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PRESSTONIC ENGINEERING LIMITED

THIRD ANNUAL REPORT 2023-24

VISION:

- ❖ To be India's leader in manufacturing metro and rail sub - assemblies by 2030.
- ❖ To be the first choice for OEMs of diverse sectors to develop newer components.

MISSION:

- ❖ To be committed in meeting customer requirements and expectations.
- ❖ To provide the highest quality products at the most reasonable prices.
- ❖ To set a standard for the manufacturing of components and assemblies in diverse sectors.

PRESSTONIC ENGINEERING LIMITED

3RD ANNUAL REPORT FOR THE FY 2023-24



MAJOR EVENTS AND MILESTONES IN THE HISTORY OF YOUR COMPANY

- 1996 → BUSINESS STARTED IN THE NAME "PRESSTON ENGINEERING CORPORATION" AS PARTNERSHIP FIRM.
- 2011 → ENTERED INTO METRO RAILWAY SEGMENT
- 2016 → EN 15085-2 CERTIFICATION OBTAINED - WELDING OF RAILWAY VEHICLES AND COMPONENTS
- 2019 → SPECIAL APPRECIATION AWARD FOR "INNOVATING IN SEATING SOLUTIONS" BY RAIL ANALYSIS TEAM FOR A NEW INNOVATION IN SEATS OR SEATING SOLUTIONS UTILIZED IN RAIL AND METRO SECTOR
- 2021 → COMPANY INCORPORATED AS A PRIVATE LIMITED COMPANY IN THE NAME OF "PRESSTONIC ENGINEERING PRIVATE LIMITED"
- 2022 → ISO 9001: 2015 CERTIFICATE OF REGISTRATION FOR FABRICATION OF SHEET METAL, EXTRUDED, MACHINED COMPONENTS, AND ASSEMBLIES
- 2023 → FILED FOR REGISTRATION OF 3 (THREE) PRODUCTS UNDER THE PROVISION OF THE DESIGNS ACT, 2000 AND THE DESIGNS RULES, 2001 FOR THE DESIGN PATENT RIGHT FOR THE PRODUCT CALLED "RETRACTABLE RAMP ASSEMBLY", "STAINLESS STEEL SALOON BUCKET TYPE SEAT AND FRAME ASSEMBLY" AND "STAINLESS STEEL FLIP-UP SEAT ASSEMBLY". OUT OF THREE, THE DESIGN FOR RETRACTABLE RAMP ASSEMBLY HAS BEEN APPROVED AND REGISTERED IN OUR NAME AND APPROVAL FOR REMAINING TWO IS PENDING FOR APPROVAL AND COMPANY CONVERTED FROM PRIVATE LIMITED COMPANY TO PUBLIC LIMITED COMPANY I.E. "PRESSTONIC ENGINEERING LIMITED"
-



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CERTIFICATES & TESTIMONIALS

MTIC INTERCERT India Pvt Ltd

Certificate of Registration
This is to certify that

PRESSTONIC ENGINEERING PRIVATE LIMITED

Located at: Survey No. 02, Khata No. 145, Srigandhadakavalu, Hoysalanagar Main Road, Pillappa Industrial Layout, Sunkadakatte, Bangalore - 560 091, Karnataka, INDIA.

Operates a quality management system which has been assessed as conforming to **ISO 9001:2015** for the scope of activities:

Fabrication of Sheet Metal, Extruded, Machined Components and Assemblies as per Customer Requirement.

Permissible Exclusions: 8.3 - Design & Development

Certificate No: **MTIC/1035/RI** Issue Date: **17-07-2022**

Valid till **28-12-2023** subject to Satisfactory Annual Surveillance Audit Execution within Due date on or before 365 days from date of certificate issued. Successful Endorsement of certification following each audit and compliance with MTIC InterCert India Pvt Ltd Regulations.

(This certificate is valid only if its Certificate number: **MTIC/1035/RI** reflects on the **MTIC INTERCERT INDIA PVT.LTD. Website: www.mticgroup.in** (FORMERLY CALLED TUV INTERCERT SAAR INDIA PVT.LTD). In case Surveillance Audit is not conducted in due period / if standard requirements are not met, Certificate shall be suspended/Cancelled.

(Original issue date of certificate: **23-10-2014**)

Head of Certification

This Certificate is valid subjected to periodic conductance of surveillance Audit.
Regd. Office : No. 122/1, 3rd Main, Margosa Road, Malleswaram, Bengaluru - 560 003, India

DVS ZERT

CERTIFICATE

Welding of railway vehicles and components according to EN 15085-2

ZE-16083-01-00-EN15085-2015.0397.006

DVS ZERT GmbH hereby certifies that the welding company

Presstonic Engineering Private Limited, Survey #2, Khata No: 145, Sri Gandhadhakavalu, Hoysalanagar Main Road, 560 091 Pillappa Industrial layout - Sunkadakatte, India

fulfills the requirements for the scope according to

EN 15085-2 classification level CL2 in the type of activity P

In the range indicated in the annex.

validity: 2022-12-21 until 2025-12-20

Düsseldorf, 2022-12-21
Place and date of issue

Lead auditor: DGSS

Dipl.-Ing. GURSCHE
Head of certification body

DVS ZERT GmbH, Aachener Straße 172, 40223 Düsseldorf, GERMANY

HYUNDAI Rotem

Hyundai Rotem Company
RPTL Limited Bangalore Complex,
New Tippesandra Post,
Bangalore - 560 075
Tel: +91 80 2524 8228 / 2524 7020
www.hyundairotem.co.kr

Date: January 30, 2016
Place: Bangalore

CERTIFICATE OF PROJECT COMPLETION

This is to certify that **M/s.Presston Engineering Corporation**, having its registered office at Survey No.2, Khata No 145,Pillappa Industrial Layout, Hoysasala Main Road, Sunkadakatte, Bangalore 560091,Karnataka, India, were awarded the supply of Cable Ducts and Ceiling Ducts for 394 metro cars for the RS10 Delhi Metro Project in India. Approximate Purchase order value for the project was around USD: 30,48,135.90 (in Rs 19,81,28,833.00)

They have completed their part of work within the given time schedule (of 30 months) and with good quality workmanship. We acknowledge that they have a skilled workforce team backed by experienced team of Design, Production and Industrial Engineers for preparing project drawings and method documents. They also have a good team of Project, Production and Quality engineers to supervise the execution and supply of quality parts as per the delivery schedules.

We have no hesitation in recommending them for similar projects.
We wish them all the very best for all their future endeavors.

For Hyundai Rotem Company

Authorized Signatory

YOUNG SEOK SONG
(Deputy General Manager)

IL&FS Urban Infrastructure

IL&FS Township & Urban Assets Limited

The IL&FS Financial Centre. Plot C-22, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 INDIA
T +91 22 2653 3333
F +91 22 2653 3796
W www.il&fs.com

CIN : U70109MH1969PLC014184

Dated: January 19, 2016

COMPLETION CERTIFICATE

This is to certify that M/s. Presston Engineering Corporation, having their registered office at Survey No 2, Khata No.145, Pillappa Industrial Layout, Sunkadakatte, Bangalore 560091 were awarded the supply & installation of the Railing Works (Mild Steel & Stainless Steel Railings) for our "Green Field Stadium" at Karyavattom, Trivandrum. Approximate contract value for the project was around Rs.3.47 Crores

They have completed their part of work within the given time frame with good quality workmanship. We understand that they have experienced design engineers for preparing shop-drawings, and they have a good site- team to supervise the execution part

We have no hesitation in recommending them for similar volume projects
We wish them the very best for all their future endeavors

For IL&FS Township & Urban Assets Ltd

Authorized Signatory



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CHAIRMAN'S MESSAGE



Mr. Nagendra D Rao
Chairman of the Board & Independent Director (Non-Executive)

Dear Shareholders,

It is my pleasure to welcome you all to the 3rd Annual General Meeting of your Company and 1st Annual General Meeting Post listing of your Company's shares on SME EMERGE Platform of National Stock Exchange of India Limited.

APPRECIATION TO ALL STAKEHOLDERS:

I would like to extend my heartfelt gratitude to all our valued investors and shareholders for their support and confidence in the Company's Initial Public Offer and partnering us with the growth prospects.

Your Company had issued Prospectus dated December 5, 2023 by fresh issue of 32,36,800 equity shares of face value of Rs. 10/- each of the Company for cash at an issue price of Rs. 72/- per share, aggregating to Rs. 23,30,49,600/- (Rupees Twenty-Three Crores Thirty Lakhs Forty-Nine Thousand and Six Hundred only). I would like to thank all our valued shareholders for their overwhelming response and oversubscription of the Initial Public Offer.

INDUSTRY OUTLOOK:

India's railway network is recognised as one of the largest railway systems in the world. The Indian railway system is regarded as the foundation and lifeblood of the economy. Indian railways span thousands of kilometres practically covering the entire nation, making it the fourth largest in the world after the US, China, and Russia. Due to its low cost and effective operations, railways continue to be the most popular means of transportation for most Indians when travelling long distances.

According to Indian Railways 2023 book, Indian railways plan to market semi-high-speed 'Vande Bharat' trains by 2025-26 to European, South American and East Asian markets for exporting 'Made in India' trains. The Indian Railways completed total revenue of Rs. 2.40 lakh crore (US\$ 28.75 billion) by the end of Financial Year 2024. Total Number of passengers increased by 52 Crore to reach 648 crore in Financial year 2023-24.



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Indian Railway network is growing at a healthy rate. In the next five years, the Indian railway market is expected to be the third largest, accounting for 10% of the global market. The government has announced two key initiatives for seeking private investments-running passenger trains by private operators across the railways network and redevelopment of railway stations across the country. According to Indian Railways, these projects have the potential of bringing an investment of over US\$ 7.5 billion in the next five years.

The interim budget for fiscal 2024-25 allocated Rs 2.55 lakh crore to Indian Railways. In the said Interim Budget, it was proposed a 5.8% increase over the budgetary estimate of Rs 2.41 lakh crore set for fiscal 2023-24. The revised estimates for fiscal 2023-24 stood at Rs 2.43 lakh crore, marking a notable commitment to bolstering the railway sector.

Metro Expansion:

The Metro networks in urban areas have revolutionized and are set to expand significantly in time to come. An Increase from 248 km in the year 2014 to an impressive 945 Km by 2024. From Just 5 cities in 2014, the Metro Rail network has expanded to serve 21 cities across country, with 919 km of lines under construction in 26 additional cities. This expansion aims to alleviate urban congestion and enhance intra-city connectivity, further enhancing the efficiency of public transportation systems.

OUR PRODUCTS:

Our Company manufactures Metro Rail Rolling Stock Products, Metro Rail Signalling Products, Infrastructure Products and supplies to renowned Global and Domestic OEM's engaged in the Rail and Metro Rail Rolling stock and Signalling equipments manufacturing and servicing companies.

BUSINESS:

With rapid growth of Indian Railways Network, there is a huge opportunity for the Company to be a part of the growth story. From Partnership firm to Private Limited Company to Public Limited Company and now Listed Company with SME EMERGE Platform of National Stock Exchange of India Limited, your company has also grown. From One Manufacturing Unit, your esteemed Company has set up a second manufacturing unit to bolster its manufacturing capacity to execute a strong confirmed order in hand.

Your Company has taken steps to diversify its present activity as mentioned above to manufacture and supply of Premium Kitchen Oven Parts (presently supplied the same to our new customer in North America) and have tendered bids for manufacturing certain defence parts and equipment's.

The Revenue from operations have steadily grown from Rs. 2,103.06 (Lakhs) F.Y. 2022-23 to Rs. 2,619.00 Lakhs in F.Y. 2023-24 The Profit after Tax have increased steadily from Rs. 243.48 Lakhs in F.Y.2022-23 to Rs. 252.55 Lakhs in F.Y. 2023-24.

YOUNG AND STRONG BOARD:

The Board members of your Company are having diverse experience and expertise. Mr. Herga Poornachandra Kedilaya, holding Bachelor's Degree in Engineering is the Managing Director of the Company and Mr. Yermal Giridhar Rao, who is Master of Technology is the Joint Managing



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Director and CFO of the Company. Both Mr. Poornachandra and Mr. Giridhar are the Promoters of the Company and have been steering the Company's growth trajectory.

GRATITUDE:

On Behalf of the Board, I wish to thank all our Employees, Banker, Consultants, advisors, esteemed Companies for whom we are always their preferred clients, Indian Railways, Metro Rail, Government of India and all the State Governments for their continued support.

I also wish to state that all our esteemed shareholders and stakeholders with your unwavering support, commitment, and our dedicated efforts, we are confident of acceleration in the pace of profitable growth, for which I am truly thankful.

Regards,

Sd/-

Nagendra D. Rao

Chairman of the Board & Independent Director (Non-Executive)



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MESSAGE FROM MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR & CFO



MR. HERGA POORNACHANDRA KEDILAYA
Managing Director



MR. YERMAL GIRIDHAR RAO
Joint Managing Director & CFO

Dear Shareholders,

In 2023, amidst a challenging global economic landscape, India emerged as the world's fastest growing major economy. Despite facing challenges such as geopolitical unrest and persistently high inflation, timely interventions by the Government maintained economic stability. India experienced exceptional growth, becoming the fastest-growing nation globally.

The Company will have opportunities to foray into Railway segment as the Central Government has given push for Indian Railways to introduce Vande Bharat Trains across major cities in the country and 400 new-generation Vande Bharat trains will be manufactured over the next three to four years.

The Ministry of Railways has been allocated Rs 2.40 Lakh Crore, which is the highest ever budgetary allocation for the Railways (Source: Budget 2022-23). The Government has allocated a total of ₹ 19,518 crores to all metro projects across India in the Union Budget 2023-24. The Company has an edge and a decent head start in the manufacture and supply of Metro Rail Part Products and anticipates a significant growth in revenue and profits from the Metro Segment in the coming years.

Capitalizing on the Government's vision to make India a preferred manufacturing hub with its constant push for the manufacturing sector, the Company is on the threshold of expanding its rail business into the markets of advanced countries as well.

In its diversification plan, the Company has been working on developing Oven Parts for supplies to a leading overseas manufacturer and expecting orders for continuous supplies in the near future. The Company has also bid for Tender floated by a Public Sector Undertaking for the supply of some parts to the Defence Sector. It is confident of bagging the order, which will give an entry to the Company into the Defence Sector.

Looking ahead, experts predict continued growth, driven by investment in Railways and Metro Infrastructure. In the FY 2024-25, Presstonic Engineering Limited is poised for a large growth opportunities. As we continue our journey of not just anticipating the future, but actively shaping it, we thank you for your continued trust and support. The financial highlights of the Company for the FY 2023-24 is being detailed at Management Discussion & Analysis section appearing at Page No. 79 to 84.

