physical holding of such Share Certificates.
9. The Registrar and Transfer Agent: NSDL Database Management Limited, 4th Floor, Trade World 'A' Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013 is handling registry work in respect of Shares held both in physical form and in electronic/ demat form.
10. Members are requested to notify change of address if any immediately to the following address:

NSDL Database Management Limited  
4th Floor, Trade World 'A' Wing  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai- 400013

**INSTRUCTIONS ON HOW TO ACCESS AND PARTICIPATE IN THE VIDEO CONFERENCE MEETING**

Following are the instructions regarding access and participation in the aforesaid meeting:

1. The Members will be sent a link to their registered email IDs before the meeting to participate in the said meeting, which requires an electronic device such as computer or laptop or mobile phone with appropriate audio video facilities;
2. The Members shall click on the link, which would be shared and can join the said meeting to participate;
3. The Members participating in the said meeting shall ensure that no person other than the concerned shareholder is attending or has access to the proceedings of the said meeting;
4. Every participant shall identify himself before speaking at the said meeting.
5. The Members shall cast their votes on the proposed resolution only by sending emails through their registered email addresses only to the [ksivaram@khmdl.com](mailto:ksivaram@khmdl.com) (Designated email id) after Chairman request you to vote.
6. All the recordings of the proceedings at the said meeting would be made by the Chairman;
7. Facility of video conference will be available 15 minutes before the time fixed for the meeting and will be closed on expiry of 15 minutes after the meeting

For and on behalf of the Board of Directors of  
**Karnataka Hybrid Micro Devices Ltd.**

Sd/-

**Gopal Purandar Das**

Chairman & Managing Director

DIN: 06850671

Address: No. 12, KCN Mansion  
Madhavanagar, Yamunabai Road  
Bangalore - 560001

Place: Bangalore

Date : 18<sup>th</sup> August, 2023

## **BOARD'S REPORT**

To  
The Members  
KARNATAKA HYBRID MICRO DEVICES LIMITED

Your Directors have pleasure in presenting the Thirty First (31<sup>st</sup>) Annual Report and the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2023.

### **1. FINANCIAL HIGHLIGHTS:**

Financial Results	(INR in Millions)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Revenue	319.88	215.84
Profit before Depreciation and interest	(12.89)	(27.94)
Depreciation	12.15	13.33
Interest	12.95	7.82
Profit before tax	(37.99)	(49.09)
Profit after tax	(34.59)	(46.45)

### **2. OPERATIONS REVIEW:**

Your Company posted revenue of INR 320 million for the Financial year ended 31<sup>st</sup> March 2023, as against INR 216 million, posting a growth of 48%. The net losses were reduced from INR 46 million to INR 35 million posted in the previous fiscal year.

Delays in the work orders from ISRO for Space-grade hybrid microcircuits, disruption in the supply chain due to global semiconductor shortage, and pricing pressure due to the weakening rupee impacting the material input cost resulted in posting a net loss in spite of significant revenue growth. Strengthening of New Product Development and R&D groups resulted in higher personnel costs reducing the margins.

For the fiscal 2023-24, the ISRO Order book has increased significantly and the demand is set to increase further in the coming years to cater to Gaganyaan Manned Mission projects. Negotiations are in progress for price increases of automotive products to compensate for increased material costs. With the relatively higher-margin, aerospace business is envisaged to grow and the bottom line will improve substantially.

### **3. PERFORMANCE HIGHLIGHTS:**

- Your Company successfully delivered the Complex Seismometer Hybrid Microelectronics Module which will be incorporated in the Instrument for Lunar Seismic Activity (ILSA) to be flown in Chandrayaan-2 Moon Mission. This was a highly-challenging Project and it is a significant achievement by Karnataka Hybrid Micro Devices Limited (KHMDL).
- Your Company successfully completed the Indigenisation of Fuel Sensor Microelectronics for Two-wheelers and would emerge as the largest manufacturer of this device in India within a year or two. The main challenge is the optimize the manufacturing cost due to raw material imports and obtaining due compensation for price increases from Tier-1 Customers for metallization pastes like Silver-palladium-platinum used in the design.
- Every Spacecraft, most of the Military Aircraft built by HAL, every second four-wheeler, and every third-two-wheeler would be incorporating a KHMDL Product in the coming year. This bears ample testimony to the capabilities of KHMDL.
- Your Company has developed Soil Moisture Sensor for deploying in agricultural fields and will help the usage of optimal quantum of water for the plants. The pilot batch is delivered and field trials are in progress. Following this, a 4 in 1 Sensor is planned to be taken up to monitor many vital parameters which will help boost the agricultural output.

- Design of an Intelligent Power Module a device used in an Electric Vehicle in conjunction with Vehicle Controller and Motor has been completed. Evaluation of the Engineering Model is in progress. This is envisaged to be launched in the fourth quarter of the next fiscal year, depending on the validation by Original Equipment Manufacturer's (OEMs).

#### **4. CHANGE IN THE NATURE OF BUSINESS:**

There were no changes in the nature of business during the year under review as prescribed in Rule 8(ii) of the Companies (Accounts) Rules, 2014.

#### **5. MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:**

There are no material changes and commitments between the end of the Financial Year and the Date of the Report, which affect the financial position of the Company.

#### **6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

##### **6.1. Resignation of Company Secretary:**

Ms. Nutan Soudagar (ACS: 26148) who was appointed as Company Secretary and Key Managerial Personnel of the Company at the Board Meeting held on 30<sup>th</sup> August 2022 resigned from the office w.e.f 30<sup>th</sup> April, 2023. The Board accepted her resignation in its Meeting held on 24<sup>th</sup> April, 2023.

##### **6.2. Appointment of Company Secretary:**

The Board appointed Ms. Swetha Sivasankaran, (ACS: 71620) as Company Secretary and Key Managerial Personnel of the Company w.e.f. 02<sup>nd</sup> May, 2023 at its Meeting held on 24<sup>th</sup> April, 2023.

There are no other material changes after 31<sup>st</sup> March, 2023 till the signing of this Report.

#### **7. DIVIDEND:**

Your Directors have not recommended any dividend for the year.

#### **8. AMOUNTS TRANSFERRED TO RESERVES:**

Since there is a net loss incurred during the year, the Board has not proposed to transfer any amount to its reserves.

#### **9. CHANGES IN SHARE CAPITAL:**

##### **9.1. Capital Structure of the Company**

The Authorized Capital of the Company as on 31<sup>st</sup> March, 2023 is Rs. 15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore and Fifty Lakhs only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The issued, subscribed and paid up Equity Share capital of the Company as on 31<sup>st</sup> March 2023 is Rs. 14,09,62,880 (Rupees Fourteen Crores Nine Lakhs Sixty Two Thousand Eight Hundred and Eighty only) divided into 1,40,96,288 (One Crore Forty Lakh Ninety Six Thousand Two Hundred and Eighty Eight) Equity Shares of Rs. 10/- (Ten only) each.

During the Financial Year 2022-23, the Share Capital of the Company has not been altered.

##### **9.2. Issue of Sweat Equity Share**

The Company has not issued any Sweat Equity Shares during the year under review.

##### **9.3. Issue of Shares with differential rights**

The Company has not issued any Shares with differential rights during the year under review.

##### **9.4. Issue of Shares under Employees Stock Option Scheme**

The Company has not provided any Stock Option Scheme to the employees.

### 9.5. Buy back of Shares

The Company has not bought back any of its securities during the year under review.

### 9.6. Share Registrar & Transfer Agent

NSDL Database Management Limited is the Registrar and Transfer Agent of the Company.

## 10. INVESTORS' EDUCATION AND PROTECTION FUND:

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the DEMAT account of the IEPF Authority. During the year under review, there were no unpaid or unclaimed amount required to be transferred to IEPF account.

## 11. BOARD MEETINGS:

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. The Board of Directors duly met 4 (four) times from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023 on the following dates: 10.06.2022, 30.08.2022, 28.10.2022, 28.12.2022.

Sl No.	Date of Board Meeting	Number of Directors entitled to attend the Meeting	Number of Directors attended the Meeting
1.	10.06.2022	8	7
2.	30.08.2022	8	5
3.	28.10.2022	8	7
4.	28.12.2022	8	7

The Agenda and notes there on for the Meeting were circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated and maintained according to the provisions of Secretarial Standards and the Companies Act, 2013.

The Board has evaluated the Independent Directors and confirms that all the Independent Directors of the Company fulfils the criteria of independence as required under the Companies Act, 2013.

## 12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Directors and Key Managerial Personnel as on 31.03.2023 are as follows:

Sl. No.	Name of Director	DIN	Designation
1.	Mr. Gopal Purandar Das	06850671	Chairman & Managing Director
2.	Mr. Sundararaman Govindaraghavan	06971823	Director
3.	Mr. Eswarahalli Sundararajan Dwarakadasa	00233589	Director
4.	Mr. Raghavan Kadaba Gopivallabh Iyengar	02021276	Director
5.	Mr. Gundu Hirisave Rama Rao	01837897	Independent Director
6.	Mr. Madhusudan Coimbatore Narasimhamurthy	02341987	Independent Director
7.	Mr. Mavanur Venkatachala Sampath Kumar Iyengar	07613043	Independent Director
8.	Mrs. Kuntala Purandar Das	08486071	Director
9.	Mr. Krishnamurthy Sivaram	ARIPS9239G	Chief Financial Officer
10.	Ms. Nutan Soudagar*	BVHPS3487C	Company Secretary

\* Resigned with effect from 30<sup>th</sup> April, 2023.

During the year under review following changes took place in the composition of the Board of Directors and Key Managerial Personnel of your Company :

**1. Appointment of Company Secretary:**

The Board appointed Ms. Nutan S Soudagar, (ACS: 26148) as Company Secretary and Key Managerial Personnel of the Company w.e.f. 01<sup>st</sup> September, 2022 at the Meeting held on 30<sup>th</sup> August 2022.