Sd/-

MR. HERGA POORNACHANDRA KEDILAYA
Managing Director

Sd/-

MR. YERMAL GIRIDHAR RAO
Joint Managing Director & CFO

TABLE OF THE CONTENTS:

| <i>CONTENTS</i> | <i>PAGE NO.</i> |
|--|------------------------|
| * CORPORATE INFORMATION | 1-3 |
| * NOTICE OF AGM | 4-19 |
| * BOARD'S REPORT | 20-43 |
| * REPORT ON CORPORATE GOVERNANCE | 44-71 |
| * MD/CFO CERTIFICATE | 72-73 |
| * DECLARATION BY THE MANAGING DIRECTOR | 74-74 |
| * SECRETARIAL AUDIT REPORT | 75-78 |
| * MANAGEMENT DISCUSSION AND ANALYSIS | 79-84 |
| * ANNEXURE-III FORM AOC-2 | 85-86 |
| * INDEPENDENT AUDITORS' REPORT | 87-101 |
| ➤ ANNEXURE TO INDEPENDENT AUDITORS' REPORT | |
| * FINANCIAL STATEMENTS: | 102-124 |
| ➤ BALANCE SHEET | |
| ➤ STATEMENT OF PROFIT & LOSS | |
| ➤ CASH FLOW STATEMENT | |
| ➤ NOTES FORMING PART OF THE FINANCIAL STATEMENTS | |



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CORPORATE INFORMATION

BOARD OF DIRECTORS:

| | |
|--|--|
| Mr. Nagendra D Rao | - Non-Executive Independent Director & Chairman of the Board |
| Mr. Herga Poornachandra Kedilaya | - Managing Director |
| Mr. Yermal Giridhar Rao | - Joint Managing Director & CFO |
| Ms. Jyotsna Rajsekar Belliappa | - Non-Executive Independent Director |
| Ms. Vidyalakshmi Rao | - Non-Executive Director |
| Ms. Kodipadi Yerkadithaya Supriya Murthy | - Non-Executive Director |

KEY MANAGERIAL PERSONNEL:

Mr. Herga Poornachandra Kedilaya, Managing Director
Mr. Yermal Giridhar Rao, Joint Managing Director & CFO
Ms. Sudha Gajanana Hegde, Company Secretary & Compliance Officer

STATUTORY AUDITORS:

M/s. GRSM & Associates
Chartered Accountants
Bengaluru

SECRETARIAL AUDITOR

Mr. Shylendrakumar T. R. Practising Company Secretary
Bengaluru

COMMITTEES OF THE BOARD:

- ❖ Audit Committee
- ❖ Nomination and Remuneration Committee
- ❖ Stakeholders Relationship Committee
- ❖ Risk Management Committee



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BANKERS:

Canara Bank, Bangalore

STOCK EXCHANGE WHERE COMPANY'S SHARES ARE REGISTERED

National Stock Exchange of India Limited

REGISTERED OFFICE:

Sy. No. 2, Khata No. 145, Hoysala Main Road,
Pillappa Industrial Layout, Srigandhadakavalu,
Sunkadakatte, Viswaneedam, Bengaluru-560091
Karnataka, India

CIN: L28995KA2021PLC145718

Email ID- cs@presstonengg.co, Contact No: 080-23480001

WEBSITE: <https://www.presstonic.com>



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BOARD OF DIRECTORS



Mr. Nagendra D Rao
Independent Director (Non-Executive) & Chairman of the Board



Mr. Herga Poornachandra Kedilaya
Managing Director



Mr. Yermal Giridhar Rao
Joint Managing Director & CFO



Ms. Jyotsna Rajsekar Belliappa
Independent Director - Non-Executive



Ms. Vidyalakshmi Rao
Director - Non-Executive



Ms. Kodipadi Yerkadithaya Supriya Murthy
Director - Non-Executive



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NOTICE OF 3RD ANNUAL GENERAL MEETING

Notice is hereby given that the Third Annual General Meeting (“AGM”) of the members of Presstonic Engineering Limited (the “Company”) will be held on **Friday, 16th August, 2024 at 2.30 p.m. (IST)** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business.

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of the Board of Directors (“the Board”) and the Statutory Auditors thereon.

To consider and if thought fit to pass with or without modifications, the following resolution as an *Ordinary Resolution*:

“**RESOLVED THAT** the audited Balance Sheet for the Financial Year ended on 31st March, 2024, Statement of Profit and Loss, Cash Flow Statement and Notes thereon for the Financial Year ended on 31st March, 2024 together with Auditor’s Report and Board’s Report thereon, as circulated to the members, be and are hereby received, considered and adopted.”

2. Appointment of Mr. Herga Poornachandra Kedilaya (DIN: 09120129), as a Director, liable to retire by rotation:

To appoint a director in place of Mr. Herga Poornachandra Kedilaya (DIN: 09120129), who retires by rotation and being eligible, seeks reappointment.

Explanation: Based on the terms of appointment, executive directors and the non-executive and non-independent directors are subject to retirement by rotation. Mr. Herga Poornachandra Kedilaya, Managing Director, whose office of directorship is liable to retire at the ensuing AGM, being eligible, seeks reappointment as a director. The Board recommended his reappointment as a director.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of members of the Company, be and is hereby accorded to reappoint Mr. Herga Poornachandra Kedilaya (DIN: 09120129) as a Director, who is liable to retire by rotation.”

3. To appoint Statutory Auditors for a consecutive period of five years from the conclusion of the 3rd Annual General Meeting and to fix the remuneration:



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To consider and if thought fit to pass with or without modifications, the following resolution as an *Ordinary Resolution*:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and the Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act, including any statutory enactment or modification thereof, **M/s. GRSM & Associates**, Chartered Accountants (FRN: 000863S) Bengaluru, be and are hereby appointed as the Statutory Auditors of the Company for a consecutive period of five years from the conclusion of the Third Annual General Meeting till the conclusion of Eighth Annual General Meeting of the Company on such remuneration and reimbursement of out of pocket expenses plus taxes as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.”

By the order of the Board of Directors

For **PRESSTONIC ENGINEERING LIMITED**

Sd/-

SUDHA GAJANANA HEGDE

Company Secretary

M.No. A68052

Date: 16.07.2024

Place: Bangalore



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NOTES:

1. The Ministry of Corporate Affairs (“MCA”) had vide its General Circular No. 14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No.10/2022 dated December 28, 2022 and No. 09/2023 dated September 25, 2023 (collectively referred to as “MCA Circulars”) permitted companies to hold the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”) and MCA Circulars, the Third Annual General Meeting of the Company is being held through VC / OAVM. The Members of the Company can attend and participate in the Meeting through VC / OAVM.
2. Since this AGM is being held pursuant to the Circulars through VC/OAVM, the physical attendance of members has been dispensed with. Accordingly, the facility for the appointment of proxies by the members will not be available for the AGM and hence, the proxy form, attendance slip and Route Map are not annexed to this notice.
3. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 16, 2024. Members seeking to inspect such documents can send an email to cs@presstonengg.co.
5. The Company has engaged the services of National Securities Depository Limited (“NSDL”) to provide VC/ OAVM facility and e-voting facility.
6. The Members can join the AGM through the VC, 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



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7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as VC e-Voting on the date of the AGM will be provided by NSDL.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.presstonic.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited (NSE-EMERGE) at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. for shares held in electronic form: to their Depository Participants ("DPs").
10. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
11. The Company has facilitated the members to participate in the AGM through VC facility provided by NSDL. The instructions for participation by members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first come-first-served basis.
12. For exercising the votes by the members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
13. Members joining the AGM through VC shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting



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- facility. The members who have already cast their votes prior to AGM using the remote e-voting facility may also join the AGM through VC, but shall not be entitled to cast their votes again at the AGM.
14. In line with MCA Circulars and SEBI Circulars, the Annual Report for the financial year 2023-24 along with Notice of 3rd AGM of the Company inter-alia indicating the process and manner of e-voting are being sent only by electronic mode to those members whose email IDs are registered with the Company/Depository Participant(s) for communication. Members may note that the aforesaid documents may also be downloaded from the Company's website at <https://www.prestonic.com> and the website of National Stock Exchange of India Limited. In line with MCA Circulars, the Company has enabled a process for the limited purpose of receiving the AGM Notice and Annual Report (including remote e-voting instructions) electronically.
 15. In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. Corporate Members intending to depute their authorized representatives to attend the meeting through VC are requested to send to the Company (to e-mail ID cs@presstonengg.co) a certified true copy of the Board Resolution together with the attested specimen signature of the duly authorized signatory (ies) who are authorized to attend and vote at the Meeting on their behalf.
 16. The Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, with a view to protect the interest of the shareholders, has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to the Depository Participants with whom they maintain their demat accounts. The Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/MIRSD/DOS3/CIR/P/2019/30 dated February 11, 2019, decided to grant relaxation to Non-residents (NRIs, PIOs, OCIs and foreign nationals) from the requirement to furnish PAN and permit them to transfer equity shares held by them in the Company.
 17. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.



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18. **SCRUTINISER FOR E-VOTING:** Mr. Shylendrakumar T. R. Practising Company Secretary, Bengaluru has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Tuesday, 13th August, 2024 at 9:00 A.M. (IST) and ends on Thursday, 15th August, 2024 at 5:00 P.M.(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday 9th August, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 9th August, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDEAS ’ section, this will prompt you to enter your existing User ID and Password. After |



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successful authentication, you will be able to see e-Voting services under Value added services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.



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NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my Easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in



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| | |
|--|---|
| | progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.



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How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



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- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.



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2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sktrcs@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Falguni Chakraborty, Assistant Manager) at evoting@nsdl.com



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Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@presstonengg.co

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@presstonengg.co. If you are an Individual shareholder

holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



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4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@presstonengg.co. The same will be replied by the company suitably.
6. Members, who would like to ask questions during the AGM with regard to the resolutions to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, along with their questions/queries to reach the Company's email address i.e. cs@presstonengg.co at least seven (7) days in advance before the start of the meeting i.e. by 9th August, 2024 by 5.00 p.m. Those Members who have



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registered themselves as speakers shall only be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.

7. The Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT AS REQUIRED UNDER

Regulation 36 of the SEBI LODR Regulations and applicable Secretarial Standards

| | |
|--|---|
| Name of the Director | Herga Poornachandra Kedilaya |
| Directors Identification Number (DIN) | 09120129 |
| Date of Birth | 08-07-1971 |
| Age | 53 years |
| Qualification | Bachelor in Engineering from Bangalore University |
| Areas of experience | 27 years of Industrial Leadership Experience across diverse industry domains like Metro rail, Solar, HVAC and Domestic Household Accessories. |
| List of Directorship held in other Companies | Nil |
| Designation (at which appointment was made) | Managing Director |
| Original Date of Appointment | 23-03-2021; Re-designated as Managing Director w.e.f. 03-07-2023 |
| Listed entities from which the person has resigned in the past three years | Nil |
| Names of listed entities in which the person also holds the Directorship | Nil |



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| Chairman/ Member of Committees of other Companies | Nil |
| Chairman/ Member of Committees of the Company | Member in Audit Committee, Stakeholders' Relationship Committee, Risk Management Committee |
| Relationship between Directors inter se | Kodipadi Yerkadithaya Supriya Murthy non-executive director is sister of Herga Poornachandra Kedilaya |
| Remuneration last drawn (FY 2023-24) | Rs. 21.00 Lakhs Per Annum |
| No. of shares held in the Company | 22,34,740 |
| Remuneration proposed to be paid | Rs. 21.00 Lakhs Per Annum |
| Terms and conditions of re-appointment | Liable to retire by rotation, original terms of appointment would follow i.e. For a period of three (03) years with effect from 3 rd July, 2023 |
| No. of Board Meetings attended during Financial Year 2023-24 | 13 |



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DIRECTOR'S REPORT

To
The Members,
PRESSTONIC ENGINEERING LIMITED (the "Company")

The Board of Directors is pleased to present the Company's 3rd Annual Report along with the audited financial statements for the financial year ended on 31st March, 2024.

1. FINANCIAL HIGHLIGHTS:

The performance during the financial year ended March 31, 2024 has been as under:

(Amount in INR Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------|-----------------|
| Revenue from operations | 2,619.00 | 2,103.06 |
| Other income | 89.13 | 10.20 |
| Total revenue | 2,708.13 | 2,113.26 |
| Expenses | | |
| Cost of Material Consumed | 1,140.25 | 798.41 |
| Change in Inventories of work in progress and finished goods | (78.60) | 78.19 |
| Employee Benefit Expenses | 233.26 | 126.93 |
| Finance Costs | 300.28 | 261.32 |
| Depreciation and Amortization Expenses | 85.19 | 88.60 |
| Other Expenses | 746.97 | 415.34 |
| Total Expenses | 2,427.35 | 1,768.79 |
| Less: Profit/(Loss) before Exceptional and Extraordinary Item and Tax | 280.78 | 344.47 |
| Less: Prior Period Item | 13.32 | - |
| Less: Tax expenses | | |
| Current Tax | - | 100.61 |
| Deferred tax | 2.32 | (4.78) |
| Prior Period Taxes | 12.59 | 5.16 |



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|--|---------------|---------------|
| Profit for the year after tax (PAT) | 252.55 | 243.48 |
| Earnings per equity share | 4.68 | 5.45 |

2. BUSINESS AND OPERATIONS:

A. BUSINESS OVERVIEW:

Presstonic primarily manufactures and sells the following products:

i) Metro Rolling Stock Products:

- a. Rolling Stock Interior Products: Saloon Bucket/Plain Type Seats, Custom Coloured Engineered Handles, Grab Pole Systems, Hand Rail Systems, Emergency Evacuation Ramp, Honey Comb Partition Panels etc.,
- b. Rolling Stock Non-Interior Products: Aluminum Cable Management Systems, Cab Handrail, Under Carriage Frame Module, Air Handling Unit, Battery Box, Equipment Mounting Frames, Gangway Frame, Driver Foot Rest Assembly, Enclosure Box, Driver Simulator Cabin etc.,

ii) Metro Rail Signalling Products: IP Rated Enclosures, Beacon Mounting Brackets, Ballast Less Support Brackets, DCS Mast, Ladder Assembly with DCS Mast Platform etc.,,

iii) Infrastructure Products: Steel Structures, Aluminum Murals, Support Structure for Solar Panels, Wire Form and Cable Trays etc.,

Over the years, the Company has offered cost effective and customized solutions in accordance with the standardized quality requirements of the customers who work in various sectors such as Metro Railways and the Infrastructure Sector.

B. FINANCIAL OVERVIEW:

During the financial year 2023-24, the Company has earned revenue from operations of Rs. 2,619.00 Lakhs, an increase of 24.53% as compared to Rs. 2,103.06 Lakhs in the previous financial year.

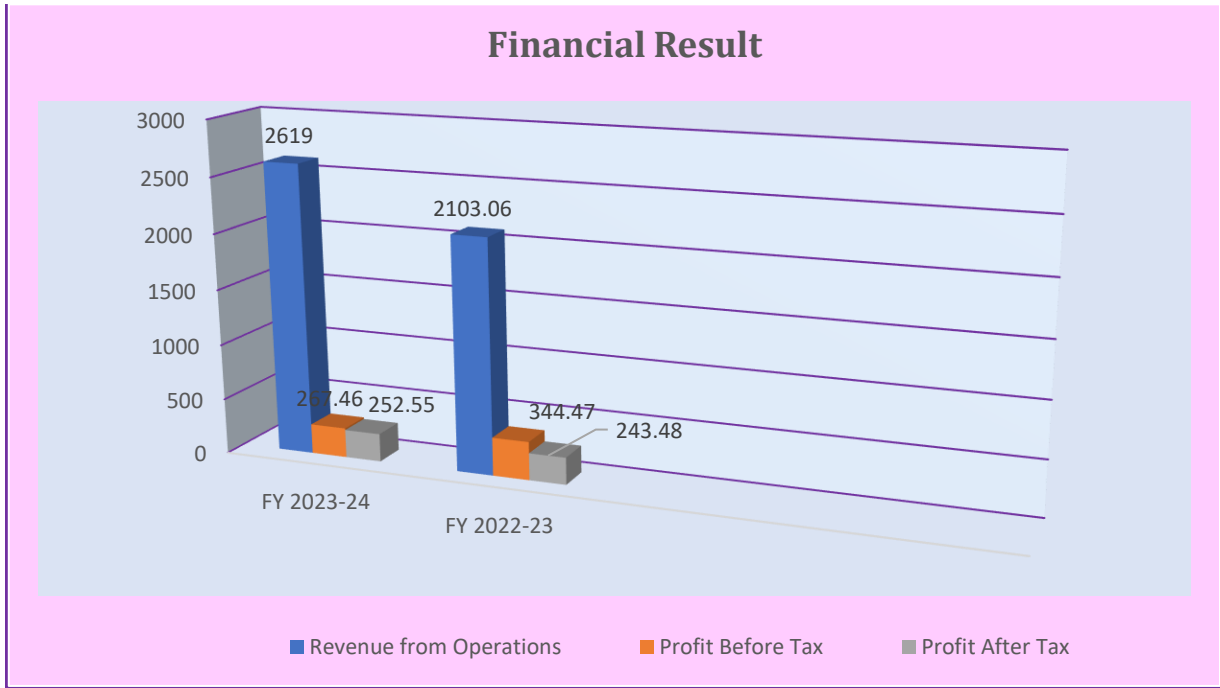


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The Profit after tax (PAT) for the financial year ended March 31, 2024 was Rs. 252.55 Lakhs, an increase of 3.73% as against Rs. 243.48 Lakhs in the previous financial year.

(Amount Rs. In Lakhs)



3. INITIAL PUBLIC OFFER OF EQUITY SHARES:

Your Directors are pleased to inform you that, the Company has completed its Initial Public Offer (“IPO”) of 32,36,800 equity shares of face value of R.10/- each at an issue price of Rs. 72/- per share amounting to Rs. 23,30,49,600/-. The Offer was made pursuant to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The equity shares of the Company were listed on NSE Emerge Platform of National Stock Exchange of India Limited on 18th December 2023.

Uses/Application of Funds raised through IPO-Initial Public Offer as on March 31, 2024:

(Amount in INR Lakhs)

| Sl.no. | Particulars | Original allocation | Funds Utilized | Funds Unutilized | Remarks |
|--------|-------------|---------------------|----------------|------------------|---------|
| | | | | | |



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| | | | | | |
|---|--|----------------|----------------|---------------|--|
| A | Funding Capital Expenditure towards purchase of additional plant and machinery | 232.12 | 25.79 | 206.33 | The balance amount of Rs. 206.33 Lakhs is kept in Canara Bank as Fixed Deposit |
| B | Prepayment of Certain Borrowings- Canara Bank Overdraft | 500.00 | - | 500.00 | The amount of Rs. 500/- Lakhs is deposited in Canara Bank as Fixed Deposit |
| C | Working Capital Requirements | 923.38 | 830.45 | 92.93 | The balance amount of Rs. 92.93 Lakhs is kept in Canara Bank as Fixed Deposit |
| D | Issue Related Expenses | 325.00 | 325.00 | Nil | - |
| E | General Corporate Expenses | 350.00 | 350.00 | Nil | - |
| | Total | 2330.50 | 1531.24 | 799.26 | |

4. SHARE CAPITAL:

The Company has issued 22,35,340 bonus shares out of surplus in the ratio of 1:1 to the eligible shareholders on 22nd May 2023. The Company completed its Initial Public Offer (IPO) and allotted of 32,36,800 fresh equity shares of face value of Rs.10/- each at a premium of Rs. 62/- per share. Post IPO, the paid-up share capital of the Company is Rs. 7,70,74,800/- consisting of 77,07,480 equity shares of Rs.10/- each.

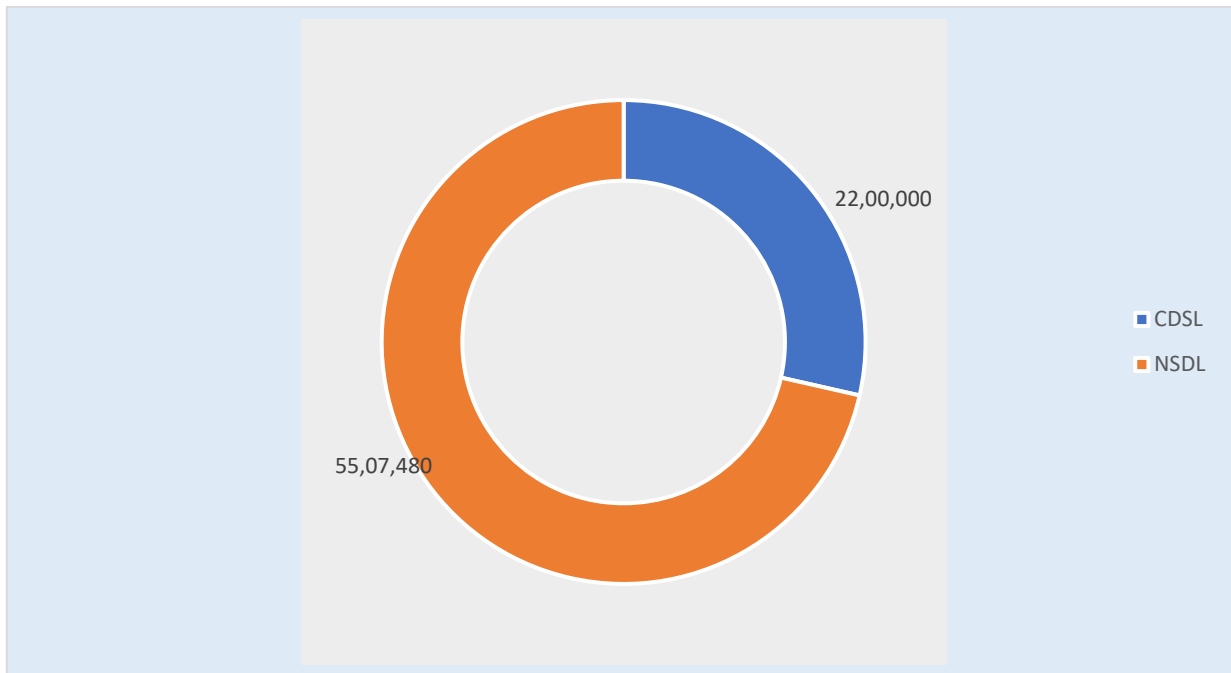
There was no right issue, preferential issue, issue of sweat equity shares or granting of stock options during the financial year. The company has not issued any securities with differential voting rights.



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Shares held in Demat Form with NSDL & CDSL as on 31.03.2024:



5. DIVIDEND:

To conserve financial resources for future growth of the Company, the Board does not recommend any dividend for the approval of the members at the forthcoming Annual General Meeting. The Board is confident that plough back of profits into the business of the Company will generate long term wealth for the members.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

In terms of Section 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments thereof, there was no unpaid/ unclaimed dividend declared last year/years as the Company had not declared any dividends. Hence, the question of transfer of unclaimed dividend to Investor Education and



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Protection Fund does not arise.

7. AMOUNT TRANSFERRED TO RESERVES:

The Board does not propose to transfer any amount to General Reserve for the financial year ended on March 31, 2024.

8. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT:

There have been no material changes and commitments which affect the financial position of the Company, that have occurred between the end of financial year to which the financial statements relates and the date of this report.

9. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

The Company is engaged in the business of manufacture of Metro Rail Rolling Stock Products, Metro Rail Signalling Products, Infrastructure Products and supplies to renowned Global and Domestic OEM's engaged in the Rail and Metro Rail Rolling stock and Signalling equipments manufacturing and servicing Companies.

The Company is offering engineering solutions and supplying metro rolling stock products viz., steel seats of different types, grab poles, handles, under belly cable trays made of Aluminum with aluminum welding as its special skills, signaling products through OEMs.

Future Outlook:

- The Company will have opportunities to foray into Railway segment as the Central Government has given push for Indian Railways to introduce Vande Bharat Trains across major cities in the country apart from developing infrastructure for efficient logistic operations.
- The Ministry of Railways has been allocated Rs 2.40 Lakh Crore, which is the highest ever budgetary allocation for the Railways (Source: Budget 2022-23).
- Railways will develop new products and efficient logistics services for small farmers, and small and medium enterprises. It will also take steps towards the integration of postal and railway networks to provide seamless solutions for the movement of parcels.
- 400 new-generation Vande Bharat trains will be manufactured over the next three years.



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- Multimodal connectivity between mass urban transport and railway stations will be facilitated on priority.

The Company has edge in the manufacture and supply of Metro Products and anticipates growth in revenue and profits from the Metro Segment in the coming years.

New metro rail (subway) systems are under construction and bringing about vast changes in 20+ Indian cities at a breathtaking pace. Most Indian metro projects are being developed in phases; which offers substantial business opportunity for the Company.

Metro Rail Projects implemented/under construction/approved in various cities across India are furnished as under:

| | |
|---------------------------|--------------------------|
| i) Agra Metro | xi) Kanpur Metro |
| ii) Ahmedabad Metro | xii) Kochi Metro |
| iii) Bengaluru Metro | xiii) Kolkatta Metro |
| iv) Bhopal Metro | xiv) Lucknow Metro |
| v) Chennai Metro | xv) Meerut Metro |
| vi) Delhi Metro | xvi) Mumbai Metro |
| vii) Gurgaon Rapid Metro | xvii) Nagpur Metro |
| viii) Hyderabad Metro | xviii) Navi Mumbai Metro |
| ix) Indore Metro | xix) Noida Metro |
| x) Jaipur Metro | xx) Patna Metro |
| xxi) Pune Metro | |
| xxii) Surat Metro | |
| xxiii) Bhubaneshwar Metro | |
| xxiv) Gorakpur Metrolite | |
| xxv) Kozhikode Metrolite | |
| xxvi) Nashik Metro Neo | |
| xxvii) Trivandrum Metro | |

Proposed Metro / Metrolite / Metro Neo Projects in India

(Source: <https://www.metro-railnews.in/metro-rail-project-at-glance-in-india>)

| Sr. No. | Metro System | Proposed Network Length |
|---------|--------------|-------------------------|
|---------|--------------|-------------------------|



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| | | |
|-----|-------------------------------------|-----------|
| 1. | Bangalore Metrolite, Karnataka | 60 km |
| 2. | Chennai Metrolite, Tamil Nadu | 15.50 km |
| 3. | Coimbatore Metro, Tamil Nadu | 136 km |
| 4. | Delhi Metrolite, Delhi | 40.88 km |
| 5. | Guwahati Metro, Assam | 61.40 km |
| 6. | Jammu Metro, J&K UT | 43.50 km |
| 7. | Madurai Metro, Tamil Nadu | 31 km |
| 8. | Mathura Metrolite, Uttar Pradesh | 12 km |
| 9. | Prayagraj Metro, Uttar Pradesh | 42 km |
| 10. | Srinagar Metro, J&K UT | 25 km |
| 11. | Uttarakhand Metro, Uttarakhand | 58 km |
| 12. | Varanasi Metro, Uttar Pradesh | 29.235 km |
| 13. | Vijayawada Metro, Andhra Pradesh | 66.2 km |
| 14. | Visakhapatnam Metro, Andhra Pradesh | 79.91 km |
| 15. | Warangal Metro Neo, Telangana | 17 km |

Diversification Plan:

- a. The Company has been working on developing Oven Parts for supply to leading overseas manufacturer and expecting orders for supplies in the near future.



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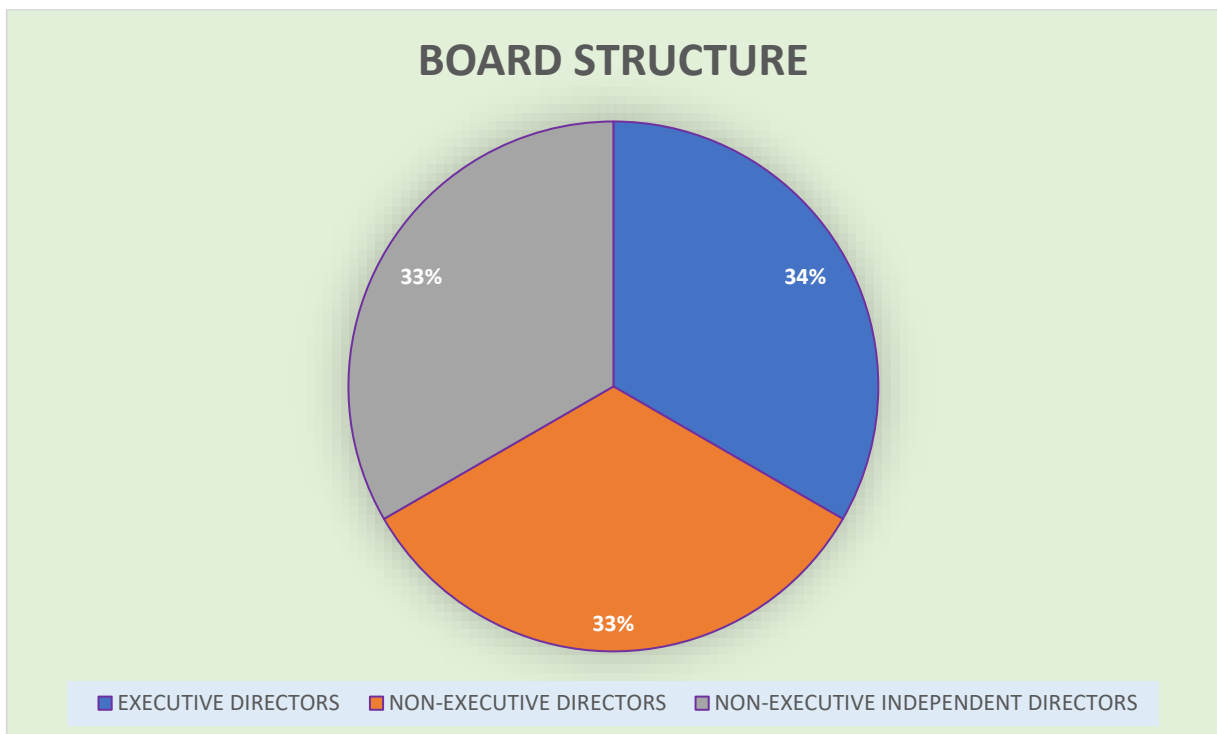
- b. The Company has bid for Tender floated by Public Sector Undertakings for supply of some parts to Defence Sector. It is confident of bagging the order; which will give entry for the Company to Defence Sector.

Infrastructure:

- a. The Company has taken on lease additional premises in Peenya Industrial Area, Bengaluru to set up another manufacturing facility to augment its existing capacity and the commercial production is likely to commence shortly.
- b. The Company has already purchased few machines which include turret welding machine which will ensure faster and quality welding operations. The Company is placing order for few more machineries for operational automation and manufacture of diversified products.

10. BOARD OF DIRECTORS:

The Board of Directors consists of six members, out of which two are Non-Executive Independent Directors including one-woman Independent Director, two Executive Directors and two Non-Executive Directors.





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The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Herga Poornachandra Kedilaya (DIN: 09120129), Managing Director, Mr. Yermal Giridhar Rao (DIN: 09120130), Joint Managing Director & CFO, Ms. Kodipadi Yerkadithaya Supriya Murthy (DIN: 10191903), Non-Executive Director and Ms. Vidyalakshmi Rao (DIN: 10191959), Non-Executive Director of the Company are liable to retire by rotation.

As all the above-mentioned Directors were appointed by the shareholders at the Extra-ordinary General Meeting held on 3rd July, 2023, the requirement of appointment or re-appointment at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier under Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) 2015 does not arise.

RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Herga Poornachandra Kedilaya, Managing Director of the Company is liable to retire by rotation as Director at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors has recommended the re-appointment of Mr. Herga Poornachandra Kedilaya, as Director retiring by rotation.