**2. Appointment of Mr. C N Madhusudan (holding DIN: 02341987) as an Independent Director of the Company:**

The Board, based on the recommendation of Nomination and Remuneration Committee, appointed Mr. C N Madhusudan (DIN :02341987) as Additional Director in the category of Independent Director for a period of 5 years with effect from 10<sup>th</sup> June, 2022 to 10<sup>th</sup> June, 2027 at its meeting held on 10<sup>th</sup> June, 2022.

The Shareholders approved the appointment of Mr. C N Madhusudan (DIN :02341987) as a Director in the Category of Independent Director at 30<sup>th</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September 2022.

**3. Resignation of Chief Executive Officer:**

Mr. Paramjeet Singh who was appointed as Chief Executive Officer and Key Managerial Personnel of the Company on 27<sup>th</sup> March, 2021 resigned from the office with effect from 16<sup>th</sup> March, 2023.

**Retirement by rotation and subsequent re-appointment**

Pursuant to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sundararaman Govindaraghavan, Director and Mr. Eswarahalli Sundararajan Dwarakadasa, Director retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**13. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received necessary declarations from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) (**Annexure I**).

None of the Directors of the Company is disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**14. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY:**

During the Financial Year 2022-23, no commission was paid to Managing Director or Whole Time Directors. The Company has no holding or subsidiary company. Hence, disclosure about receipt of any commission by MD / WTD from a Company and/or receipt of commission / remuneration from its Holding or Subsidiary has not been attached to this Annual Report.

**15. REMUNERATION POLICY:**

Your Company adopts the following policy on remuneration of Directors and Senior Management Employees.

**15.1. Remuneration of Non - executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee Meetings and Commission as recommended by Nomination and Remuneration Committee and approved by the Board.

#### **15.2. Remuneration of Managing Director & Chief Executive Officer:**

At the time of appointment or re-appointment, the Managing Director & Chief Executive Officer shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Chief Executive Officer & Managing Director within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

#### **15.3. Remuneration of Senior Management Employees:**

The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance, industry benchmark and current compensation trends in the market;

#### **16. MEETING OF INDEPENDENT DIRECTORS:**

Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors held a separate Meeting on 27<sup>th</sup> March, 2023 to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairman of the Company and Non-Executive Directors and other items as stipulated under of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors have also declared their independence.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at [www.khmdl.com](http://www.khmdl.com).

#### **17. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors, pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as Board structure and composition, formation and delegation of responsibilities to Committees, Board processes and their effectiveness, degree of effective communication with the stakeholders.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee Members based on criteria such as Committee composition, structure, effectiveness of Committee Meetings.

Independent Directors of the Company provided their views on performance of Non-Independent Directors, and the Board as a whole, considering the views of Executive Directors and Non-Executive Directors.

Your Board has evaluated the Independent Directors and confirms that all Independent Directors fulfilled the independence criteria as specified in the Companies Act, 2013 and their independence from the management.

#### **18. STATUTORY AUDITORS:**

Messrs. Ishwar and Gopal, Chartered Accountants, Bangalore having Firm Registration Number - 001154S were appointed as Statutory Auditors of the Company to hold office for the first term of five consecutive years from the conclusion of 30<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022 till the conclusion of 35<sup>th</sup> Annual General Meeting, to be held in the year 2027, as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

#### **19. QUALIFICATIONS IN THE AUDIT REPORT:**

There were no qualifications or observations by the Auditors in their Audit Report for the Financial Year 2022-23.

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

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, the Board hereby submits its responsibility statement: -

- 20.1. in the preparation of the Financial Statements, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- 20.2. 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;
- 20.3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 20.4. the Directors had prepared the Financial Statements on a going concern basis; and
- 20.5. 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.

## **21. ANNUAL RETURN:**

As required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Companies Amendment Act, 2020, an annual return in MGT-7 is placed in the website of the Company i.e. [www.khmdl.com](http://www.khmdl.com)

## **22. COMPOSITION OF THE COMMITTEES:**

Following are the composition of various Committees:

### **22.1. Composition of Audit Committee:**

Mr. C N Madhusudan, Chairman  
 Prof E S Dwarakadasa, Member  
 Mr. M V Sampath Kumar, Member

### **22.2. Composition of Nomination and Remuneration Committee:**

Mr. C N Madhusudan, Chairman  
 Prof. E.S. Dwarakadasa, Member  
 Mr. M V Sampath Kumar, Member

### **22.3. Composition of Share Transfer Committee:**

Prof. E.S. Dwarakadasa, Chairman  
 Mr. Gopal Purandar Das, Member  
 Mr. K. Sivaram, Member

## **23. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

There are no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs Only) per annum and / or Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand Only) per month.

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs Only) per financial year or Rs. 8,50,000/- (Rupees Eight Lakhs and Fifty Thousand Only) per month as the case may be. Therefore, statement / disclosure pursuant to Sub Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be circulated to the members and is not attached to the Annual Report.

## **24. DETAILS RELATING TO DEPOSITS:**

Your Company has not invited / accepted / renewed any deposits from the public as defined under the provisions of Companies Act, 2013 and accordingly, there were no deposits which were due for repayment on or before 31<sup>st</sup> March 2023.

## **25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

**26. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company had, in all material respects, an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls as of March 31, 2023 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 ('ICAI') and the Standards on Auditing issued by the ICAI and as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting.

**27. QUALIFICATIONS IN THE AUDIT REPORT:**

There were no qualifications or observations by the Auditors in their Audit Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

**28. REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

**29. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES / JOINT VENTURES:**

Your Company does not have Subsidiary / Associate / Joint Venture Company.

**30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013. The details of loans, guarantees or investments are as follows:

Details of Loans:

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
The Company has not given any loan during the Financial Year 2022-23									

Details of Investments:

SL No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
1	05.06.2014	ELCIA ESDM Clusters	11,000	Establishment of common electronic testing lab at Electronic City	28.02.2014	NA	NA

Details of Guarantee / Security Provided:

SL No	Date of providing security/ guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
The Company has not provided any Guarantee / Security during the Financial Year 2022-23.							

**31. RISK MANAGEMENT POLICY:**

The Board reviews the potential risks and address the various options of mitigating them at regular intervals.

**32. VIGILANCE MECHANISM/WHISTLE BLOWER POLICY:**

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern.

**33. EMPLOYEE RELATIONS:**

The Directors acknowledge with thanks the contributions made by employees towards the growth of the Company and appreciate their active co-operation and support to the Management.

**34. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO**

**34.1. CONSERVATION OF ENERGY:** Your Company continues to infuse every effort to conserve the energy efficiently. Separate Energy meters are installed in every department to Audit periodically to have a better internal control and Accountability.

**34.2. TECHNOLOGY ABSORPTION:** Your Company proposes to augment its facilities and capacity by inducting new capital equipment with ISO Certification and highly talented technical manpower is set to introduce new technologies and products both in processes and production.

**34.3. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Total Exchange used	As on 31 <sup>st</sup> March, 2023: Rs. 33.11 million As on 31 <sup>st</sup> March, 2022: Rs. 38.40 million
Total Foreign Exchange Earned (Accrual Basis)	As on 31 <sup>st</sup> March, 2023: NIL As on 31 <sup>st</sup> March, 2022: NIL

**35. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :**

Since the Company does not meet the criteria for the applicability of Section 135 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2015, this clause is not applicable.

**36. RELATED PARTY TRANSACTIONS:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis.

No Material Related Party Transactions, i.e. transactions exceeding rupees one thousand crores or exceeding 10% of the annual consolidated turnover as per the last audited financial statements, whichever is lower, were entered during the year by your Company. The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in (**Annexure- A**) in Form No. AOC-2 and the same forms part of this report.

Details of contracts / arrangements / transactions with related parties are also given in the notes to the financial statements.

**37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three-member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

The following is a summary of sexual harassment complaints received and disposed of during FY 2022-23:

1. No of Complaints received: NIL
2. No of Complaints disposed of: NIL

**38. COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

**39. FORMAL ANNUAL EVALUATION:**

The Board of Directors has done a formal evaluation of its own performance and that of its committees and individual Directors.

**40. DISCLOSURE ABOUT COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

**41. EVENT BASED DISCLOSURES:**

There were no events required to be mentioned during the Financial Year 2022-23.

**42. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

Not Applicable as no application was made or any procedure pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

**43. ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation for the sincere and dedicated efforts of all employees. Your Directors would also like to thank the Shareholders, Bankers and other Business associates for their sustained support, patronage and co-operation.

For and on behalf of the Board of Directors of  
**Karnataka Hybrid Micro Devices Ltd.**

Sd/-  
**Gopal Purandar Das**

Chairman & Managing Director  
DIN: 06850671

Address: Appt 9B 950 Park Avenue, New  
York, NY 10028, USA

Place: Bangalore  
Date : 18<sup>th</sup> August, 2023

## DECLARATION OF INDEPENDENCE

Date: 01.04.2023

To  
The Board of Directors  
Karnataka Hybrid Micro Devices Limited  
Plot No. Part 103, 4th cross, Electronics city  
Bangalore – 560100

Sirs,

**Sub: Declaration of independence under sub-section (6) of Section 149 of the Companies Act, 2013.**

I, C N Madhusudan, son of Mr. Coimbatore Narayana Iyengar Narasimha Murthy, hereby certify that, I am a Director of Karnataka Hybrid Micro Devices Limited, Bangalore and I comply with all the criteria of Independent Director as envisaged in Section 149 of Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. I am/was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;
3. I am not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
4. I am not related to persons occupying management positions at the Board level or at one level below the Board;
5. Apart from receiving Director's remuneration/sitting fees/commission, or having transaction not exceeding ten per cent of my total income or such amount as may be prescribed by the Company, I have or had no material relationship with the Company, its promoters, its Directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or Directors, during the immediately preceding two financial years or during the current financial year;
6. None of my relatives:
  - a. has or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
  - b. is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;
  - c. is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - d. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or Directors of such holding Company; for an amount of Rs. 50 lakhs during the current financial year.
  - e. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);
7. Neither I nor any of my relatives:
  - a. holds or held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - i. a firm of auditors or Company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate Company; or
    - ii. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - c. holds together with my relatives two per cent or more of the total voting power of the listed entity; or
  - d. is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company;
8. Who possesses such other qualifications as prescribed under Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
9. I am not less than 21 years of age.
10. I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentDirectorsdatabank.in>.
11. I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.
12. I am not a material supplier, service provider or customer or a lessor or lessee of the Company;

### **Declaration**

I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its Directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you

Yours faithfully

**C N Madhusudan**

Director

DIN: 02341987

Address: #16/1, Swamy Alcove, 4th Cross  
Lakshmi Road, Near Swathi Road  
Shanthinagar, Bangalore South,  
Wilson Garden, Bangalore - 560027

**DECLARATION OF INDEPENDENCE**

Date: 01.04.2023

To  
 The Board of Directors  
 Karnataka Hybrid Micro Devices Limited  
 Plot No. Part 103, 4th cross, Electronics city  
 Bangalore – 560100

Sirs,

**Sub: Declaration of independence under sub-section (6) of Section 149 of the Companies Act, 2013.**

I, Mavanur Venkatachala Sampath Kumar Iyengar, son of Mr. Mavanur Venkatachala Iyengar, hereby certify that, I am a Director of Karnataka Hybrid Micro Devices Limited, Bangalore and I comply with all the criteria of Independent Director as envisaged in Section 149 of Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. I am/was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the Company;
3. I am not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
4. I am not related to persons occupying management positions at the Board level or at one level below the Board;
5. Apart from receiving Director's remuneration/sitting fees/commission, or having transaction not exceeding ten per cent of my total income or such amount as may be prescribed by the Company, I have or had no material relationship with the Company, its promoters, its Directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or Directors, during the immediately preceding two financial years or during the current financial year;
6. None of my relatives:
  - a. has or had any pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
  - b. is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company, its holding, subsidiary or associate Company or such higher sum as may be prescribed;
  - c. is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - d. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or Directors of such holding Company; for an amount of Rs. 50 lakhs during the current financial year.
  - e. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (b), (c) or (d);
7. Neither I nor any of my relatives:
  - a. holds or held the position of a key managerial personnel or is or has been an employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.

- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
    - i. a firm of auditors or Company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate Company; or
    - ii. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - c. holds together with my relatives two per cent or more of the total voting power of the listed entity; or
  - d. is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts or corpus from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company;
8. Who possesses such other qualifications as prescribed under Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
9. I am not less than 21 years of age.
10. I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentDirectorsdatabank.in>.
11. I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.
12. I am not a material supplier, service provider or customer or a lessor or lessee of the Company;

### **Declaration**

I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its Directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you

Yours faithfully  
**M V Sampath Kumar Iyengar**  
Director  
DIN: 07613043  
Address: 163/6, 1st Main Road,  
Opp. Fortis Hospital  
Sheshadripuram  
Bangalore-560020

## DECLARATION OF INDEPENDENCE

Date: 01.04.2023

To  
The Board of Directors  
Karnataka Hybrid Micro Devices Limited  
Plot No. Part 103, 4th cross, Electronics city  
Bangalore – 560100

Sirs,

**Sub: Declaration of independence under sub-section (6) of Section 149 of the Companies Act, 2013.**

I, Gundu Hirisave Rama Rao, son of Mr. Rama Hirisave Rao, hereby certify that I am a Director of Karnataka Hybrid Micro Devices Limited, Bangalore and I comply with all the criteria of Independent Director as envisaged in Section 149 of Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an Independent Director in the Company;
2. I am/was not a promoter of the Company or its holding, subsidiary or associate Company;
3. I am not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;
4. I am not related to persons occupying management positions at the Board level or at one level below the Board;
5. Apart from receiving Director sitting fees/commission, or having transaction not exceeding ten per cent of my total income or such amount as may be prescribed, I have/had no pecuniary relationship with the Company, its promoters, its Directors, its senior management or its holding, subsidiary or associate Company, or their promoters, or Directors, during the immediately preceding two financial years or during the current financial year;
6. None of my relatives:
  - a. is holding any security of or interest in the Company, its holding, subsidiary or associate Company during the two immediately preceding financial years or during the current financial year of face value not exceeding Rs. 50 lakhs or 2 % of the paid-up capital of the Company or such higher sum as may be prescribed;
  - b. is indebted to the Company, its holding, subsidiary or associate Company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - c. has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate Company or their promoters, or Directors of such holding Company; for an amount of Rs. 50 lakhs, at any time during the two immediately preceding financial years or during the current financial year; or
  - d. has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate Company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (a), (b) or (c);]
7. Neither I nor any of my relatives:
  - a. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - i. a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - ii. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% or more of the gross turnover of such firm;
  - c. holds together with my relatives 2% or more of the total voting power of the Company; or
  - d. is a Chief Executive or Director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company; or
8. Who possesses such other qualifications as prescribed under Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
9. I am not less than 21 years of age.
10. I have registered with the Independent Directors Data Bank maintained by Indian Institute of Corporate Affairs on the <https://www.independentdirectorsdatabank.in>.
11. I affirm to make an application for renewal for a further period of one year or five years or for the life-time, within a period of thirty days from the date of expiry of the period up to which my name was applied for inclusion in the data bank.
12. I am not a material supplier, service provider or customer or a lessor or lessee of the Company;

### **Declaration**

I do hereby declare and confirm that the above said information are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its Directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you

Yours faithfully

**Gundu Hirisave Rama Rao**

Director

DIN: 01837897

Address: 12500 Park Potomac  
Ave, Unit 360N  
Potomac Maryland  
20854 US

**Annexure - A**  
**FORM NO. AOC -2**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**

2. Details of material contracts or arrangement or transactions at arm's length basis:

SL. NO.	PARTICULARS	DETAILS		
(a)	Name(s) of the related party and nature of relationship	Mr. Rajaram	Prograde Technologies LLP	Pippin Technologies India Pvt Ltd
(b)	Nature of contracts/arrangements/transactions	Professional Fee Paid	Professional Fees & Rent Received	Rent Received
(c)	Duration of the contracts/arrangements/transactions	On going	On going	On going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any: (Amount in INR)	3,60,000/-	25,05,000/-	6,00,000/-
(e)	Date(s) of approval by the Board, if any:	30.08.2022	30.08.2022	30.08.2022
(f)	Amount paid as advances, if any:	NA	NA	NA

For and on behalf of the Board of Directors of  
**Karnataka Hybrid Micro Devices Ltd.**

**Gopal Purandar Das**

Chairman & Managing Director

DIN: 06850671

Address: Appt 9B 950 Park Avenue, New  
York, NY 10028, USA

Place: Bangalore

Date : 18<sup>th</sup> August, 2023

## **Independent Auditor's Report**

**To**

**The Members of M/s. Karnataka Hybrid Micro Devices Limited,  
Report on the audit of Financial Statements**

### **Opinion**

We have audited the financial statements of Karnataka Hybrid Micro Devices Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of Profit and Loss, and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss for the year, and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Other Matters:

The comparable financial information of the Company for the year ended 31<sup>st</sup> March 2022 are audited by MSB Rao & Co whose report for the year ended 31<sup>st</sup> March 2022 expressed an unmodified opinion on those financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the **Companies (Auditor's Report) Order, 2020** ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books;

The Balance Sheet, the Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of accounts;

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

On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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, to the best of our knowledge and explanations given to us, the Company has not paid/ provided remuneration to its directors in excess of the limits prescribed under the Section 197(11).

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, in our opinion and to the best of our information and according to the explanations given to us:

The Company does not have any pending litigations which would impact its financial position.

The Company did not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.

The Company is not required to transfer any amount to the Investor Education and Protection Fund during the year under review.

- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

The Company has not declared or paid dividend during the year.

For **Ishwar and Gopal**  
Chartered Accountants  
Firm Registration No. 001154S

Sd/-  
**S Bhaskar**  
Partner  
M. No.:205977  
UDIN :

Place: Bengaluru  
Date : 18<sup>th</sup> August, 2023

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

In terms of the Companies (Auditor’s Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said order, that -

- i. (a) (A) The Company has maintained 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) Based on the information and explanations given to us, the management has physically verified Property, Plant and Equipment at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) Based on the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) Based on the information and explanations given to us, the Company has not revalued its Property, Plant & Equipment (including Right of use Assets) or intangibles during the year. Hence the requirement of clause 3 (i) (d) of the order is not applicable to the Company for the year under review.
- (e) Based on the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder at any point of time during the year under review.
- ii. (a) Based on the information and explanations given to us, the management has physically verified the inventory at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. No material discrepancies of 10% or more in aggregate for each class of inventory were noticed.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 Crores in aggregate from banks during the year on the basis of current assets of the Company. As per the information’s furnished to us, the quarterly returns or statements filed by the Company with such banks or financial institution are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or any other parties, and hence the requirement of clause 3 (iii) (a) to (f) of the order is not applicable to the Company for the year under review.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees, and securities to parties covered under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits and hence the requirement of clause 3 (v) of the order is not applicable to the Company during the year under review.
- vi. We have been informed that maintenance of books of accounts pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for maintenance of Cost records in respect of products of the Company are not applicable to the Company for the year under review and hence the requirement of clause 3 (vi) of the order is not applicable to the Company during the year under review.