The notice convening the Annual General Meeting includes the proposal for the re-appointment of Mr. Herga Poornachandra Kedilaya, as a Director of the Company. A brief resume of Mr. Herga Poornachandra Kedilaya has been provided as an annexure to the notice convening the Annual General Meeting. He will continue to act as Managing Director on his re-appointment as Director.

11. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following performance evaluations were carried out:

- a. Performance evaluation of the Board, Chairman and non-Independent Directors by the Independent Directors;
- b. Performance evaluation of the Board, its committees, and Independent Directors by the Board of Directors.



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The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report which forms part of this Annual Report.

12. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Nomination and Remuneration Policy is placed on the website of the Company at <https://www.presstonic.com>

13. DETAILS OF KEY MANAGERIAL PERSONNEL AND CHANGE IN DIRECTORS:

Pursuant to the provisions of Section 203 of the Companies Act 2013, the Key Managerial Personnel (KMP) of the Company as on date of this report are as follows:

| SL. NO. | NAME | DESIGNATION |
|---------|----------------------------------|--|
| 1 | Mr. Herga Poornachandra Kedilaya | Managing Director |
| 2 | Mr. Yermal Giridhar Rao | Joint Managing Director & CFO |
| 3 | Ms. Sudha Gajanana Hegde | Company Secretary & Compliance Officer |

All the KMPs were appointed during the financial year 2023-24 in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A. CHANGE IN DESIGNATION OF DIRECTORS:

Mr. Herga Poornachandra Kedilaya (DIN: 09120129), was redesignated as Managing Director of the Company w.e.f. 03.07.2023.

Mr. Yermal Giridhar Rao (DIN: 09120130), was redesignated as Joint Managing Director & CFO of the Company w.e.f. 03.07.2023.

During the year, the Company has appointed the following Directors in the Board Meeting and Extra-Ordinary General Meeting held on 3rd July, 2023.



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| SL. NO. | NAME OF DIRECTOR | DESIGNATION | DATE OF APPOINTMENT |
|---------|---|---------------------------------------|---------------------|
| 1 | Mr. Nagendra D Rao (DIN: 05100840) | Non-Executive Independent Director | 03.07.2023 |
| 2 | Ms. Jyotsna Rajsekar Belliappa (DIN: 07241358) | Non-Executive Independent Director | 03.07.2023 |
| 3 | Ms. Vidyalakshmi Rao (DIN: 10191959) | Non-Executive Director | 03.07.2023 |
| 4 | Ms. Kodipadi Yerkadithaya Supriya Murthy (DIN: 10191903) | Non-Executive Director | 03.07.2023 |

There were no other changes in directors and Key Managerial Personnel during the year.

14. BOARD MEETINGS:

During the financial year ended March 31, 2024, 13 board meetings were convened and held. The intervening gap between two board meetings was within the stipulated period of 120 days prescribed under the Companies Act, 2013.

The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2023-24 are given in the Corporate Governance Report which forms part of this Annual Report.

15. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence according to the provisions of Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also obtained declarations from both the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Both the Independent Directors have provided declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has conducted familiarization



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programme for its Independent Directors. The details of such familiarization programme for Independent Directors have been disclosed on the website of the Company at <https://www.presstonic.com>.

The Company has through presentation familiarized and updated the Independent Directors with the strategy, operations, functions of the Company and Engineering Industry as a whole. The details of such familiarization programme for Independent Directors are explained in the Corporate Governance Report which forms part of this Annual Report.

17. COMMITTEES:

During the year, the Board has constituted four Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. All the recommendations of the Committees of the Board which were mandatorily required, have been accepted by the Board.

A detailed note on the composition of the Board and its Committees, including its terms of reference is provided in the Corporate Governance Report which forms part of this Annual Report. The composition and terms of reference of all the Committees of the Board of Directors of the Company is in line with the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. RISK MANAGEMENT FRAME WORK:

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at the Company level as well as for business segments. The Company has a Risk Management Committee of the Board of Directors and Risk Management Policy consistent with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Policy is available on the website of the Company at <https://www.presstonic.com>.

The Committee facilitates the execution of risk management practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting and also provide guidance to the management team. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and related procedures & status.



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The details of Risk Management Committee along with other details are set out in Corporate Governance Report, forming part of this report.

19. DISCLOSURE UNDER SECTION 67 (3) OF THE COMPANIES ACT, 2013:

No disclosure is required under section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable to the Company.

20. DEPOSITS:

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

21. RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered into during the financial year 2023-24 were at arm's length basis and were in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel, etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval will be obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value, terms and conditions of the transactions. The Related Party Transactions Policy is available on our website, at <https://www.presstonic.com>.

22. ANNUAL RETURN:

As per the requirements of Section 92(3) of the Companies Act, 2013 and rules framed thereunder, the extract of the annual return for the financial year 2023-24 is available at the website of the company at <https://www.presstonic.com>.



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23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company has not provided any loans, guarantees to any Company/Body Corporate and has not made any investments under Section 186 of the Companies Act, 2013.

24. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review.
- (c) The directors have 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.
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. AUDITORS & AUDIT REPORT:

M/s GRSM & Associates, Chartered Accountants, Bengaluru who were appointed as the Auditors of the Company by the Board and Shareholders at their meeting held on 3rd July, 2023, to hold office up to the conclusion of the 3rd Annual General Meeting of the members of the Company. Being eligible for appointment as Auditors, M/s GRSM & Associates, Chartered Accountants, Bengaluru have given their consent for appointment as Auditors for a consecutive period of 5 years from the conclusion of the 3rd Annual General Meeting of the members of the Company.



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There are no qualifications made in the Audit Report issued by the Statutory Auditors of the Company.

The auditor has observed that “the amount of receivables as per the quarterly/monthly statements submitted by the Company with such banks are not in agreement with the books of accounts of the Company.” The Board of Directors deliberated and noted that the difference in the figures reported in the quarterly / monthly statements submitted to the banks were nominal and due to oversight.

26. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT:

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, CS Shylendrakumar T R (M. No. 10914, CP No. 2453) Practising Company Secretary was been appointed as the Secretarial Auditor of the Company for the financial year 2023-24. The report given in Form MR-3 by the Secretarial Auditor is annexed to this report as **ANNEXURE I**.

The observations made in the secretarial audit report are self-explanatory and hence, do not call for any further comments. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

27. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS AS REQUIRED UNDER SUB-SECTION (1) OF SECTION 148:

The Companies (Cost Records and Audit) Rules, 2014 is not applicable to the Company as its overall annual turnover from all its products and services during the immediately preceding financial year was below Rs. 50 Crores. Hence the requirement of maintenance of cost records is not required under Sub-Section (1) of Section 148 of the Companies Act, 2013.

28. INTERNAL AUDITOR:

Vishnu Chaitanya & Co., Chartered Accountants, Bengaluru were appointed as the Internal Auditors of the Company for the financial year 2023-24 and they had conducted the Internal Audit for the financial year 2023-24.

The Board of Directors of the Company upon recommendations of the Audit Committee and in consultation with the Internal Auditors formulated the scope, functioning, periodicity and methodology for conducting Internal Audit for the financial year 2024-25.



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29. INSURANCE:

The Company has taken adequate insurance cover of all its movable & immovable assets to cover various types of risks.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the requirements of Sub-section (3) Sub-clause (m) of section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014, particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(A) CONSERVATION OF ENERGY:

- i. The steps taken or impact on conservation of energy:
 - During the year the company has introduced switches to optimize energy consumption in the production center.
 - Counsel employees on optimum utilization of air conditioning by maintaining optimum temperature.
- ii. The steps taken by the company for utilizing alternate sources of energy: NA
- iii. The capital investment on energy conservation equipment: NA

(B) TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT:

- i. The efforts made towards technology absorption:
The company has initiated the set-up of Design & Development Center for new product development.
- ii. The benefits derived are like product improvement, cost reduction, product development or import substitution:
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a. The details of technology imported: NA
 - b. The year of import: NA
 - c. Whether the technology been fully absorbed: NA
 - d. If not fully absorbed, areas where absorption has not taken place, and reasons thereof: NA
 - e. The expenditure incurred on Research and Development: NA

(C) FOREIGN EXCHANGE OUTFLOW & INFLOW (ON ACCRUAL BASIS):



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(Amount in INR Lakhs)

| PARTICULARS | 2023-24 | 2022-23 |
|--------------------------------------|---------|---------|
| CIF Value of Imports: | | |
| Capital goods | 1.34 | - |
| Earnings in foreign currency: | | |
| Export of goods (USD-23,670.72) | 19.50 | - |

31. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act 2013 relating to the Corporate Social Responsibility is not applicable to the Company for the FY 2023-24 as it did not attract provisions of sub-section (1) of Section 135 of the Companies Act, 2023.

32. CORPORATE GOVERNANCE REPORT:

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance forms part of this Board's report.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report is appended to this Report as **ANNEXURE II**.

34. REMUNERATION PAID TO DIRECTORS & PARTICULERS OF EMPLOYEES:

- A. **Executive Directors:** The remuneration paid to the Executive Directors for the financial year ended 31st March 2024 is as follows:

Mr. Herga Poornachandra Kedilaya, Managing Director: Salary Rs.19.86 Lakhs
Mr. Yermal Giridhar Rao, Joint Managing Director & CFO: Salary Rs.19.86 Lakhs

- B. **Non-Executive Directors:** The Company has paid sitting fees for attending the meetings of the Board and/or Committees thereof, to all Non-executive Directors, namely:



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Mr. Nagendra D Rao – Non-Executive Independent Director & Chairman of the Board: Rs. 3.50 Lakhs
Ms. Jyotsna Rajsekar Belliappa - Non-Executive Independent Director: Rs.3.00 Lakhs
Ms. Vidyalakshmi Rao - Non-Executive Director: Rs.0.50 Lakhs
Ms. Kodipadi Yerkadithaya Supriya Murthy: Rs.0.50 Lakhs

Non-executive Directors did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year except as stated above.

Disclosure under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

- Ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2024: **NIL**
- The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2023-24: **NIL**
- Percentage increase in median remuneration of employees in the financial year 2023-24: **NIL**
- The number of permanent employees on the rolls of the Company as at March 31, 2024: **38**
- Affirmation that the remuneration is as per the remuneration policy of the company: Pursuant to Rule 5(1)(Xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of the Company.

35. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Composition of Internal Complaints Committee is as follows:



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| Sl. No. | Name of Member | Status in Committee |
|---------|------------------|---------------------|
| 1. | Ms. Sudha Hegde | Presiding Officer |
| 2. | Ms. Vanajakshi | Member |
| 3. | Mr. Ravi Prakash | Member |
| 4. | Ms. Ramadevi | External Member |

The summary of the complaints received, resolved and pending for redressal is as under:

| | | |
|----|--|---|
| 1. | Number of complaints of sexual harassment received during the year | 0 |
| 2. | Number of complaints resolved during the year | 0 |
| 3. | Number of complaints pending for redressal during the year | 0 |

36. ESTABLISHMENT OF VIGIL MECHANISM / WHISLE BLOWER MECHANISM:

The Company has established a Vigil Mechanism to comply with the provisions of Section 177 (9) of the Companies Act, 2013 and Pursuant to Regulation No. 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, for directors and employees to report concerns about unethical behavior and actual or suspected fraud. It also provides for adequate safeguards against victimization of employees who avail the mechanism and allows direct access to the Chairman of the Audit Committee.

Ms. Kodipadi Yerkadithaya Supriya Murthy, Director of the Company was appointed as Vigil Mechanism Member. the Company has not received any whistle-blower complaint during the year and up to the date of this report

37. INTERNAL FINANCIAL CONTROLS:

Internal financial controls are an integral part of the risk management process of the Company. Assurance on the effectiveness of the internal financial control is obtained through management reviews, continuous monitoring by functional heads as well as testing of the internal financial control systems by the internal auditors and statutory auditors during their course of audit. The



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Company believes that these systems provide reasonable assurance that Company's internal financial controls are designed effectively and are operating as intended.

38. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Companies Act 2013, the Company has formulated a Framework for Related Party Transactions (RPTs) and all the RPTs were either within the Framework approved by the Board or were separately approved by the Board as required under the Act.

During the year under review, all transactions entered into with related parties as defined under Section 2(76) of the Companies Act, 2013, are at arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no transactions with related parties in the financial year which were in conflict with the interest of the Company.

As a good corporate governance practice, the Company has voluntarily obtained approval of Audit Committee/ Members for the related party transactions. The related party transactions are reported to the Audit Committee on a regular basis. The details of related party transactions are furnished in Form AOC-2 annexed to this Report as **ANNEXURE III**.

39. LOANS FROM DIRECTORS AND RELATIVES OF DIRECTORS AS REQUIRED UNDER COMPANIES (ACCEPTANCE OF DEPOSIT) RULES, 2014:

During the year under review, the Company has not taken unsecured loan from its Directors.

40. SECRETARIAL STANDARDS:

The Directors state that applicable Secretarial Standards, i.e. SS-1 - 'Meetings of the Board of Directors' and SS-2 - 'General Meetings' have been duly followed by the Company.

41. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Board of Directors under Section 143(12) of the Companies Act, 2013.



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42. MATERIAL EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

No significant material event has occurred after the balance sheet date.

43. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiaries, Joint Ventures and Associate Companies.

44. HUMAN RESOURCE:

Employees are the most important assets of the organization. The human resource policy of the company is designed with the objective to attract and retain best talents available in the industry. The management conducts various training programs on a frequent basis to enhance the skill sets of employees. The Company has a transparent performance appraisal system which tries to make an objective assessment of employees' performance and requirement for further training. The objective of HR policy is to attract, motivate and develop a competent talent pool, provide conducive environment to perform and to ensure optimum utilization of human capital to become the best place to work. The policy is designed to provide a balanced working environment and to promote diversity in work force. The Company has designed a succession plan for future leadership roles emerging in the organization.

45. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT'S OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there were no significant and material orders passed by any regulators or court's or tribunals impacting the going concern status and Company's operations in future.

46. THE DETAILS OF APPLICATIONS MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the year, there was no application made nor any proceedings pending under the Insolvency and Bankruptcy Code, 2016.



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47. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASON THEREOF:

The Company has not availed of One Time Settlement from Banks or Financial Institutions hence, there is nothing to report in this regard.

48. CORPORATE GOVERNANCE:

Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of Sub-Regulation (2) of Regulation 46 and Para C, D and E Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are not applicable to the Company as the Company's paid-up equity share capital did not exceed Rs.10 Crores and net worth Rs. 25 Crores as on the last day of the previous financial year ended March 31, 2023. However, as a matter of good governance, the Company has prepared Corporate Governance Report and annexed the same to the Directors Report.

49. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code required pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The code of prevention of Insider Trading and fair disclosures is placed on the website of the Company at <https://www.prestonic.com>.

50. ACKNOWLEDGEMENT:

The Directors place on records their gratitude to the members, Central and State Government and concerned Government departments and agencies for their co-operation, customers and vendors for their continued assistance and support extended to the Company during the year.

The directors also place on record their sincere thanks to the Company's Bankers for their continued support to the Company.



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The directors also place on record their appreciation for the consistent, good team work and dedication put in by all categories of employees.

For & on behalf of the Board

Sd/-

Sd/-

HERGA POORNACHANDRA KEDILAYA

Managing Director

DIN: 09120129

YERMAL GIRIDHAR RAO

Joint Managing Director & CFO

DIN: 09120130

Date: 16.07.2024

Place: Bangalore



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CORPORATE GOVERNANCE REPORT

[As required under Schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is adopting high standards of excellence in Corporate Governance and believes that good corporate governance practices should be enshrined in its activities. This would ensure efficient conduct of the affairs of the Company and help the Company to achieve its goal of maximizing value for all its stakeholders.

The Company's Corporate Governance philosophy has been further strengthened through its various Policies namely:

- Code of Conduct Policy
- Nomination and Remuneration Policy
- Policy on Prevention of Sexual Harassment of Women (POSH)
- Policy on Related Party Transaction
- Risk-Management Policy
- Insider Trading Policy
- Policy and Procedures for Inquiry in Case of Leak of Unpublished Price Sensitive Information
- Stakeholders Relationship Policy
- Whistle Blower Policy or Vigil Mechanism
- Determination of Materiality of Events or Information Policy
- Policy on Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI)
- Policy on Familiarization Programme for Independent Directors
- Policy on Preservation of Documents and Archival Records
- Business Continuity Plan

The well-structured Internal Control Systems are subjected to regular assessment for its effectiveness, reinforces integrity of management and fairness in dealing with the Company's stakeholders.

The business operations are conducted for the benefit of all its stakeholders, including



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shareholders, employees, customers, suppliers, and statutory authorities.

The Company's Board comprises of eminent individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, marketing, environment, social governance (ESG), legal and finance and is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders.

We believe that an active, well-informed, and independent Board is necessary to ensure the highest standards of Corporate Governance.

The Company has optimum combination of executive and non-executive directors including Independent Directors with one-woman director.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") as applicable, is given below considering that the Company has completed Initial Public Offer (IPO) and the equity shares of the Company were listed on NSE Emerge Platform of The National Stock Exchange of India Limited on December 18, 2023.

II. BOARD OF DIRECTORS:

The Board provides strategic guidance and independent views to the Company's management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholder's aspirations and society's expectations.

The Board has identified the list of core skills/expertise/competences of the Board of Directors as required in the context of the business of the Company, which also forms part of the Policy of the Nomination and Remuneration.

The Company is managed by the Board of Directors comprising of eminent individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, marketing, environment, social governance (ESG), legal and finance which formulates strategies, policies and reviews its performance periodically.

A. COMPOSITION OF THE BOARD:



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The Company has a balanced Board with optimum mix of Executive and Non-Executive Directors including Independent Directors with three Woman Directors. All the members of the Board are competent and are persons of repute with strength of character, professional eminence, having the expertise in their respective disciplines to deal with the management functions of the Company.

The composition of Board of Directors of the Company is in consonance with the requirements of the Companies Act, 2013 (“Act”) and Regulation 17 of the SEBI Listing Regulations. As on March 31, 2024, the Board of Directors comprises of 6 (Six) Directors out of which 2 (Two) are Executive Directors, 2 (Two) are Non-Executive Directors and 2 (Two) are Non-Executive Independent Directors. The Chairman of the Board is a Non-Executive Independent Director.

The Composition of the Board of Directors as on March 31, 2024 are as under:

| Sl. No. | Name of Directors | Category | No. of Board Meetings attended during 2023-24 | Whether attended last AGM held on 17 th May, 2023 | No. of Directorships in other Public Companies | | Number of Committee positions held in other Public Companies | |
|---------|----------------------------------|--|---|--|--|--------|--|--------|
| | | | | | Chairman | Member | Chairman | Member |
| 1 | Mr. Nagendra D Rao | Independent Director & Chairman of the Board | 7 | NA | Nil | 1 | Nil | Nil |
| 2 | Mr. Herga Poornachandra Kedilaya | Managing Director | 13 | Yes | Nil | Nil | Nil | Nil |
| 3 | Mr. Yermal Giridhar Rao | Joint Managing Director & CFO | 13 | Yes | Nil | Nil | Nil | Nil |
| 4 | Ms. Jyotsna Rajsekar Belliappa | Independent Director | 6 | NA | Nil | Nil | Nil | Nil |



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| | | | | | | | | |
|---|--|------------------------|---|----|-----|-----|-----|-----|
| 5 | Ms. Kodipadi Yerkadithaya Supriya Murthy | Non-Executive Director | 5 | NA | Nil | Nil | Nil | Nil |
| 6 | Ms. Vidyalakshmi Rao | Non-Executive Director | 5 | NA | Nil | Nil | Nil | Nil |

*Note: *For the purpose of considering the limit of the number of directorship Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded which is in line with the requirement of the SEBI Listing Regulations. ** For the purpose of determination of position in committees only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered as per Regulation 26 of the SEBI Listing Regulations.*

B. NAME OF OTHER LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF DIRECTORSHIP:

| Sl. No. | Name of Directors | Directorship in other Listed Entities | Category of Directorship |
|---------|-------------------|---------------------------------------|--------------------------|
| Nil | Nil | Nil | Nil |

C. BRIEF PROFILE OF DIRECTORS:

The Board of Directors comprises of highly renowned professionals of diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision-making process.

The brief profile of the Company's Board of Directors is as under:

Mr. Nagendra Dattathreya Rao, aged about 51 years, is the Non-Executive Independent Director of our Company since July 03, 2023. Mr. Nagendra Dattathreya Rao is a Designated Partner and Founder of CS Nagendra D. Rao and Associates, LLP, a firm of Practising Company Secretaries in Bengaluru. He was elected to the Central Council of the Institute of Company Secretaries of India [ICSI] (A Statutory body, enacted under the Act of Parliament) for the term 2019-2022 and served as Vice-President of The ICSI for the year 2020 before being elected as President for the year 2021. With over 20 years of experience in Corporate Sector he specializes in Corporate and Securities Laws, Capital Markets Transactions, Business Planning, Mergers & Acquisitions, Financial



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Restructuring, Strategic Investment, Funds Planning & Arrangement. He is presently Director in Institute of Social Auditors of India, a Section 8 Company registered under the Companies Act, 2013. He was a member of the Central Taxes, Corporate Laws & GST Committee of the Federation of Karnataka Chambers of Commerce & Industry, Corporate Affairs and Taxation Committee of the Bangalore Chamber of Industry & Commerce. He has addressed several conferences, seminars, webinars and work-shops organised by the Professional Institutes and Trade Bodies at National as well as International levels. In recognition for his outstanding service rendered in the field of education CS Nagendra D. Rao was conferred the title "VIDYA VIKAS" by Dr. D.G. Shetty Educational Society (R), Dharwad, Karnataka.

Mr. Herga Poornachandra Kedilaya, aged about 52 years, is the Promoter and Managing Director of our Company. He has been on the Board of Directors since 2021. He holds Bachelor's Degree in Engineering from Bangalore University, Karnataka. As a young graduate employee, he had won many accolades in his brief stint as a Design Engineer and started his career in the field of petrochemical industry as a design engineer for a couple of years, which was directly followed by an entrepreneurship spanning more than 26 years and also has an in depth knowledge of product pricing, Life Cycle Costing (L.C.C), RAMS, Channel and Retail distribution networking pan India and all the facets of commercial banking like handling bank guarantees, Letter of credits, export financing, taxation and other statutory requirements. He is a visionary and provides valuable strategies and guidance to his teams. He has a unique techno-commercial knowledge of handling both B2B and B2C models and is very well versed in product pricing and in establishing product channel partnership networks for accelerating scalability.

Mr. Yermal Giridhar Rao, aged about 53 years, is the Promoter and Joint Managing Director & CFO of our Company. He has been on the Board of Directors since 2021. He holds a Master of Technology from Mangalore University. He is an accomplished Director with a distinguished educational background. He started his career at M/s. Alfred Herbert India Ltd. and then at M/s. Shetron Ltd. in Bangalore before co- founding Presston Engineering Corporation in 1996. As the Director of Presstonic Engineering Private Limited, he has lead cross functional teams like design, product development and manufacturing. He has played a pivotal role in strategic planning, business development and fostering a culture of innovation, leading the company to sustained growth.

Ms. Kodipadi Yerkadithaya Supriya Murthy, aged about 57 years, is the Non-Executive Director of our Company since July 03, 2023. She has done her graduation in Commerce from Bangalore University (1987), Post Graduate Diploma in Interior Decoration & Designing from India International Trade Center. She also holds a Degree Course in Bharatanatyam from Keshava Nithyashala, School of Bharathanatya, Bangalore. Ms. Kodipadi Yerkadithaya Supriya Murthy is an efficient and competent individual who has more than 20 years of working experience as an



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entrepreneur in various field such as architecture, interior design, organic farming, Desi cow advocate and yogic healing. Having been Bharatanatyam dancer for over 20 years and was a cultural ambassador at Festival of India in Russia. She was a member of Organic Farming Association of India (OFAI) and awarded by Karnataka Govt. as a Natya Vidushi in 1985. Now, she is co-founder and advisor of Construction and Landscaping firm.

Ms. Jyotsna Rajsekar Belliappa, aged about 58 years, is the Non-Executive Independent Director of our Company since July 03, 2023. Ms. Jyotsna Rajsekar Belliappa is a Social Responsibility professional with deep operational experience in evaluating and managing social risk in the supply chain for 2 international Retailers – Marks and Spencer and the Gap Inc. More than 1200 individual vendors covered for ethical trade issues of human rights, labour and community involvement and development. Over the span of her career, she has influenced various programmes benefitting more than 1,00,000 workers and community members across India, Sri Lanka and Bangladesh supply chain. She has deep experience in managing ambiguity and conflict, keen ability to listen as well as communicate across internal and external stakeholders and currently working as Principal Consultant of BlueSky Sustainable Business LLP. She had won many accolades like Golden Peacock Award for Corporate Social Responsibility 2013 instituted by Institute of Directors, Business Responsibility Awards for the category -Best Corporate Sustainability Endeavour - Large Corporates instituted by FICCI, India and Parivartan Corporate Sustainability Stewardship Award 2013 instituted by Sustainable Business Leadership Forum, New Delhi.

Ms. Vidyalakshmi Rao, aged about 45 years, is the Non-Executive Director of our Company since July 03, 2023. She holds a Bachelor of Commerce from University of Mysore. Ms. Vidyalakshmi Rao is a highly accomplished and driven person with a Bachelor of Commerce degree from the esteemed Marimallappa Arts and Commerce College in Mysore. With a strong background in accounting, costing, and logistics, she has been effectively leading financial planning and analysis and her expertise in optimizing supply chain operations and negotiating vendor contracts has proved beneficial for organizational efficiency. Vidyalakshmi is a strategic thinker and has demonstrated great leadership skills.

D. THE BOARD HAS IDENTIFIED THE FOLLOWING SKILLS/ EXPERTISE/COMPETENCIES WITH REFERENCE TO ITS BUSINESS FOR THE EFFECTIVE FUNCTIONING OF THE COMPANY AND WHICH ARE CURRENTLY AVAILABLE WITH THE BOARD:

In terms of the requirement of the SEBI Listing Regulations, the Board has identified the directors who have skills/expertise/competencies which is required for the effective functioning of the Company.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether



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the person possesses the requisite skill sets identified by the Board and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess expertise across a range of disciplines including general management, business strategy, marketing, environment, social governance (ESG), legal and finance.

E. AGENDA OF THE BOARD AND COMMITTEE MEETINGS:

Meetings are governed by a structured agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance except in exceptional circumstances. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

F. ATTENDANCE OF EACH DIRECTOR AT THE MEETING OF THE BOARD OF DIRECTORS AND THE LAST ANNUAL GENERAL MEETING:

During the Financial year 2023-24, Thirteen (13) Board Meetings were held on 26.04.2023, 11-05-2023, 16-05-2023, 19-05-2023, 22-05-2023, 03-07-2023, 19-07-2023, 14-08-2023, 28-09-2023, 27-11-2023, 05-12-2023, 14-12-2023 and 21.03.2024. The gap between two Board Meetings was within the maximum time gap prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure) Regulations, 2015. The attendance of each Director at these Board Meetings and last Annual General Meeting were as under:

| Sl. No. | Name of Director | Attendance in the Board Meetings | | Attendance at AGM held on 17.05.2023 |
|---------|----------------------------------|----------------------------------|---------|--------------------------------------|
| | | Held | Present | |
| 1 | Mr. Nagendra D Rao* | 7 | 7 | NA |
| 2 | Mr. Herga Poornachandra Kedilaya | 13 | 13 | Yes |
| 3 | Mr. Yermal Giridhar Rao | 13 | 13 | Yes |
| 4 | Ms. Jyotsna Rajsekar Belliappa* | 7 | 6 | NA |



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| | | | | |
|---|---|---|---|----|
| 5 | Ms. Kodipadi Yerkadithaya Supriya Murthy* | 7 | 5 | NA |
| 6 | Ms. Vidyalakshmi Rao* | 7 | 5 | NA |

*Though the above information is for the full financial year 2023-24; the number of meetings held and the attendance at the Board Meetings and AGM in respect of Non-Executive Directors are from the date of their respective appointments. The total number of board meeting held during the Financial Year 2023-24 is 13. The above information with regards to attendance of the directors have been taken based on their date of appointment.

G. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience during the deliberations of the Board. This enriches the decision-making process at the Board with different points of view and experiences and prevents conflict of interest in the decision-making process.

None of the Independent Directors serves as “Independent Directors” in any of the listed companies.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Act and SEBI Listing Regulations and are independent from the management.

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management.

During the year, one meeting of Independent Directors was held on March 21, 2024.

H. DISCLOSURE OF RELATIONSHIPS BETWEEN THE DIRECTORS INTER-SE:

Except as disclosed below, there is no relationship between the Directors inter-se.

Ms. Kodipadi Yerkadithaya Supriya Murthy is sister of Mr. Herga Poornachandra Kedilaya, Managing Director

Ms. Vidyalakshmi Rao is wife of Mr. Yermal Giridhar Rao, Joint Managing Director & CFO

a. Number of shares and convertible instruments held by Non-Executive Directors

| Name of Directors | No. of Shares held |
|-------------------|--------------------|
|-------------------|--------------------|



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| | |
|--|-----|
| Ms. Kodipadi Yerkadithaya Supriya Murthy | Nil |
| Ms. Vidyalakshmi Rao | 200 |
| Mr. Nagendra D Rao | Nil |
| Ms. Jyotsna Rajsekar Belliappa | Nil |

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

I. FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS:

With an aim to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly, familiarization program has been designed for the Independent Directors.

In compliance with the requirement of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Engineering Industry as a whole. The Company is also periodically reviewing this Programme and makes suitable revisions, as may be deemed necessary, from time to time.

Further, in line with the policy of the Company as framed in this regard and in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made a Familiarization Programme Policy and the Familiarization Programme was held on 21st March, 2024 and details of such familiarization programme for Independent Directors are available on the website of the Company at <https://www.presstonic.com>.

J. CODE OF CONDUCT FOR KMP, DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

In terms of Regulation 26(3) of the SEBI Listing Regulations, 2015 the Board of Directors of the Company has laid down the Code of Conduct for all KMP, Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company at <https://www.presstonic.com>.

The KMP, Board Members and Senior Management Personnel of the Company have affirmed



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compliance with the Code.

The Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code and that declaration which forms part of this Annual Report.

K. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING:

In terms of SEBI Listing Regulations as amended from time to time, the Company has formulated and adopted a Code of Conduct for Prohibition of Insider Trading, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information.

All the Directors, Employees of the Company and their immediate relatives and other connected persons who could have access to the Unpublished Price Sensitive Information of the Company, are governed under this Insider Trading Code.