- vii. (a) Undisputed statutory dues including Goods and Service tax, Provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been deposited by the company with the appropriate authorities. There are no arrears of outstanding statutory dues mentioned above as on the last day of the financial year concerned for a period of more than six months from the date, they became payable.
- (b) According to the information and explanation given to us, there are no amounts of statutory dues as referred to in clause 3 (vii) (a) above which have not been deposited on account of any dispute.
- viii. According to the information and explanation given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), hence the requirement of clause 3 (viii) of the order is not applicable to the Company for the year under review.
- ix. (a) As per the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) As per the information and explanations given to us, the Company is not declared as willful defaulter by any bank or financial institution or any lender at any point of time during the financial year under review.
- (c) According to the information and explanations given to us, the Company has not raised any funds by way of term loans during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence the requirement of clause 3 (ix) (e) of the order is not applicable to the Company during the year under review.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate Companies and hence the requirement of clause 3 (ix) (f) of the order is not applicable to the Company for the year under review.
- x. (a) During the year the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and hence clause 3 (x) (a) of the Order is not applicable to the Company for the year under review.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence clause 3 (x) (b) of the Order is not applicable to the Company for the year under review.
- xi. (a) According to the information and explanations given to us, no material frauds by the Company or on the Company have been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year under review.

- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) (a) to (c) of the Order is not applicable to the Company for the year under review.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on the examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its Directors or persons connected with its Directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company for the financial year under review.
- xvi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934 and hence clause 3 (xvi) (a) to (d) of the Order is not applicable to the Company for the year under review.
- xvii. Based on our examination of the records of the Company, the Company has incurred cash losses of Rs.224.43 lakhs during the current year and Rs. 331.27 Lakhs during the previous year.
- xviii. There has been no resignation of the statutory auditors during the year under review and hence clause 3 (xviii) of the Order is not applicable to the Company for the year under review.
- xix. According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting 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 that Company is not capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanation given to us and based on our examination of the records of the Company, the Company does not have any unspent amount, pursuant to sub-section (5) and (6) of Section 135 of the Companies Act, 2013. Hence, the requirements of clause 3 (xx) (a) and 3 (xx) (b) is not applicable to the Company for the year under review.
- xxi. The Company is not required to prepare consolidated financial statements and hence clause 3 (xxi) of the Order is not applicable to the Company for the year under review.

**For Ishwar and Gopal**  
Chartered Accountants  
Firm Registration No. 001154S

Sd/-  
**S Bhaskar**  
Partner  
M. No.:205977  
UDIN :

Place: Bengaluru  
Date: 18th August, 2023

### **Annexure – “B” to the Independent Auditors’ Report**

**[Referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” in the Independent Auditor’s Report of even date to the Members of Karnataka Hybrid Micro Devices Limited for the year ended March 31<sup>st</sup>, 2023]**

#### **Report on the Internal Financial Controls with reference to Financial Statements under paragraph (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls with reference to the Financial Statements of Karnataka Hybrid Micro Devices Limited (“the Company”) as of March 31<sup>st</sup>, 2023 in conjunction with our audit of the financial statements of the company for the year ended on the date.

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

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s Internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to financial statements (the “Guidance Note”) and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls with reference to 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 system over financial reporting.

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

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that –

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of Internal Financial Controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

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

For **Ishwar and Gopal**  
Chartered Accountants  
Firm Registration No. 001154S

Place: Bengaluru  
Date : 18<sup>th</sup> August, 2023

Sd/-  
**S Bhaskar**  
Partner  
M. No.:205977  
UDIN :

**Balance Sheet as at 31st March 2023**  
**CIN : U85110KA1992PLC012851**

		Rs. in Lakhs	
Particulars	Note No.	31.03.2023	31.03.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share capital	2.1	1,409.63	1,409.63
(b) Reserves and surplus	2.2	-1,005.95	-660.05
<b>Non-current liabilities</b>			
(a) Long-term borrowings	2.3	386.23	369.66
(b) Other long term liabilities		-	-
(c) Long-term provisions	2.4	131.54	133.50
<b>Current liabilities</b>			
(a) Short-term borrowings	2.5	1,041.18	800.74
(b) Trade payables	2.6		
-Total outstanding dues of micro enterprises and small enterprises; and		162.65	101.39
-Total outstanding dues of creditors other than micro enterprises and small enterprises.		240.20	211.69
(c) Other current liabilities	2.7	180.90	106.52
(d) Short term provisions	2.8	16.76	25.13
<b>TOTAL</b>		<b>2,563.14</b>	<b>2,498.21</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Property, Plant and Equipment	2.9	921.74	1,011.59
(ii) Intangible assets	2.9	13.53	17.22
(b) Non-current investments	2.10	0.11	0.11
(c) Deferred tax assets (Net)	2.11	72.31	38.27
(d) Long-term loans and advances	2.12	50.71	51.54
(e) Other non-current assets	2.13	18.10	81.99
<b>Current Assets</b>			
(a) Inventories	2.14	494.01	556.49
(b) Trade receivables	2.15	838.29	500.36
(c) Cash and cash equivalents	2.16	43.93	30.60
(d) Short-term loans and advances	2.17	107.74	198.04
(e) Other current assets	2.18	2.67	12.00
<b>TOTAL</b>		<b>2,563.14</b>	<b>2,498.21</b>

**Significant Accounting Policies**

1

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

For and on behalf of the Board of Directors of  
M/s. Karnataka Hybrid Micro Devices Limited

As per our report of even date  
For Ishwar and Gopal  
Chartered Accountants  
Firms Registration No. 001154S

Sd/-  
**Gopal P Das**  
Chairman & Managing Director  
DIN : 06850671

Sd/-  
**S G Raghavan**  
Director  
DIN : 06971823

Sd/-  
**K. Sivaram**  
Chief Financial Officer

Sd/-  
**Swetha Sivasankaran**  
Company Secretary

Sd/-  
**S Bhaskar**  
Partner  
M. No.: 205977  
UDIN :

Place : Bengaluru  
Date : 18<sup>th</sup> August, 2023

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023**  
**CIN : U85110KA1992PLC012851**

Rs. in Lakhs (except earnings per share)			
Particulars	Note No.	31.03.2023	31.03.2022
Revenue from operations	2.20	3,186.57	2,142.41
Other income	2.21	12.26	16.01
<b>TOTAL REVENUE</b>		<b>3,198.83</b>	<b>2,158.42</b>
<b>Expenses:</b>			
Cost of materials consumed	2.22	2,105.06	1,190.82
Changes in inventories of finished goods and work-in-progress	2.23	-21.30	7.23
Employee benefits expense	2.24	867.85	866.92
Finance costs	2.25	129.52	78.21
Depreciation and amortisation expenses	2.26	121.47	133.26
Other expenses	2.27	376.16	372.85
<b>TOTAL EXPENSES</b>		<b>3,578.76</b>	<b>2,649.29</b>
Profit before exceptional and extra-ordinary items and Tax		<b>-379.93</b>	<b>-490.87</b>
Exceptional items		-	-
Profit before extra-ordinary items and tax		<b>-379.93</b>	<b>-490.87</b>
Extra-ordinary items		-	-
<b>Profit before Tax</b>		<b>-379.93</b>	<b>-490.87</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-34.03	-13.21
(3) Income Tax relating to earlier years		-	-13.13
<b>Profit/(Loss) for the Year</b>		<b>-345.90</b>	<b>-464.53</b>
Earnings per Equity share (Nominal Value of Rs. 10 (Previous year Rs.10))			
(1) Basic		-2.45	-3.30
(2) Diluted		-2.45	-3.30

**Significant Accounting Policies**

1

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

For and on behalf of the Board of Directors of  
M/s. Karnataka Hybrid Micro Devices Limited

As per our report of even date  
For Ishwar and Gopal  
Chartered Accountants  
Firms Registration No. 001154S

Sd/-  
Gopal P Das  
Chairman & Managing Director  
DIN : 06850671

Sd/-  
S G Raghavan  
Director  
DIN : 06971823

Sd/-  
K. Sivaram  
Chief Financial Officer

Sd/-  
Swetha Sivasankaran  
Company Secretary

Sd/-  
S Bhaskar  
Partner  
M. No.: 205977  
UDIN :

Place : Bengaluru  
Date : 18<sup>th</sup> August, 2023

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**  
**CIN : U85110KA1992PLC012851**

		Rs. in Lakhs	
Particulars	31.03.2023	31.03.2022	
<b>A) Cash flows from Operating Activities</b>			
Profit before Taxation and extraordinary items	-379.92	-490.87	
<b>Adjustments for:</b>			
Depreciation	121.47	133.26	
Interest and Financial Charges	117.51	63.56	
Loss on discarded assets	-	7.09	
Rent received	-6.12	-1.17	
Interest received	-1.99	-8.78	
<b>Cash Flows Before Working Capital Changes</b>	<b>-149.05</b>	<b>-296.91</b>	
<b>Adjustments For Working Capital Changes:</b>			
Change in Inventories	62.47	-113.10	
Change in Trade Receivables	-337.93	-73.75	
Change in Short term Loans & Advances	94.91	-158.62	
Change in Other Current Assets	-0.23	-	
Change in Trade Payables	89.77	38.41	
Change in Long term provisions	-1.96	37.68	
Change in Short term provisions	-8.37	-13.01	
Change in other current liabilities	70.51	-40.63	
	<b>-179.89</b>	<b>-619.94</b>	
Less: Direct Taxes paid (Net of Refund)	3.77	-25.05	
<b>Net Cash flow From Operating Activities</b>	<b>-183.66</b>	<b>-594.89</b>	
<b>B) Cash flows from Investing Activities</b>			
Acquisition of Fixed Assets/Capital work in progress	-27.95	-113.25	
Sale of Fixed assets	-	0.90	
Rent received	15.68	1.17	
Interest received	1.99	5.21	
Investment in Term Deposits	63.90	-50.10	
<b>Net Cash flows from Investing Activities</b>	<b>53.62</b>	<b>-156.07</b>	
<b>C) Cashflows from Financing Activities</b>			
Availment/(Repayment) of Term Loans	23.65	3.66	
Increase/(Decrease) in short term borrowings	233.35	514.66	
Interest paid	-113.64	-62.69	
<b>Net Cash flows from Financing Activities</b>	<b>143.36</b>	<b>455.63</b>	
<b>Net Increase/(Decrease) in Cash or Cash Equivalents</b>	<b>13.33</b>	<b>-295.33</b>	
<b>Add: Opening Cash or Cash Equivalents</b>	<b>30.60</b>	<b>325.93</b>	
<b>Closing Cash or Cash Equivalents</b>	<b>43.93</b>	<b>30.60</b>	
<b>For and on behalf of the Board of Directors of</b>		<b>As per our report of even date</b>	
<b>M/s. Karnataka Hybrid Micro Devices Limited</b>		<b>For Ishwar and Gopal</b>	
		<b>Chartered Accountants</b>	
		<b>Firms Registration No. 001154S</b>	
Sd/- <b>Gopal P Das</b> Chairman & Managing Director DIN : 06850671	Sd/- <b>S G Raghavan</b> Director DIN : 06971823		
Sd/- <b>K. Sivaram</b> Chief Financial Officer	Sd/- <b>Swetha Sivasankaran</b> Company Secretary		
		<b>Sd/- S Bhaskar</b>	
		<b>Partner</b>	
		<b>M. No.: 205977</b>	
		<b>UDIN :</b>	
<b>Place : Bengaluru</b>			
<b>Date : 18<sup>th</sup> August, 2023</b>			

**NOTES ATTACHED TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

**1. Background:**

M/s Karnataka Hybrid Micro Devices Limited (KHMDL) was incorporated in 1992 and is engaged in Thick Film Hybrid Micro Circuit Design and Fabrication, Electronic Manufacturing Services. KHMDL has started primarily to service ISRO in the development and manufacture of resistor networks, hermetically sealed hybrid microcircuits for operational spacecraft. KHMDL has emerged as a leading supplier of high reliability devices for a variety of applications in the aerospace and automotive sectors.

**2. Basis of Preparation of Financial Statements:**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of the operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include work in progress, provisions for bad and doubtful debts, estimates of the useful life of the fixed assets.

**Estimation uncertainty relating to COVID-19 outbreak:**

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

**Revenue Recognition:**

Sales are recognized when the significant risks attached to the goods are passed on to the buyer and are recorded net of duties, trade discounts, and rebates. Sales as reported are exclusive of GST and freight charges.

Revenue from service transactions is recognised as the service is performed, either by the proportionate completion method or by the completed service contract method.

**Property, Plant & Equipment and Depreciation:**

- a. Cost of Fixed Assets comprises of the purchase price, duties, levies and any attributable cost of bring-ing the assets to its working condition for its intended use.
- b. Interest on borrowing, till the date of commencement of usage of the asset is capitalized to the cost of the asset.
- c. Depreciation is provided on Straight Line method (SLM) at the rate and in the manner prescribed in Schedule II of the Companies Act, 2013.
- d. Software which is not integral part of the hardware is classified as Intangible asset and is stated at cost less accumulated depreciation. Software is being amortized over a period of three years.

**Impairment of Assets:**

The Company assesses at each Balance Sheet date, whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**Inventories:**

Raw Materials, Stores and spares and Traded Goods are stated at lower of cost and net realizable value. Cost is determined based on first in first out basis and are net of provisions.

Work in Progress and Finished Goods are valued at lower of cost and net realizable value. Cost includes Direct Materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

**Foreign Currency Transaction:**

- a) Foreign Currency transactions are accounted at the exchange rates prevailing at the date of the transaction.
- b) Gains and Losses resulting from the settlement of Foreign Currency transaction and from the translation of monetary assets and liabilities denominated in Foreign Currencies are recognised in the Statement of Profit and Loss.

**Taxes:**

- a) Tax expense comprises of current and deferred tax. Current Income Tax is measured based on the tax liability computed after considering tax allowances and exemptions.
- b) Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c) Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**Research and Development/Intangible Asset:**

The Company recognises the intangible asset arising from Research and Development, only if it is certain about its technical feasibility, its intention to complete the development of the intangible asset and its ability to sell or use such intangible asset

- a) **Product Development-In house:** The Company through its own Research and Development activity, develops prototypes, products etc and the expenses incurred in connection with this activity is capitalised under Products developed and is reflected as one of the items of Intangible asset – Products developed. Wherever there is a reasonable certainty that such designs/prototypes/products being developed will result in commercial marketing of such products, expenses incurred for such development are shown under the head Intangible Asset- "Product under development."
- b) The costs incurred on such self generated products are written off over a period of 5 years commencing from the successful launching of such products.
- c) If the Company is of the opinion that such expenses incurred on developing of prototypes/designs/products are not going to be successful, the expenses incurred are written off in the same year.

**Employee benefit:**

**Provident Fund:** Eligible employees receive benefits from a Provident Fund, which is a defined Contribution Plan. Aggregate contributions along with interest thereon, are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Government administered Provident Fund. The Company has no obligation beyond its contribution.

- a) **Gratuity:** A defined benefit retirement plan (the “Gratuity Plan”) is provided for all eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lumpsum amount to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the Karnataka Hybrid Micro Devices Employees’ Gratuity Fund Trust (the “Trust”). Trustees administer contributions made to the Trust and the contributions are invested in the LIC Corporation of India administered Fund.
- b) **Leave Encashment:** Provision in respect of Leave Encashment is made, based on actuarial valuation

**Cash Flow Statement:**

Cash Flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items income or expense associated with investing or financing cash flows. Cash and Cash Equivalents include Cash on hand and Balances with banks in current and deposit accounts, with necessary disclosure of cash and cash equivalent balances that are not available for use by the Company.

**Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events of bonus issue.

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

**Contingent Liability:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**Investments:**

Investments are reflected at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**Cash and Cash equivalents:**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**Provisions:**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

### 2.1 SHARE CAPITAL

Rs. in Lakhs

Particulars	As at 31.3.2023	As at 31.3.2022
<b>Authorised Equity Share Capital:</b>		
1,50,00,000 (31st March 2022 - 1,50,00,000) Equity Shares of Rs. 10/- each.	1,500.00	1,500.00
<b>Issued and Subscribed and fully Paid-up</b>		
1,40,96,288 (31st March 2022 - 1,40,96,288) Equity Shares of Rs.10/- each fully paid up (Out of the above, 57,09,703 shares were allotted at a discount of Rs. 2/- each per share during earlier year)	1,409.63	1,409.63
<b>TOTAL</b>	<b>1,409.63</b>	<b>1,409.63</b>

The Company has only one class of shares referred to as Equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share

There are no shares that have been issued, subscribed and not fully paid up.

There are no unpaid calls, forfeited shares.

The Company declares and pays dividend in Indian rupees. The Board of Directors have not proposed any dividend during the year. Dividend declared if any, if approved by the Shareholders, is payable to the Shareholders in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the

Rs. in Lakhs

Reconciliation of number of Shares	As at 31st March, 2023		As at 31st March, 2022	
Equity Shares of Rs 10/- each fully paid up	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the previous year	140.96	1,409.63	140.96	1,409.63
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	140.96	1,409.63	140.96	1,409.63

Neither shares are reserved for issue under options nor securities have been issued, which are convertible into equity / preference shares in future as on the date of balance sheet.

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company.

Shares in Lakhs

Name of the Shareholders	No. of shares	Percentage	No. of shares	Percentage
Kuntala P Das	85.12	60.38%	85.12	60.38%
Gopal P Das 3	30.49	21.63%	30.46	21.61%

No shares have been allotted by way of fully paid up bonus shares during 5 years immediately preceding March 31, 2023.

No shares have been allotted as fully paid up pursuant to contract(s) without payment received in cash during 5 years immediately preceding March 31, 2023.

No shares were bought back.

#### Details of Shares held by Promoters at the end of the year :

Equity shares of Rs. 10/- each

As at 31st March 2023			Shares in Lakhs		
Name of the promoter	No. of shares at the beginning of	Change during the year	No. of shares at the end of year	% of Total share	% Change during the year
Kuntala P Das	85.12	-	85.12	60.38%	-
Gopal P Das	30.46	0.03	30.49	21.63%	0.10%

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

As at 31st March 2022	Shares in Lakhs				
	No. of shares at the beginning of	Change during the year	No. of shares at the end of year	% of Total share	% Change during the year
Kuntala P Das	85.12	-	85.12	60.38%	-
Gopal P Das	30.46	-	30.46	21.61%	-

2.2 RESERVES AND SURPLUS	Rs. in Lakhs	
Particulars	As at 31.3.2023	As at 31.3.2022
(a) Surplus in Statement of Profit and Loss		
Opening balance	-660.05	-195.52
Add: Profit/(Loss) for the year	-345.90	-464.53
Amount available for appropriation	-1,005.95	-660.05
Appropriations:		
<b>Balance as at the end of the year</b>	<b>-1,005.95</b>	<b>-660.05</b>

2.3 LONG-TERM BORROWINGS		
Secured Loans:		
Working Capital Term Loan		
- Canara Bank (Refer Note 2.3.1)	77.92	85.00
<b>Unsecured Loans:</b>		
- From Related Parties (Refer Note 2.3.2)	308.31	284.66
<b>TOTAL</b>	<b>386.23</b>	<b>369.66</b>

### Notes on Long-term Borrowings:

2.3.1 Working Capital Term loan (granted under Guaranteed Emergency Credit Line 1.0 (Extension) component of Guaranteed Emergency Credit Line (GECL) scheme) is primarily secured by assets created out of the credit facility to be extended and collateral security, shall rank second charge with the existing credit facilities in terms of cash flows (including repayments) having interest rate of RLLR (presently 6.90%) + 0.60% = 7.50% p.a. subject to a maximum of 9.25% p.a. (during entire tenure of facility). The aforesaid loan is repayable in 60 months, including moratorium period of 24 months from the date of disbursement (January 2022) with maturity during January 2027.

2.3.2 The loan availed from the related parties are in the nature of External Commercial Borrowing and repayable in the foreign currency after 31st December 2025. Interest rate being Libor+3.5%.