III. COMMITTEES OF THE BOARD:

The Board has constituted the following 4 (Four) Committees viz:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

The terms and reference to these Committees are determined by the Board and their relevance reviewed from time to time. Each of these Committees has been mandated to operate within the given framework. Minutes of the meetings of each of these Committees are tabled regularly at the Board Meetings for their perusal and noting.

A. AUDIT COMMITTEE:

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Committee members are having requisite experience in the fields of Finance,



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Accounts and Management. The Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are the permanent invitees at the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee. All the recommendations of the Audit Committee have been accepted by the Board of Directors.

The principal terms of reference of the Audit Committee, as approved by the Board and as updated from time to time by the Board, are as under:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring



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the use/application of the funds raised through the proposed initial public offer by the Company;

- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
- Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and



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- Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the audit committee;
- statement of deviations:
 - (a) Half Yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations;
 - (b) Annual Statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

In addition to the above, the Audit Committee discharges all such other duties and functions generally indicated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and the Rules made thereunder.

Composition of Audit Committee, number of Meetings held and participation at the Meetings during the year:

During the year, the Audit Committee meeting was held on 27.11.2023 & 21.03.2024. The Attendance of Members at meetings were as under:

| Sl. No. | Name of Committee Member | Nature of Directorship | Position | No. of Meetings Held | No. of Meetings Attended |
|---------|----------------------------------|------------------------------------|----------|----------------------|--------------------------|
| 1 | Mr. Nagendra D Rao | Non-Executive Independent Director | Chairman | 2 | 2 |
| 2 | Ms. Jyotsna Rajsekar Belliappa | Non-Executive Independent Director | Member | 2 | 2 |
| 3 | Mr. Herga Poornachandra Kedilaya | Executive Director | Member | 2 | 2 |



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B. NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015.

Terms of reference of the committee inter alia, include the following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- Performing such other activities as may be delegated by the Board and/ or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

In addition to the above, Nomination and Remuneration Committee discharges such duties and functions generally indicated under the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, the Companies Act, 2013 and Rules made thereunder.



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Composition of Nomination and Remuneration Committee, number of Meetings held and participation at the Meetings during the year:

During the year, 1 (One) Nomination and Remuneration Committee meeting was held on March 21, 2024. The Attendance of Members at meetings were as under:

| Sl. No. | Name of Committee Member | Nature of Directorship | Position | No. of Meetings Held | No. of Meetings Attended |
|---------|--------------------------------|------------------------------------|----------|----------------------|--------------------------|
| 1 | Ms. Jyotsna Rajsekar Belliappa | Non-Executive Independent Director | Chairman | 1 | 1 |
| 2 | Mr. Nagendra D Rao | Non-Executive Independent Director | Member | 1 | 1 |
| 3 | Ms. Vidyalakshmi Rao | Non-Executive Director | Member | 1 | 1 |

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations & Disclosure) Regulations, 2015.

Terms of reference of the Committee inter alia, include the following:

- Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports/statutory notices by the shareholders of the Company;
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;



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- To authorise printing of share certificate post authorisation from the Board of Directors of the Company.
- To authorise RTA to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates
- Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time.

Composition of Committee, number of Meetings held and participation at the Meetings during the year:

During the year, 1 (One) meeting was held on March 21, 2024.

The Attendance of Members at meetings was as under:

| Sl. No. | Name of Committee Member | Nature of Directorship | Position | No. of Meetings Held | No. of Meetings Attended |
|---------|----------------------------------|------------------------------------|----------|----------------------|--------------------------|
| 1 | Mr. Nagendra D Rao | Non-Executive Independent Director | Chairman | 1 | 1 |
| 2 | Mr. Herga Poornachandra Kedilaya | Managing Director | Member | 1 | 1 |
| 3 | Mr. Yermal Giridhar Rao | Joint Managing Director & CFO | Member | 1 | 1 |

D. RISK MANAGEMENT COMMITTEE:

The Board of Directors of the Company has constituted the Risk Management Committee in compliance with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. As on March 31, 2024, Risk Management Committee of the Company comprised of three members viz., Mr. Herga Poornachandra Kedilaya, Managing Director, Mr. Yermal Giridhar Rao, Joint Managing Director & CFO and Mr. Nagendra D Rao, Independent Director acts as Chairman of the Committee.

Terms of reference of the Committee:

- To formulate a detailed risk management policy which shall include:



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- i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risks;
 - iii. Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition of Committee, number of Meetings held and participation at the Meetings during the year:

During the year, the meeting of Risk Management Committee was held on March 21, 2024.

The Attendance of Members at meetings was as under:

| Sl.No. | Name of Committee Member | Nature of Directorship | Position | No. of Meetings Held | No. of Meetings Attended |
|--------|----------------------------------|------------------------------------|----------|----------------------|--------------------------|
| 1 | Mr. Nagendra D Rao | Non-Executive Independent Director | Chairman | 1 | 1 |
| 2 | Mr. Herga Poornachandra Kedilaya | Managing Director | Member | 1 | 1 |
| 3 | Mr. Yermal Giridhar Rao | Joint Managing | Member | 1 | 1 |



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| | | | | | |
|--|--|----------------|--|--|--|
| | | Director & CFO | | | |
|--|--|----------------|--|--|--|

E. EVALUATION OF THE BOARD'S PERFORMANCE:

The Committee evaluate the performance of each Director of the Company under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed above.

Evaluation of Independent Director is carried on by the entire Board in the same way as it is done for the executive directors of the Company except the Independent Director getting evaluated.

Based on the performance evaluation of each and every Director and the chairman of the Company, the Committee provide the ratings based on each criteria and sub-criteria.

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board decide the appointments, re-appointments and removal of the non-performing Directors of the Company.

Evaluation of the executive Directors of the Company is carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members is held at least once in a year and the Company disclose the criteria laid down by the Committee for performance evaluation on its website for the reference and also in the annual report of the Company.

F. REMUNERATION OF DIRECTORS:

Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of each Executive Director.

The details of sitting fees paid to Non-Executive Directors for the FY 2023-24 are as under for attending the Board and Committee Meetings:

| Sl. No. | Name of Directors | Sitting Fee |
|---------|--------------------------------|----------------|
| 1 | Mr. Nagendra D Rao | Rs. 3.50 Lakhs |
| 2 | Ms. Jyotsna Rajsekar Belliappa | Rs. 3.00 Lakhs |



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| | | |
|---|--|----------------|
| 3 | Ms. Vidyalakshmi Rao | Rs. 0.50 Lakhs |
| 4 | Ms. Kodipadi Yerkadithaya Supriya Murthy | Rs. 0.50 Lakhs |

The details of remuneration paid to Executive Directors for the financial year 2023-24 are as under:

| Sl. No. | Name of Directors | Designation | Remuneration |
|---------|----------------------------------|-------------------------------|-----------------|
| 1 | Mr. Herga Poornachandra Kedilaya | Managing Director | Rs. 19.86 Lakhs |
| 2 | Mr. Yermal Giridhar Rao | Joint Managing Director & CFO | Rs. 19.86 Lakhs |

G. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

| | |
|--|--|
| Name and contact detail of Compliance Officer: | Ms. Sudha Gajanana Hegde Contact No. 080-23480001 |
| Email Id for correspondence: | cs@presstonengg.co |
| Registered Office: | Sy. No. 2, Khatha No. 145, HoysalaMain Road, Pillappa Industrial Layout, Sriganthadakavalu, Sunkadakatte, Viswaneedam, Bangalore, North Bangalore, Karnataka - 560091, India |

H. DETAILS OF COMPLAINTS / QUERIES RECEIVED AND REDRESSED DURING APRIL 01, 2023 TO MARCH 31, 2024:

| Number of shareholders' complaints pending at the beginning of the year | Number of shareholders' complaints received during the year | Number of shareholders' complaints redressed during the year | Number of shareholders' complaints pending at the end of the year |
|---|---|--|---|
| Nil | Nil | Nil | Nil |

One Applicant for subscription of shares through Initial Public Offer had raised a complaint after the issue was closed and the same was resolved.



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I. INFORMATION OF GENERAL BODY MEETINGS:

❖ The last two Annual General Meetings (AGM) were held as under:

| Financial Year | Date of Meeting | Venue |
|----------------|-----------------|--|
| 2022-23 | 15.12.2022 | C/O Presston Engineering Corpn, 145, Sy No 2, Srigandhakavalu, Pillappa Indus Sunkadakatte, Bangalore - 560091 |
| 2023-24 | 17.05.2023 | C/O Presston Engineering Corpn, 145, Sy No 2, Srigandhakavalu, Pillappa Indus Sunkadakatte Bangalore - 560091 |

❖ Extra-Ordinary General Meeting were held as under:

| Financial Year | Date of the Meeting | Venue |
|----------------|---|--|
| 2022-23 | 23-05-2022 | C/O Presston Engineering Corpn, 145, Sy No. 2, Srigandhakavalu, Pillappa Indus Sunkadakatte, Bangalore - 560091 |
| 2023-24 | 27-04-2023, 22-05-2023, 03-07-2023, 19-07-2023, | Sy. No. 2, Khatha No. 145, HoysalaMain Road, Pillappa Industrial Layout, Srigandhadakavalu, Sunkadakatte, Viswaneedam, Bangalore, North Bangalore, Karnataka - 560091, India |
| | 14-08-2023 | Shakthi Hill Resorts, BEML Layout, Off Mysore Road, Rajarajeshwari Nagar, Bengaluru-560098 |

J. MEANS OF COMMUNICATIONS:

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

The half-yearly and annual financial results of the Company are regularly submitted to the National Stock Exchange of India Limited ('NSE'), which are also uploaded on the Company's



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website.

The Company's website provides a comprehensive reference on its policies, corporate governance and investor relations. The Members can access the details of the Board, the Committees, Policies, Board Committee Charters, financial information, statutory filings, shareholding information, etc.

The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Report for FY 2023-24 is being sent in electronic mode, to all members who have registered their e-mail IDs for the purpose of receiving documents/communication in electronic mode with the Company and/or Depository Participants. The Annual Reports are also available on the Company's website at <https://www.presstonic.com>.

K. GENERAL SHAREHOLDER INFORMATION:

❖ ANNUAL GENERAL MEETING:

| | |
|--------------|--|
| Date | 16.08.2024 |
| Time | 02:30 P.M. (IST) |
| Venue | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) |

For more details, please refer to the notice of the AGM.

❖ FINANCIAL CALENDAR:

The financial year of the Company is a period of twelve months beginning on 1st April of every calendar year and ending on 31st March of the following calendar year.

❖ STOCK EXCHANGES AND FEES:

Equity Shares of the Company are listed on the following Stock Exchange

| Name of Stock Exchange | Script Code | Address |
|-----------------------------------|--------------------|-------------------------------|
| NSE Emerge Platform, The National | PRESSTONIC | "Exchange Plaza", C-1, Block- |



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| | | |
|---------------------------------|--|---|
| Stock Exchange of India Limited | | G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051 |
|---------------------------------|--|---|

The Company has paid Annual Listing Fees for the financial year 2023-24 to the stock Exchange within the stipulated time.

❖ DIVIDEND:

No dividend is proposed to be declared in AGM for the FY 2023-24.

❖ MARKET PRICE DATA:

The Market and volume of the Company's share traded on NSE Emerge Platform of The National Stock Exchange of India Limited (NSE) during the financial year 2023-24 were as under:

| 2023-24 | NSE | | | |
|---------------|--------------------|---------|-------------------|--------------------------|
| | Share Price on NSE | | Volume (in Lakhs) | Traded Values (in Lakhs) |
| Month | High Rs. | Low Rs. | No. of Shares | |
| December 2023 | 147 | 126.10 | 46.22 | 6,361.14 |
| January 2024 | 210 | 132 | 45.58 | 7,987.36 |
| February 2024 | 185.20 | 141.35 | 13.90 | 2,266.25 |
| March 2024 | 160 | 110.05 | 11.22 | 1,475.92 |

Note: The Company has completed Initial Public Offer (IPO) and equity shares of the Company were listed on NSE Emerge Platform of National Stock Exchange of India Limited on December 18, 2023. The details are disclosed accordingly.

❖ REGISTRAR AND TRANSFER AGENT:

CAMEO CORPORATE SERVICES LIMITED is acting as the Registrar and Transfer Agent ("RTA") of the Company for handling the share related matters.



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Registered Office:

“Subramanian Building”, #1, Club House Road,
Chennai -600002, India

Contact Person: Ms. K. Sreepriya

Telephone: +91-44-40020700, 28460390

E-mail ID: investor@cameoindia.com

❖ SHARE TRANSFER SYSTEM:

Delegation of Share Transfer Formalities:

In terms of Regulation 40(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, securities can be transferred only in dematerialized form w.e.f. December 18, 2023.

All matters connected with the share transfer and other matters are being handled by the RTA located at the address mentioned elsewhere in this report.

Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

❖ INVESTORS' GRIEVANCES:

The Registrar and Transfer Agent under the supervision of the Compliance Officer of the Company look after investors' grievances. **CAMEO CORPORATE SERVICES LIMITED** is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

The Company has designated/provided the e-mail IDs, namely cs@presstonengg.co, investor@cameoindia.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.



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❖ SHAREHOLDING PATTERN AS ON MARCH 31, 2024:

| Category | No. of Shareholders | No. of Shares held | % of Shareholding |
|----------------|---------------------|--------------------|-------------------|
| Promoters* | 8 | 44,70,680 | 58.0044 |
| Resident | 1235 | 28,75,200 | 37.3040 |
| NRI | 49 | 1,60,000 | 2.0759 |
| Corporate Body | 27 | 1,98,400 | 2.5741 |
| Trust | 1 | 1,600 | 0.0207 |
| FPI | 1 | 1,600 | 0.0207 |
| Total | 1321 | 7707480 | 100.0000 |

* Shareholding Pattern of Promoters and Promoters Group:

| Category | No. of Shares held | % of Shareholding |
|------------------------------|--------------------|-------------------|
| Herga Poornachandra Kedilaya | 22,34,740 | 28.99 |
| Yermal Giridhar Rao | 22,34,740 | 28.99 |
| H Chandrasekhar Kedilaya | 200 | 0.0026 |
| Sukanya | 200 | 0.0026 |
| Manjula Tadipatri | 200 | 0.0026 |
| Vidyalakshmi Rao | 200 | 0.0026 |
| Anirudh Rao Yermal | 200 | 0.0026 |
| Aditya Rao Yermal | 200 | 0.0026 |
| Total | 44,70,680 | 58.0044 |

❖ DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024:

| Share or Debenture holding (in Rs.) | No. of Shareholders | % of Total Holders | Amount | % On Amount |
|-------------------------------------|---------------------|--------------------|--------------------|-----------------|
| 10 to 5000 | 6 | 0.4542 | 12000 | 0.0155 |
| 5001 to 10000 | 0 | 0 | 0 | 0 |
| 10001 to 20000 | 1039 | 78.6525 | 16624000 | 21.5686 |
| 20001 to 30000 | 0 | 0 | 0 | 0 |
| 30001 to 40000 | 164 | 12.4148 | 5248000 | 6.8089 |
| 40001 to 50000 | 42 | 3.1794 | 2016000 | 2.6156 |
| 50001 to 100000 | 39 | 2.9523 | 2880000 | 3.7366 |
| 100001 and above | 31 | 2.3467 | 50294800 | 65.2545 |
| Total | 1321 | 100.0000 | 7,70,74,800 | 100.0000 |



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❖ DEMATERIALISATION OF SHARES AND LIQUIDITY:

Equity Shares fully paid:

The Shares of the Company are compulsorily traded in DEMAT form in the Stock Exchange where they are listed. As on March 31, 2024, 100% of the total Equity Share Capital of the Company are Dematerialized. The Shares of the Company are traded at NSE Emerge Platform of National Stock Exchange of India Limited, Mumbai (NSE).