### 2.4 LONG TERM PROVISIONS

Employee Benefits:		
Gratuity obligation (Refer Note 2.33)	85.50	87.72
Leave encashment (Refer Note 2.33)	46.04	45.78
<b>TOTAL</b>	<b>131.54</b>	<b>133.50</b>

### 2.5 SHORT TERM BORROWINGS

Secured:		
Working Capital facility from Canara Bank (Refer Note 2.6.1)	963.82	800.74
Loan from ICICI Bank (Refer Note 2.5.2)	70.28	-
Unsecured:		
Current maturities of Long-term Debt :	-	-
Secured: Canara Bank (Refer Note 2.3.1)	7.08	-
<b>TOTAL</b>	<b>1,041.18</b>	<b>800.74</b>

### Notes on Short-term Borrowings:

#### 2.5.1 The Working Capital facility is primarily secured as follows:

- Hypothecation/Exclusive charge on stocks and book debts as per the stock statement as on 31.12.2021,
- Further collaterally secured by MOTD and first charge of Industrial Land measuring 53,969 Sq.ft and

**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023**

building situated thereupon at Plot No.103, 4th Cross, Keonics City, Hosur Road, Electronic City Phase I, Sy. No. 12, Konappana Agrahara, Begur Hobli, Bengaluru - 560100, in the name of the Company measuring East to West 49.20 mtrs and North to South 82.25 mtrs by way of deposit of title deeds.

**2.5.2** The loan from ICICI Bank is in nature of Bank Overdraft facility for the purposes of working capital requirements and is repayable on demand. The facilities are available for a period of 12 months from the date of sanction subject to review at periodical intervals. The security provided against the said borrowings are as follows:

- Unconditional and irrevocable Stand by Letter of Credit (SBLC) from Bank of America (USA) for an amount equivalent to 110% of the facility amount in favor of ICICI Bank Ltd.
- Unconditional and irrevocable personal guarantees of two executives of the company.
- Two Recourse cheques in favor of ICICI Bank Limited, One for total facility amount and one for two quarters interest assuming full utilization of Overdraft.

**2.6 TRADE PAYABLES****Rs. in Lakhs**

Particulars	As at 31.03.2023	As at 31.03.2022
Dues of micro enterprises and small enterprises	162.65	101.39
Dues of creditors other than micro enterprises and small enterprises	240.20	211.69
<b>TOTAL</b>	<b>402.85</b>	<b>313.08</b>

**2.6.1 Trade payable ageing schedule:****Rs. in Lakhs**

Outstanding for following period from due date of payment						
Particulars	Not Due	Less than 1 year	1-2 year	2-3 years	> 3 years	Total
<b>As at March 31, 2023</b>						
Total outstanding dues of micro enterprises and small enterprises	91.00	71.65	-	-	-	162.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.92	113.95	1.33	-	-	240.20
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>215.92</b>	<b>185.60</b>	<b>1.33</b>	<b>-</b>	<b>-</b>	<b>402.85</b>
<b>As at March 31, 2022</b>						
Total outstanding dues of micro enterprises and small enterprises	80.08	21.31	-	-	-	101.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	112.33	99.31	0.04	-	-	211.69
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>192.41</b>	<b>120.62</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>313.08</b>

**2.7 OTHER CURRENT LIABILITIES****Rs. in Lakhs**

Particulars	As at 31.03.2023	As at 31.03.2022
Employee benefits payable	63.40	61.89
Statutory dues (Including Provident Fund, Withholding and other taxes payable)	68.19	20.82
Interest accrued but not due on borrowings	6.61	2.74
Advance received from customers	7.14	6.61
Other payables	35.56	14.46
<b>TOTAL</b>	<b>180.90</b>	<b>106.52</b>

**2.8 SHORT TERM PROVISIONS**

Leave encashment (Refer Note 2.33)	2.60	9.22
Gratuity obligation (Refer Note 2.33)	14.16	15.91
<b>TOTAL</b>	<b>16.76</b>	<b>25.13</b>

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

2.9 STATEMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS											
Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		As on 1st April 2022	Additions	Deletion/ Adjustments	As on 31st March 2023	As on 1st April 2022	For the year	Deletion/ Adjustments	As on 31st March 2023	As on 31st March 2023	As on 31st March 2022
i	Land	38.94	-	-	38.94	-	-	-	-	38.94	38.94
ii	Building	38.94	-	-	38.94	-	-	-	-	38.94	-
		735.19	-	-	735.19	354.73	23.28	-	378.01	357.17	380.45
		719.19	16.00	-	735.19	331.97	22.76	-	354.73	380.45	387.21
iii	Plant & Machinery	-	-	-	-	-	-	-	-	-	-
		1,787.27	18.10	-	1,805.37	1,290.98	66.02	-	1,357.00	448.37	496.30
		1,817.63	65.17	95.52	1,787.27	1,297.99	81.01	88.03	1,290.98	496.30	519.64
iv	Office Equipments	-	-	-	-	-	-	-	-	-	-
		27.44	3.71	-	31.15	22.76	1.37	-	24.13	7.02	4.69
		27.85	0.67	1.07	27.44	22.10	1.66	1.00	22.76	4.69	5.75
v	Electrical installations	-	-	-	-	-	-	-	-	-	-
		200.22	1.91	-	202.14	180.37	2.03	-	182.39	19.75	19.86
		200.31	0.41	0.49	200.22	178.63	1.81	0.08	180.37	19.86	21.67
vi	Computer	-	-	-	-	-	-	-	-	-	-
		60.91	3.68	-	64.59	40.12	9.41	-	49.53	15.06	20.79
		45.99	14.92	-	60.91	33.82	6.29	-	40.12	20.79	12.16
vii	Vehicles	-	-	-	-	-	-	-	-	-	-
		143.73	-	-	143.73	110.12	13.65	-	123.77	19.96	33.62
		143.73	-	-	143.73	93.12	17.00	-	110.12	33.62	50.61
viii	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-
		118.71	0.55	-	119.25	101.77	2.01	-	103.78	15.47	16.94
		114.24	4.46	-	118.71	99.95	1.82	-	101.77	16.94	14.29
		-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (CY)</b>	3,112.42	27.95	-	3,140.37	2,100.83	117.77	-	2,218.61	921.74	1,011.59
	<b>Sub Total (PY)</b>	3,107.88	101.63	97.09	3,112.42	2,057.59	132.35	89.10	2,100.83	1,011.59	1,050.29
	INTANGIBLE ASSETS:										
	a) Computer software	19.09	-	-	19.09	1.87	3.69	-	5.56	13.53	17.22
		7.47	11.62	-	19.09	0.96	0.90	-	1.87	17.22	6.51
		19.09	-	-	19.09	1.87	3.69	-	5.56	13.53	17.22
	<b>Sub Total (CY)</b>	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
	<b>Total (CY)</b>	3,131.51	27.95	-	3,159.46	2,102.70	121.47	-	2,224.17	935.29	1,028.81
	<b>Total (PY)</b>	3,115.35	113.25	97.09	3,131.51	2,058.55	133.26	89.10	2,102.70	1,028.81	1,056.80

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.10 NON CURRENT INVESTMENTS

Rs. in Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b><u>Long Term-Valued at Cost (Un-quoted):</u></b>		
1,100 (31st March 2021 - 1,100) Shares of Each Rs. 10 in Elcia ESDM Cluster fully paid up	0.11	0.11
<b>TOTAL</b>	<b>0.11</b>	<b>0.11</b>

### 2.11 DEFERRED TAX ASSETS (NET)

#### Deferred Tax Asset:

- on account of temporary differences	42.45	48.14
- on account of Losses	113.05	91.63

#### Deferred Tax Liability:

- on account of Depreciation	83.19	101.50
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<b>TOTAL</b>	<b>72.31</b>	<b>38.27</b>
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### 2.12 LONG-TERM LOANS AND ADVANCES

#### Unsecured, considered good:

#### Capital Advance:

Advance for purchase of Land	8.00	8.00
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#### Other advances:

Advance Income Tax (Net of provisions)	42.71	43.54
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<b>TOTAL</b>	<b>50.71</b>	<b>51.54</b>
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### 2.13 OTHER NON-CURRENT ASSETS

#### Long Term Deposits with Banks with maturity period more than 12 months:

Term Deposit with Canara Bank	0.42	64.32
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(Pledged as margin money against bank guarantees)

Security Deposits - Others	17.68	17.68
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<b>TOTAL</b>	<b>18.10</b>	<b>81.99</b>
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### 2.14 INVENTORIES

(a) Raw materials	334.04	424.25
(b) Work-in-progress	91.01	44.41
(c) Finished goods	41.36	66.66
(d) Stores, spares and Loose Tools	5.79	4.64
(e) Consumables	21.81	16.53

<b>TOTAL</b>	<b>494.01</b>	<b>556.49</b>
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### 2.15 TRADE RECEIVABLES

#### Unsecured, considered good:

Unsecured, considered good	838.29	500.36
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Unsecured, considered doubtful

Less: Allowances for credit loss	-	-
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<b>Total</b>	<b>838.29</b>	<b>500.36</b>
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## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.15.1 Trade Receivable ageing schedule:

Rs. in Lakhs

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 Months	6 Months-1 year	1-2 years	2-3 years	> 3 years	
<b>As at March 31, 2023</b>							
Undisputed Trade receivables - considered good	534.53	281.76	9.41	12.58	-	-	838.29
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>534.53</b>	<b>281.76</b>	<b>9.41</b>	<b>12.58</b>	<b>-</b>	<b>-</b>	<b>838.29</b>
<b>As at March 31, 2022</b>							
Undisputed Trade receivables - considered good	267.69	232.46	0.21	-	-	-	500.36
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>267.69</b>	<b>232.46</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500.36</b>

### 2.16 CASH AND CASH EQUIVALENTS

Rs. in Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Cash and Cash equivalents:</b>		
Cash on hand	0.26	0.26
<b>Bank balances:</b>		
in current Account	0.48	0.39
Fixed Deposit with Banks with maturity of less than 12 months (Pledged as security against bank guarantee facilities)	43.19	29.95
<b>TOTAL</b>	<b>43.93</b>	<b>30.60</b>