❖ COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company has adequate risk management framework including for commodities as well as foreign exchange. The Company does not have material exposure for any commodity foreign exchange and accordingly, no hedging activities for the same is carried out.

❖ REGISTERED OFFICE OF THE COMPANY:

The Registered Office of the Company is situated at Sy. No. 2, Khatha No. 145, Hoysala Main Road, Pillappa Industrial Layout, Sriganthadakkavalu, Sunkadakatte, Viswanedam, Bengaluru, North Bengaluru, Karnataka – 560091, India.

❖ ADDRESS FOR CORRESPONDENCE:

The shareholders may address their communication/ suggestion/ grievances/ queries to the Company's registered office or our Share Transfer Agent.

L. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Unpaid / Unclaimed Dividends in accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The Company has no unclaimed dividend which is required to be transferred under the aforesaid provisions.



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M. OTHER DISCLOSURE:

i) RELATED PARTY TRANSACTIONS:

All transactions entered into by the Company with related parties as defined under the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2023-24 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. Transactions with related parties are disclosed in "Notes forming part of the Accounts" annexed to the financial statements for the year ended on 31.03.2024. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The policy on dealing with related party transactions is available on website of the Company at <https://www.presstonic.com>.

ii) COMPLIANCE WITH REGULATIONS:

The Company has complied with the requirements of the Stock Exchange, SEBI and Statutory Authorities on all matters related to the capital markets during last year. No penalty or strictures were imposed on the Company by any of these authorities.

iii) VIGIL MECHANISM/WHISTLEBLOWER POLICY:

Pursuant to the provisions of the Companies Act, 2015 and Rules made thereunder and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has framed and adopted vigil mechanism policy to deal with instance of fraud and mismanagement, if any. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns.

The objective of this Policy to establish a vigil mechanism for directors and employees to report their genuine concerns and grievances. The vigil mechanism is required to provide adequate safeguards against victimization of employees and directors who avail the vigil mechanism and to provide direct access to the Chairperson of Audit Committee in appropriate cases.

The vigil mechanism policy is available on website of the Company at <https://www.presstonic.com>.

iv) ACCOUNTING STANDARDS:

The Company has followed the Accounting Standards laid down by the Companies Act, 2013



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and the Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2014 while preparing Financial Statements for the financial year 2023-24.

v) **CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE:**

A certificate obtained from M/s Shylendrakumar & Co. Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Board/Ministry of Corporate Affairs.

vi) **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:** Not applicable

vii) The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

viii) **DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A):**

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutional placement specified under Regulation 32(7A) of the SEBI Listing Regulations.

ix) **DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

| | |
|---|-----|
| Number of complaints filed during the financial year 2023-24: | Nil |
| Number of complaints disposed off during the financial year 2023-24: | Nil |
| Number of complaints pending as on end of the financial year 2023-24: | Nil |

x) **CEO/CFO CERTIFICATION:**

3RD ANNUAL REPORT 2023-24
PRESSTONIC ENGINEERING LIMITED



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The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of SEBI Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

xi) **CERTIFICATE ON CORPORATE GOVERNANCE:**

A compliance certificate from secretarial auditor pursuant to the requirements of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding compliance of conditions of Corporate Governance is attached.

xii) **DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF THE SCHEDULE II OF THE SEBI LISTING REGULATIONS:**

❖ **Chairman of the Board:**

The Chairman of the Board is Non-Executive Independent Director.

❖ **Modified Opinion(s) in Audit Report:**

During the year under review, there was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

❖ **Reporting of Internal Auditor:**

The Internal Auditor reports were placed before the Audit Committee of the Company, to ensure independence of the Internal Audit function.

For and on behalf of the Board of Directors

Sd/-

HERGA POORNACHANDRA KEDILAYA
Managing Director
DIN: 09120129

Date: 16.07.2024
Place: Bangalore

3RD ANNUAL REPORT 2023-24
PRESSTONIC ENGINEERING LIMITED

Sd/-

YERMAL GIRIDHAR RAO
Joint Managing Director & CFO
DIN: 09120130



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CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

{As Required under Regulation 17(8) of SEBI
(Listing Obligations and Disclosure Requirements) Regulation, 2015}

We, Mr. Herga Poornachandra Kedilaya, Managing Director and Mr. Yermal Giridhar Rao, Joint Managing Director & Chief Financial Officer of Presstonic Engineering Limited (the “Company”) hereby certify to the Board of Directors that:

1. We have reviewed the financial statements and the cash flow statement for the year ended as on March 31, 2024 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company’s code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee that:

(a) There are no significant changes in internal control over financial reporting during the year,

(b) There are no significant changes in accounting policies carried out during the year; and



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(c) There were no instances of significant fraud of which we have become aware and there are no instances of involvement of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **PRESSTONIC ENGINEERING LIMITED**

Sd/-

HERGA POORNACHANDRA KEDILAYA
Managing Director
DIN: 09120129

Date: 13.05.2024
Place: Bangalore

Sd/-

YERMAL GIRIDHAR RAO
Joint Managing Director & CFO
DIN: 09120130



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DECLARATION
CODE OF CONDUCT

This is to confirm that the Presstonic Engineering Limited (the “Company”) has adopted a Code of Conduct for KMPs, Directors and Senior Management Personnel, which is available on the website of the Company at <https://www.presstonic.com>.

I, Mr. Herga Poornachandra Kedilaya, Managing Director of the Company, hereby declare that all the KMPs, Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2024.

For **PRESSTONIC ENGINEERING LIMITED**

Sd/-

HERGA POORNACHANDRA KEDILAYA

Managing Director

DIN: 09120129

Date: 09.05.2024

Place: Bangalore



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ANNEXURE-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2024

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

To,
The Members
Presstonic Engineering Limited
Sy. No. 2, Khatha No. 145,
Hoysala Main Road, Pillappa Industrial Layout,
Srigandhadakavalu, Sunkadakatte,
Viswaneedam, Bangalore - 560091

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Presstonic Engineering Limited (CIN: L28995KA2021PLC145718) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- I) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



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- IV) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of investment in overseas subsidiary and External Commercial Borrowings; **(Not Applicable for the Company during the Audit Period)**
- V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable for the Company during the Audit Period)**
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable for the Company during the Audit Period)**
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not Applicable for the Company during the Audit Period)**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable for the Company during the Audit Period)**

VI) Other laws applicable to the Company including Factories Act 1948, The Payment of Gratuity Act 1972, Environment Protection Act 1986, Minimum Wages Act 1948, Bonus Act 1965, Contract labour Act 1970, and Economic and Commercial Laws

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered by the Company with the National Stock Exchange of India Limited on 14th December, 2023



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During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and listing regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and committee meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors or committee of the Board as the case may be.

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

I further report that during the audit period

i) The Company has issued 22,35,340 Bonus Shares to eligible shareholders on 22nd May, 2023 in 1:1 ratio in compliance with the provisions of Companies Act, 2013.

ii) the Company has issued 32,36,800 Equity shares of Rs. 10 each at premium of Rs. 62 amounting to Rs. 23,30,49,600 through Public Issue (Initial Public Offer) on 14th December, 2023 in compliance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 and Provisions of Companies Act, 2013.

Sd/-

Place: Bengaluru

Date: 11.07.2024

Shylendrakumar T R
Practicing Company Secretary
M. No: A10914, COP: 2453
UDIN: A010914F000723593
PR No: I1996KR073600

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



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ANNEXURE - A

To,
The Members
Presstonic Engineering Limited
Sy. No. 2, Khatha No. 145,
Hoysala Main Road, Pillappa Industrial Layout,
Srigandhadakavalu, Sunkadakatte,
Viswaneedam, Bangalore - 560091

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

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

Sd/-

Shylendrakumar T R
Practicing Company Secretary
M. No: A10914, COP: 2453
UDIN: A010914F000724429
PR No: I1996KR073600

Place: Bengaluru
Date: 11.07.2024



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ANNEXURE-II

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management of the Company is pleased to present its report on the business environment & industry scenario, industry risks and opportunities and Company's performance during the financial year 2023-24.

COMPANY OVERVIEW:

The Company is engaged in the business of manufacturing of Metro Rail Rolling Stock Products, Metro Rail Signalling Products, Infrastructure Products and supplies to renowned Global and Domestic OEM's engaged in the Rail and Metro Rail Rolling stock and Signalling equipments manufacturing and servicing companies. The manufacturing facility is spread over approx. 28,317.50 sq.ft. situated at Sy. No. 2, Khatha No. 145, Hoysala Main Road, Pillappa Industrial Layout, Sriganthadakavalu, Sunkadakatte, Viswaneedam, Bengaluru- 560091 is equipped with latest machineries, equipment and instruments which is capable of manufacturing of diverse products for Railways and Metros.

In terms of compliance with the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations 2018, the following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of the FY 2023-24, This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

This report is an integral part of the Board's Report. Aspects on industry structure and developments, outlook, risks, internal control systems and their adequacy, material developments in human resources and industrial relations have been covered in the Board's Report. This section gives significant details on the performance of the Company.

METRO RAILWAY SYSTEM IN INDIA:

Metro rail infrastructure plays a vital role in addressing urban transportation challenges by providing a fast, efficient, and sustainable mode of mass transit, reducing traffic congestion and promoting environmental sustainability. Several cities nationwide have been investing in the



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expansion and modernization of existing metro rail networks. This includes adding new lines, extending existing ones and upgrading technology to enhance efficiency and capacity. As urban areas grow, the demand for efficient and sustainable mass transit solutions such as metro rail is anticipated to evaluate the metro rail infrastructure market growth.

Indian Railways has introduced Vande Bharat trains with modern coaches which has enhanced safety features and amenities and 400 new generation Vande Bharat Trains to be manufactured during the next three years. Hence, strong Government support and the opportunity generated in the current economic scenario, has pushed India to be one of the top leaders in the world's most attractive rail markets, be it metro or intercity trains.

FINANCIAL HIGHLIGHTS:

(Amount in INR Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 | Change(s) in % |
|-------------------------------|----------------|----------------|----------------|
| Total Income | 2708.13 | 2113.26 | 28.15 % |
| Total Expenses | 2427.35 | 1768.79 | 37.23 % |
| EBIT | 280.78 | 344.47 | -18.49 % |
| Less: Prior period item | 13.32 | - | - |
| Profit before tax (PBT) | 267.46 | 344.47 | -22.36 % |
| Profit after tax (PAT) | 252.55 | 243.48 | 3.73 % |

KEY FINANCIAL RATIOS:

The details of changes in key financial ratios are given below:

| Particulars | March 31, 2024 | March 31, 2023 | Change in % |
|--------------------------------|----------------|----------------|-------------|
| a) Current Ratio | 2.23 | 1.06 | 109.49 % |
| b) Debt Equity Ratio | 0.57 | 3.58 | -84.07 % |
| c) Debt Service Coverage Ratio | 1.32 | 1.97 | -33.08 % |



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| | | | |
|-------------------------------------|---------|---------|----------|
| d) Return on Equity Ratio | 16.99 % | 66.05 % | -74.27 % |
| e) Inventory Turnover Ratio | 2.35 | 1.96 | 20.36 % |
| f) Trade Receivables Turnover Ratio | 4.37 | 5.15 | -15.19 % |
| g) Trade Payable Turnover Ratio | 4.24 | 2.42 | 74.88 % |
| h) Net Capital Turnover Ratio | 1.47 | 17.62 | -91.63 % |
| i) Net profit Ratio | 9.64 % | 11.58 % | -16.71 % |
| j) Return on Capital Employed | 14.57 % | 26.98 % | -46.01 % |

OPPORTUNITIES AND THREATS:

Opportunities, Strategy & Strengths:

Since incorporation, our Company's vision and focus to manufacture and supply superior quality products to the customers, which has enabled us to expand our business operations and receive certifications from renowned bodies for our products and efficient manufacturing techniques. We ensure adherence to the domestic and international standards laid down for our products. We have offered cost effective and customized solutions in accordance with the standardized quality requirements of our customers who work in various sectors such as railway and the infrastructure sectors. Our Company manufactures products which are compliant with the stringent quality requirements prescribed by our customers. Further, our business model provides customised solutions to our customers and also manufacture innovate solution-oriented products. Our R&D Division is equipped with the necessary facilities to carry out all necessary trials to develop and devise products suitable to the different types of our customers or for catering to the infrastructure needs of our customers. Our R&D Division is located in our manufacturing unit with the objective to implement a performance-oriented approach with the help of technologies developed in-house. With R&D Division in place, our Company ensures that the needs and demands of our customers suitable to their final products are effectively met.

The Government has allocated a total of ₹ 19,518 crores to all metro projects across India in the Union Budget 2023-24. Indian Railways has introduced Vande Bharat trains with modern coaches having more enhanced safety features and amenities. Highlighting the development in metro rail



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network in the country, Government are planning to extend Metro rail network/connectivity in the many cities, hence, opportunities are more to get the business in this line of industry.

Our Competition:

We operate in the competitive industry. There are no entry barriers in our industry which puts us to the threat of competition from new entrants. We may face tough competition in our business from unorganized and organized players. We compete with our competitors on a regional or product line basis. Some of our competitors have substantially large capital base and resources than we do and offer broader range of products. But, we believe that our ability to compete effectively is primarily dependent on ensuring consistent product quality and timely delivery at competitive prices, thereby strengthening our brand over the years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting have been issued for uniform compliance and also has in place its ERP operations to ensure IT based operations with minimum manual interventions. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive internal audits of various divisions are conducted by Internal Auditors or external professionals. The internal audit covers all the major areas of operations of the Company including identified critical/risk areas. The Audit Committee periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013 and as per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

HUMAN RESOURCES / INDUSTRIAL RELATION:

As on March 31, 2024, the total manpower of the Company was 171, which included 38 employees as on roll basis and 133 employees as contract basis.

The employees of the Company attended various training programme for upgradation of their professional skills and Company has provided External Training also as and when required.

The regular interactions were held with the employees through in-person mode, which helped in building an atmosphere of trust and cooperation and therefore, a motivated workforce.



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RISK MANAGEMENT FRAMEWORK:

The Company has a comprehensive Risk Management Policy approved by the Board, covering credit risk, operational risk, liquidity risk and market risk of the organization. The Company also has a Risk Management Committee (RMC) in place. The main functions of RMC are to identify and monitor various risks of the organization and to suggest actions for mitigation of the same.

The Company has identified its internal risks and external risks and has taken appropriate steps to mitigate them.

Credit risk is an inherent risk of the financing industry. It involves risk of loss arising from the diminution in credit quality of the borrower and the risk of the borrower defaulting on contractual repayments under a loan or an advance. Operational risk, on the other hand, arises from inadequate or failed internal processes, people and systems or external events. Liquidity risk is the risk of potential inability to meet the liabilities as they become due; and involves the inability of the Company to fund increase in assets, manage unplanned changes in the funding sources and to meet obligations when required. Market risk of the Company is defined as the risk to the Company's earnings and capital due to changes in the market interest rate or prices of securities, foreign exchange as well as volatilities of changes. It comprises of interest rate risk, foreign currency risk etc. In order to mitigate such risks, the Company has laid down systematic risk management procedures. The operational risks are measured and categorized as 'High', 'Moderate' or 'Low' risk categories, through a comprehensive Risk Register covering all functional areas, namely business, compliance, finance, human resource, information technology, legal, operational and strategy. The Company manages its liquidity risk through a mix of strategies, including forward-looking resource mobilization based on projected disbursements and maturing obligations.