### 2.17 SHORT TERM LOANS AND ADVANCES

#### Unsecured, considered good:

Advances to Vendors	65.18	163.29
MAT credit entitlement	3.29	3.29
IT Refund Receivables	15.70	11.09
Loans and advances to Employees	1.38	2.50
Prepaid Expense	22.19	17.87
<b>TOTAL</b>	<b>107.74</b>	<b>198.04</b>

### 2.18 OTHER CURRENT ASSETS

Interest accrued on bank deposits	2.44	12.00
Others	0.23	-
<b>TOTAL</b>	<b>2.67</b>	<b>12.00</b>

### 2.19 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Bank Guarantee extended by bankers	144.38	142.18
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**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023****2.20 REVENUE FROM OPERATIONS**

Particulars	Rs. in Lakhs	
	Year Ended 31st March 2023	Year Ended 31st March 2023
(a) Sale of Products	3,038.12	2,060.31
(b) Sale of services	148.45	82.10
<b>TOTAL</b>	<b>3,186.57</b>	<b>2,142.41</b>
<b>Details of Sales (Finished Goods)</b>		
Hybrid Micro Circuits	995.63	470.12
Regulators	1,621.48	1,590.19
LRDE	421.00	-
<b>TOTAL</b>	<b>3,038.12</b>	<b>2,060.31</b>

**2.21 OTHER INCOME**

(a) Interest received from Banks	1.41	8.03
(b) Interest received on Income Tax Refund	0.55	-
(c) Interest received from Others	-	0.74
(d) Rent	6.12	1.17
(e) Provision for Leave Encashment no longer required-written back	2.59	0.92
(f) Miscellaneous income	1.59	5.15
<b>TOTAL</b>	<b>12.26</b>	<b>16.01</b>

**2.22 COST OF MATERIAL CONSUMED**

Opening inventory	424.25	310.38
Add: Purchase	1,975.48	1,283.45
Less: Inventory at the end of the year	334.04	424.25
Cost of Raw Material consumed during the year	<b>2,065.69</b>	<b>1,169.58</b>
Opening Other Material	16.53	10.51
Add: Purchase	44.65	27.26
Less: Inventory at the end of the year	21.81	16.53
Cost of Other Material consumed during the year	<b>39.37</b>	<b>21.24</b>
<b>TOTAL</b>	<b>2,105.06</b>	<b>1,190.82</b>

**2.23 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS**

(Increase)/Decrease in Stocks		
Stock at the end of the year:		
Finished Goods	41.36	66.66
Work-in-Progress	91.01	44.41
<b>TOTAL (A)</b>	<b>132.36</b>	<b>111.07</b>
Less: Stock at the beginning of the year		
Finished Goods	66.66	65.53
Work-in-Progress	44.41	52.77
<b>TOTAL (B)</b>	<b>111.07</b>	<b>118.30</b>
Increase/(Decrease) in Stocks (A-B)	21.30	-7.23

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.24 EMPLOYEE BENEFIT EXPENSES

Rs. in Lakhs

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries and Wages	794.99	760.96
Contribution to Provident and other funds	46.57	47.23
Gratuity	6.04	41.65
Staff welfare expenses	20.25	17.08
<b>TOTAL</b>	<b>867.85</b>	<b>866.92</b>

(Refer Note: 2.33 on disclosure requirement as per Accounting Standard 15 on Employee benefits)

### 2.25 FINANCE COSTS

#### Interest on :

Long Term Borrowings paid to Related parties	23.45	14.29
Term Loan and Working Capital Loan from Banks	94.06	48.99
Others	1.95	0.27
Bank Charges	10.06	14.66
<b>TOTAL</b>	<b>129.52</b>	<b>78.21</b>

### 2.26 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on Tangible assets	117.78	- 132.35
Amortisation on Intangible assets	3.69	0.90
<b>TOTAL</b>	<b>121.47</b>	<b>133.26</b>

### 2.27 OTHER EXPENSES

Power Charges	69.38	51.46
Labour charges	22.44	15.31
Packing Materials	8.19	12.06
Director's Sitting Fees	1.25	1.35
Business Promotion and Marketing Expenses	2.67	3.44
Carriage outward	7.02	4.79
Repairs and Maintenance – Machinery	33.91	40.47
Repairs and Maintenance – Buildings	2.51	32.38
Repairs and Maintenance – Others	15.15	14.37
Insurance	18.14	15.32
Rates and taxes	7.57	11.37
Loss on foreign currency transactions and translations	14.08	9.24
Loss on sale / discard of Fixed Assets	-	7.09
Travelling and conveyance	28.87	16.68
Audit Fees :		
- Statutory Audit	1.25	1.25
- Tax Audit	0.25	0.25
- Reimbursement of expenses	0.12	-
Professional charges	106.34	97.49
Bad Debts written off	-	2.14
Miscellaneous expenses	37.02	35.95
<b>TOTAL</b>	<b>376.16</b>	<b>372.85</b>

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.28 CIF VALUE OF IMPORTS

Particulars	Rs. in Lakhs	
	Year ended 31st March 2023	Year ended 31st March 2022
Raw materials	248.83	257.88
Capital Goods	8.25	15.70

### 2.29 EARNINGS IN FOREIGN CURRENCY

Earnings in foreign currency	-	-
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### 2.30 EXPENDITURE IN FOREIGN CURRENCY

Remittance made during the year	16.13	9.66
Accrued but not paid during the year	7.78	3.23
<b>TOTAL</b>	<b>23.91</b>	<b>12.89</b>

### 2.31 a) DETAILS OF CONSUMPTION AND PURCHASES

Particulars	Rs. in Lakhs	
	Year ended 31st March 2023	Year ended 31st March 2022
Electronic Components	1,541.06	998.54
Pastes	450.92	145.80
Substrates	113.08	46.48
<b>TOTAL</b>	<b>2,105.06</b>	<b>1,190.82</b>

#### b) Details of value of imported and indiginous material consumed

Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
	Amount	Percentage	Amount	Percentage
Imported	535.30	25%	130.04	11%
Indigenous	1,569.76	75%	1,060.78	89%
<b>TOTAL</b>	<b>2,105.06</b>		<b>1,190.82</b>	

### 2.32 EARNINGS PER SHARE

Particulars	Rs. in Lakhs	
	Year ended 31st March 2023	Year ended 31st March 2022
<b>(a) Basic</b>		
Profit/(loss) after tax	-345.90	-464.53
Weighted average number of shares outstanding	140.96	140.96
Basic EPS	-2.45	-3.30
<b>(b) Diluted</b>		
Profit/(loss) after tax	-345.90	-464.53
Adjusted net profit for the year	-345.90	-464.53
Weighted average number of shares outstanding	140.96	140.96
Add: Weighted average number of potential equity shares	-	-
Weighted average number of shares outstanding for diluted EPS	140.96	140.96
Diluted EPS	-2.45	-3.30
Face value per share ( in Rs.)	10.00	10.00

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.33 EMPLOYEE BENEFITS

The details required under AS 15 – Employee Benefits is as follows:

The Employees' Gratuity Fund Scheme managed by the Life Insurance Corporation of India is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated absence is recognised in the same manner as gratuity.

Particulars	Year ended 31st March 2023		Year ended 31st March 2022	
	Gratuity	Compensated Absence	Gratuity	Compensated Absence
Obligations at Period beginning	206.46	55.00	183.44	60.00
Service cost	15.91	5.65	13.72	4.79
Interest cost	13.54	3.50	11.89	4.17
Actuarial (Gain) / Loss	-17.47	-11.74	22.22	-9.88
Benefits paid	-6.71	-3.77	-24.81	-4.08
Obligations at Period at the end of the year	<b>211.74</b>	<b>48.64</b>	<b>206.46</b>	<b>55.00</b>
<b>Change in Plan Assets</b>				
Plan assets at period beginning at fair value	102.83	-	109.47	-
Expected return on plan assets	6.89	-	7.16	-
Actuarial (Gain) / Loss	-0.93	-	-0.99	-
Contributions	9.99	-	11.99	-
Benefits paid	-6.71	-	-24.81	-
Plan assets at period end at fair value	<b>112.07</b>	<b>-</b>	<b>102.83</b>	<b>-</b>
<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
Fair value of plan assets at period end	112.07	-	102.83	-
Present value of the defined benefit obligations at the end of the period	211.74	48.64	206.46	55.00
	<b>99.67</b>	<b>48.64</b>	<b>103.63</b>	<b>55.00</b>
<b>Cost of the period</b>				
Service cost	15.91	5.65	13.72	4.79
Interest cost	13.54	3.50	11.89	4.17
Expected return on plan assets	-6.89	-	-7.16	-
Actuarial (Gain) / Loss	-16.54	-11.74	23.21	-9.88
Net cost	<b>6.02</b>	<b>-2.59</b>	<b>41.65</b>	<b>-0.92</b>
<b>Assumptions</b>				
Discount rate	7.45%	7.45%	6.95%	6.95%
Estimated salary escalation rate	7.00%	7.00%	7.00%	7.00%

The funds have been invested in the LIC Group Gratuity (Cash Accumulation Policy), administered by the Life Insurance Corporation of India.

### 2.34 LIST OF RELATED PARTIES

Key Management	Personnel Nature of Relationship
Prof.E.S.Dwarakadas	Chairman Emeritus
Gopal P Das	Chairman and Managing Director
Kuntala P Das	Director
K G Raghavan	Director
S G Raghavan	Director
Rajaram	Other Related Party

The company does not have any subsidiaries.

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.35 RELATED PARTY TRANSACTIONS (as identified by the Company)

Particulars	Relationship	Year Ended 31st March 2022	Year Ended 31st March 2021
Remuneration paid	Mr. Gopal Purandar Das	15.00	15.00
Reimbursement of Expenses (Medical and Leave Travel Concession expenses)	Mr. Gopal Purandar Das	1.00	1.00
Professional charges paid	Mr. Rajaram	3.60	3.60
	Prograde Technologies LLP	25.05	24.00
	S G Raghavan	13.70	18.00
Interest Paid	The Estate of Eshwaralli Das	23.45	14.29
Rent Received	Pipin Technologies	6.00	1.17
	Prograde Technologies LLP	0.12	0.12
Balance payable at the end of year	Prof. E.S.Dwarakadas	1.86	1.86
	Mr. Rajaram	0.27	0.27
	Prograde Technologies LLP	-	0.16
	Mr. Gopal Purandar Das	2.00	2.25
	The Estate of Eshwaralli Das	314.92	287.40

### 2.35 DUES TO MICRO AND SMALL ENTERPRISES

Particulars	As at 31.3.2022	As at 31.3.2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	162.65	101.39
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.24	1.81
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
Further interest remaining due and payable for earlier years.	Nil	Nil

### 2.37 SEGMENT RESULTS

The Company is mainly engaged in the business of Hybrid electronic components and therefore segment reporting as defined in Accounting Standard 17 does not apply.

### 2.38 RESEARCH AND DEVELOPMENT EXPENSES

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salaries & Wages	43.98	40.94
Cost of Materials and services (Included under material purchase)	42.98	11.51
Overhead (included under various expense heads)	3.68	9.97
<b>TOTAL</b>	<b>90.64</b>	<b>62.43</b>

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.39 FOREIGN CURRENCY EXPOSURE

Particulars of derivative instruments and unhedged foreign currency exposure as at the reporting date.

Particulars	As at 31.3.2023			As at 31.3.2022	
	Purpose	Currency	Recognised	Currency	Recognised
			@Rs.		@Rs.
Un-hedged foreign currency exposure	ECB Loan	375000 USD	82.22	375000 USD	73.20

### 2.40 Debtors and creditors balances are subject to confirmation.

### 2.41 Corporate Social Responsibility

The provisions for Corporate Social Responsibility is not applicable to the Company as none of the conditions specified under section 135(1) of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 made thereunder.

**2.42** In the opinion of Board of Directors, all current assets, loans and advances, Investments have atleast the value as stated in the Balance Sheet, if realized in the ordinary course of business.

### 2.43 Disclosure required for Borrowing based on security of current Assets:

The Company has been sanctioned borrowings amounting to Rs. 1,000 lakhs, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with banks which are in agreement with books of account of the Company.

### 2.44 Disclosure of Struck off companies:

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.

### 2.45 Other Statutory Information:

- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not any such 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 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The company is not declared as wilful defaulter by any bank of financial institution or other lenders.
- The Company does not have any approved schemes of arrangements during the year.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding 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 company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - 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 to or on behalf of the Ultimate Beneficiaries.

### 2.46 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- Crypto currency or Virtual Currency and
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2.47 Ratio Analysis

Ratios	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	% of Change	Explanation for change in ratio for more than 25%
<b>Liquidity ratio</b>						
Current ratio	Current Assets	Current Liabilities	0.91	1.04	-13%	NA
<b>Solvency ratio</b>						
Debt-Equity ratio	Total Debt	Shareholder's Equity	3.54	1.56	126%	Increase in the short term borrowings and reduction in equity on account of losses
Debt Service Coverage ratio	Net profit before taxes + Non-cash operating expenses + Interest & Lease Payments	Interest & Lease Payments + Principal Repayments	-1.20	-4.54	-74%	Reduction of losses compared to the previous year
<b>Profitability ratio</b>						
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-86%	-0.62	38%	Reduction of losses compared to the previous year
Net Profit ratio	Net Profit	Net sales	-11%	-22%	-50%	Increase in turnover resulting in reduction of loss
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	-14%	-22%	-36%	Increase in turnover resulting in reduction of loss
Return on Investment	Interest	Investment	NA	NA	NA	NA
<b>Utilization ratio</b>						
Trade Receivable TurnoverRatio	Net credit sales	Average Trade Receivable	4.76	4.37	9%	NA
Inventory Turnover ratio	Net sales	Average Inventory	6.07	4.29	42%	Better inventory management
Trade Payable Turnover Ratio	Net purchases	Average Trade Payables	5.64	5.86	-4%	NA
Net Capital Turnover Ratio	Net sales	Working capital	(20.55)	41.18	-150%	Increase in short term borrowings

## **NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**2.49** The previous period/ year figures have been regrouped / reclassified, wherever necessary, to confirm to the current quarter presentation in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

**For and on behalf of the Board of Directors of  
M/s. Karnataka Hybrid Micro Devices Limited**

Sd/-  
**Gopal P Das**  
Chairman & Managing Director  
DIN : 06850671

Sd/-  
**S G Raghavan**  
Director  
DIN : 06971823

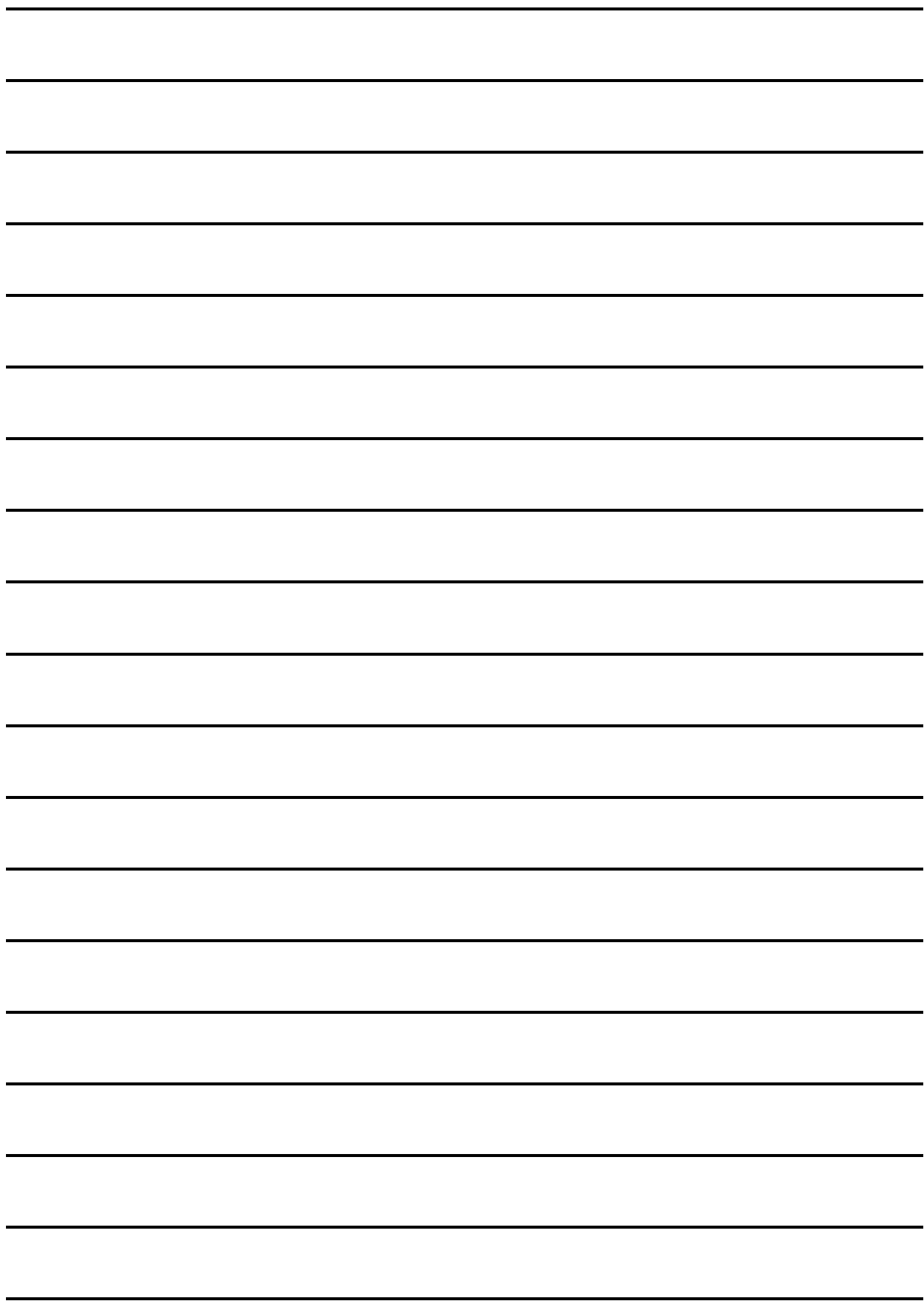
Sd/-  
**K. Sivaram**  
Chief Financial Officer

Sd/-  
**Swetha Sivasankaran**  
Company Secretary

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

**As per our report of even date  
For Ishwar and Gopal  
Chartered Accountants  
Firms Registration No. 001154S**

Sd/-  
**S Bhaskar**  
Partner  
M. No.: 205977  
UDIN :



# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

## Karnataka Hybrid Micro Devices Ltd.

Plot No. 103, 4th Cross, KEONICS Electronics City, Hosur Road,  
Bangalore 560100, Karnataka, India

has been registered by Intertek as conforming to the requirements of:

## IATF 16949:2016

The management system is applicable to:

Design and Manufacture of Hybrid Micro Circuits and Manufacture of  
Voltage Regulators

Permissible exclusions include: None

**IATF Certificate Number:**

0407560

**Certificate Number:**

2010D040

**Certificate Issue Date:**

28 June 2021

**Certificate Expiry Date:**

27 June 2024

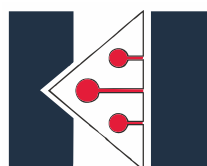


**Calin Moldoveanu**

President, Business Assurance

Intertek – 4700 Broadmoor, Suite 200,  
Kentwood MI 49512, USA





**KARNATAKA HYBRID  
MICRO DEVICES LTD**

CIN : U85110KA1992PLC012851

No. 103, 4th Cross, Electronics City, Phase - 1  
Bengaluru - 560 100, Karnataka, India.

Tel : +91 80 28521506 / 1507

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