VISION AND MISSION:

We will grow our stakeholder focus and bring the interests of our stakeholders to the fore through an empowered, diverse and inclusive Board. We will further strengthen data privacy and information security standards across all operations in the Company.

Vision:

- To be India's leader in manufacturing metro and rail sub - assemblies by 2030.
- To be the first choice for OEMs of diverse sectors to develop newer components.

Mission:



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- To be committed in meeting customer requirements and expectations.
- To provide the highest quality products at the most reasonable prices.
- To set a standard for the manufacturing of components and assemblies in diverse sectors.

CAUTIONARY STATEMENT:

The management discussion and analysis report containing the Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors such as changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

For & on behalf of the Board

Sd/-

HERGA POORNACHANDRA KEDILAYA

Managing Director

DIN: 09120129

Sd/-

YERMAL GIRIDHAR RAO

Joint Managing Director & CFO

DIN: 09120130

Date: 16.07.2024

Place: Bangalore



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ANNEXURE-III

FORM AOC-2

AS ON 31ST MARCH, 2024

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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.

- Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March, 2024, which were not arm's length basis.

- Details of material contracts or arrangement or transactions at arm's length basis:**

| Name of related party | Nature of relationship | Duration of Contract | Date of Approval by Board | Salient terms | Amount (Rs. In Lakhs) | Amount paid as advances, if any |
|--|-------------------------------|----------------------|---------------------------|-------------------------|-----------------------|---------------------------------|
| 1. Purchase of Vehicle from Herga Poornachandra Kedilaya, Managing Director and Mr. Yermal Giridhar Rao, Joint Managing Director & CFO | Executive Directors | NA | 21.03.2024 | As per Board resolution | 54.00 | NA |
| 2. Fees For Collateral Security – H. Chandrasekar Kedilaya | Relative of Managing Director | As per Agreement | NA | As per Agreement | 55.81 | NA |



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For & on behalf of the Board

Sd/-

HERGA POORNACHANDRA KEDILAYA

Managing Director

DIN: 09120129

Date: 16.07.2024

Place: Bangalore



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INDEPENDENT AUDITOR'S REPORT

To
The Members of Presstonic Engineering Limited
(Formerly known as Presstonic Engineering Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Presstonic Engineering Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss and Statement of Cash Flows for the year ended on that date, 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 Companies Act, 2013 ('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, 2024, its Profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the examination of books of



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account and explanation provided to us, we are of the opinion that there are no materially significant key audit matters that requires disclosure in this report.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure(s) 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 do 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 and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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.



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The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.



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- 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.

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

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

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

Report On Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flows Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.



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- e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the board of directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - i. The Company has disclosed details regarding pending litigations in note no 51 of financial statements, which would impact its financial position.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from



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any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c. Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 on preservation of the audit trail as per the statutory requirements for record retentions is not applicable for the financial year ended 31st March 2024.

for **GRSM & Associates**

Chartered Accountants

Firm registration number: 000863S

Sd/-

Rajgopal A

Partner

Membership Number: 205296

UDIN: 24205296BKACQ12739

Date: 13.05.2024

Place: Bengaluru



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Annexure "A" to the Independent Auditor's Report

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

On the basis of the information and explanation given to us during the course of our audit, we report that:

- (i)
 - (a)
 - A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property Plant and Equipment except that a part of the records are not updated.
 - B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) All the Property, Plant and Equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The company does not have any immovable properties and hence reporting under clause (i)(c) of paragraph 3 the Order is not applicable to the Company.
 - (d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, reporting under clause (i)(d) of paragraph 3 the Order is not applicable to the Company.
 - (e) 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. Therefore, reporting under clause (i)(e) of paragraph 3 the Order is not applicable to the Company.
- (ii)
 - (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.



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- (b) The Company has been sanctioned working capital limits in excess of Rupees 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of identified current assets. In our opinion and according to the information and explanations given to us, the amount of receivables as per the Quarterly/Monthly Statements submitted by the Company with such banks are not in agreement with the books of accounts of the Company. The details of such differences in the amount of receivables are as below.

| | (Rs in lakhs) | |
|----------------|--------------------------------------|--------------------------|
| Quarter ending | As per Statements Submitted to Banks | As per Books of Accounts |
| June-2023 | 1,575.34 | 1,569.88 |
| September-2023 | 1,658.11 | 1,652.76 |
| December-2023 | 1,461.68 | 1,391.89 |
| March-2023 | 1,815.51 | 1,812.57 |

- (iii) According to the information and explanation given to us, 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. Accordingly, reporting under clause (iii) of paragraph 3 the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, investments or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Accordingly, reporting under clause (iv) of paragraph 3 the Order is not applicable to the Company.
- (v) The Company has not accepted deposits from the public in terms of provisions of sections 73 to 76 of the Companies Act, 2013. Therefore, reporting under clause (v) of paragraph 3 the Order is not applicable to the Company.
- (vi) The Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014 and therefore, reporting under clause (vi) of paragraph 3 the Order is not applicable to the Company.
- (vii)
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund,



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Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no amounts in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
 - (a) According to the information and explanations given to us, The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
 - (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) According to the information and explanations given to us, the term loans borrowed by the company were applied for the purposes of which they were obtained.
 - (d) According to the information and explanations given to us, on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long-term purposes by the Company.
 - (e) 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 as defined under the Companies Act, 2013. Accordingly, reporting under clause (ix)(e) of paragraph 3 the Order is not applicable to the Company.
 - (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 as defined under the Companies Act, 2013. Accordingly, reporting under clause (ix)(f) of paragraph 3 the Order is not applicable to the Company.
- (x)
 - (a) According to the information and explanations given to us, the Company has utilized the money raised by way of initial public offer/further public offer (including debt instruments) for the purpose for which they were raised, except the following cases:



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(Rs in lakhs)

| Nature of fund raised | Purpose for which funds were raised | Total Amount raised | Total Amount Utilised | Amount utilized for other purpose | Unutilized balance as at 31 st March 2024 | Details of default (Reason/Delay) | Subsequently rectified (yes/no) and details |
|---|--|---------------------|-----------------------|-------------------------------------|--|--|---|
| Equity Shares-issued through initial public offer | Funding Capital Expenditure towards Purchase of additional plant and machinery | 232.12 | 25.79 | - | 206.33 | The Company estimated to utilise the issue proceeds in the FY 23-24. However, the company has revised the time schedule to utilise these funds by the Half year September 30 th of FY 2024-25 | - |
| | Prepayment in full of certain borrowings availed by our Company | 500 | - | - | 500 | - | - |
| | Working Capital Requirements | 923.38 | 830.45 | - | 92.93 | - | - |
| | General Corporate Expenses | 350.00 | 350.00 | 266.43 (spent towards IPO expenses) | - | Part of Consultants Fee for the IPO was met out of the allocation for General corporate Expenses. | - |
| | Issue Related Expenses | 325.00 | 325.00 | - | - | - | - |
| Total | | 2,330.50 | 1,531.24 | 266.43 | 799.26 | - | - |



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- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of paragraph 3 the Order is not applicable to the Company.
- (xi)
 - (a) According to the information and explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
 - (b) To the best of our knowledge, no report under sub-section 12 of Section 143 of the Companies Act has been filed in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
 - (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaint during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
 - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of the entity.
 - (b) We have considered the internal audit reports issued till date to the Company during the year under audit.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected to its directors. Accordingly, reporting under clause (xv) of paragraph 3 the Order is not applicable to the Company.
- (xvi) As per the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934; the Company has not conducted any Non-banking Financial or Housing Finance activities during the year; the Company is not a Core Investment Company (CIC) as defined in the regulations made



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by the Reserve Bank of India and the Company does not have any CIC as part of the group. Accordingly, reporting under clause (xvi) of paragraph 3 the Order is not applicable to the Company.

- (xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year, and no consideration, objections or concerns raised by the outgoing auditors.
- (xix) According to the 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 the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) As per the information and explanations given to us and on basis of books and records examined by us, since the Company is not required to spend any money under sub-section (5) of section 135 of the Act and hence reporting under clause (xx) of paragraph 3 the Order is not applicable to the Company.
- (xxi) The company is not required to prepare a consolidated financial statement. Therefore, reporting under clause (xxi) of paragraph 3 the Order is not applicable to the Company.

for **GRSM & Associates**

Chartered Accountants

Firm registration number: 000863S

Sd/-

Rajgopal A

Partner

Membership Number: 205296

UDIN: 24205296BKACQ12739

Date: 13.05.2024



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Place: Bengaluru

Annexure - B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Presstonic Engineering Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



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exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control



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stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **GRSM & Associates**

Chartered Accountants

Firm registration number: 000863S

Sd/-

Rajgopal A

Partner

Membership Number: 205296

UDIN: 24205296BKACQ12739

Date: 13.05.2024

Place: Bengaluru

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

(Address: Sy. No.2, Khata No.145. Sriganadakavalu, Hoysalanagara Main Road, Pillappa Industrial Layout, Sunkdakatte, Bengaluru – 560091)

Balance Sheet as at 31 March 2024

(₹ in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|--|------|-----------------|-----------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share Capital | 3 | 770.75 | 223.53 |
| (b) Reserves and Surplus | 4 | 1,711.23 | 266.82 |
| Total | | 2,481.98 | 490.35 |
| (2) Non-current liabilities | | | |
| (a) Long-term Borrowings | 5 | 161.29 | 443.52 |
| (b) Long-term Provisions | 6 | 0.88 | 15.34 |
| Total | | 162.17 | 458.86 |
| (3) Current liabilities | | | |
| (a) Short-term Borrowings | 7 | 1,253.97 | 1,311.31 |
| (b) Trade Payables | 8 | | |
| - Due to Micro and Small Enterprises | | 22.06 | 31.71 |
| - Due to Others | | 125.15 | 341.47 |
| (c) Other Current Liabilities | 9 | 34.66 | 127.66 |
| (d) Short-term Provisions | 10 | 12.32 | 93.24 |
| Total | | 1,448.16 | 1,905.39 |
| Total Equity and Liabilities | | 4,092.31 | 2,854.60 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | |
| (i) Property, Plant and Equipment | 11 | 763.36 | 382.78 |
| (ii) Intangible Assets | 11 | 3.98 | 7.64 |
| (iii) Capital Work-in-progress | 11 | - | 383.00 |
| (b) Deferred Tax Assets (net) | 12 | 6.30 | 8.62 |
| (c) Long term Loans and Advances | 13 | 50.82 | 25.03 |
| (d) Other Non-current Assets | 14 | 44.06 | 22.80 |
| Total | | 868.52 | 829.87 |
| (2) Current assets | | | |
| (a) Inventories | 15 | 1,137.35 | 1,087.06 |
| (b) Trade Receivables | 16 | 675.22 | 524.50 |
| (c) Cash and bank balances | 17 | 1,120.79 | 219.64 |
| (d) Short-term Loans and Advances | 18 | 257.61 | 174.53 |
| (e) Other Current Assets | 19 | 32.82 | 19.00 |
| Total | | 3,223.79 | 2,024.73 |
| Total Assets | | 4,092.31 | 2,854.60 |

See accompanying notes to the financial statements

As per our report of even date
For GRSM & Associates
Chartered Accountants
Firm's Registration No. 000863S

**For and on behalf of the Board of
Presstonic Engineering Limited**

Sd/-

Rajgopal A

Partner

Membership No. 205296

Place: Bengaluru
Date: 13 May 2024

Sd/-

Herga Poornachandra Kedilaya

Managing Director

DIN: 09120129

Sd/-

Yermal Giridhar Rao

Joint Managing Director & CFO

DIN: 09120130

Sd/-

Sudha Gajanana Hegde

Company Secretary

M No: A68052

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

(Address: Sy. No.2, Khata No.145. Srigandadakavalu, Hoysalanagara Main Road, Pillappa Industrial Layout, Sunkdakatte, Bengaluru – 560091)

Statement of Profit and loss for the year ended 31 March 2024

(₹ in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|--|------|-----------------|-----------------|
| Revenue from Operations | 20 | 2,619.00 | 2,103.06 |
| Other Income | 21 | 89.13 | 10.20 |
| Total Income | | 2,708.13 | 2,113.26 |
| Expenses | | | |
| Cost of Material Consumed | 22 | 1,140.25 | 798.41 |
| Change in Inventories of work in progress and finished goods | 23 | -78.60 | 78.19 |
| Employee Benefit Expenses | 24 | 233.26 | 126.93 |
| Finance Costs | 25 | 300.28 | 261.32 |
| Depreciation and Amortization Expenses | 11 | 85.19 | 88.60 |
| Other Expenses | 26 | 746.97 | 415.34 |
| Total expenses | | 2,427.35 | 1,768.79 |
| Profit/(Loss) before Exceptional and Extraordinary Item and Tax | | 280.78 | 344.47 |
| Exceptional Item | | - | - |
| Profit/(Loss) before Extraordinary Item and Tax | | 280.78 | 344.47 |
| Prior Period Item | 27 | 13.32 | - |
| Extraordinary Item | | - | - |
| Profit/(Loss) before Tax | | 267.46 | 344.47 |
| Tax Expenses | | | |
| - Current Tax | | - | 100.61 |
| - Deferred Tax | | 2.32 | -4.78 |
| - Prior Period Taxes | | 12.59 | 5.16 |
| Profit/(Loss) after Tax | | 252.55 | 243.48 |
| Earnings Per Share (Face Value per Share Rs.10 each) | | | |
| -Basic (In Rs) | 28 | 4.68 | 5.45 |
| -Diluted (In Rs) | 28 | 4.68 | 5.45 |

See accompanying notes to the financial statements

As per our report of even date
For GRSM & Associates
Chartered Accountants
Firm's Registration No. 000863S

**For and on behalf of the Board of
Presstonic Engineering Limited**

Sd/-
Rajgopal A

Partner

Membership No. 205296

Sd/-
Herga Poornachandra
Kedilaya

Managing Director

DIN: 09120129

Sd/-
Yermal Giridhar Rao

Joint Managing Director & CFO

DIN: 09120130

Sd/-
Sudha Gajanana Hegde

Company Secretary

M No: A68052

Place: Bengaluru
Date: 13 May 2024

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

(Address: Sy. No.2, Khata No.145. Srigandadakavalu, Hoysalanagara Main Road, Pillappa Industrial Layout, Sunkdakatte, Bengaluru – 560091)

Cash Flow Statement for the year ended 31 March 2024

(₹ in lacs)

| Particulars | Note | 31 March 2024 | 31 March 2023 |
|--|------|---------------|---------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before tax | | 267.46 | 344.48 |
| Depreciation and Amortisation Expense | | 85.19 | 88.60 |
| Provision for Gratuity | | -9.42 | 16.05 |
| Advances Written off | | 50.83 | - |
| Liabilities no more payable, written back | | -58.94 | - |
| Interest Income | | -28.69 | -9.49 |
| Finance Costs | | 300.28 | 261.32 |
| Operating Profit before working capital changes | | 606.71 | 700.95 |
| Adjustment for changes in: | | | |
| Inventories | | -50.28 | -24.22 |
| Trade Receivables | | -150.72 | -231.96 |
| Loans and Advances | | -81.46 | 108.13 |
| Other Current Assets | | -13.83 | - |
| Other Non current Assets | | -21.26 | -1.50 |
| Trade Payables | | -225.96 | 16.94 |
| Other Current Liabilities | | -34.06 | 12.24 |
| Cash (Used in)/Generated from Operations | | 29.14 | 580.59 |
| Income Taxes paid(Net) | | 166.22 | 12.30 |
| Net Cash (Used in)/Generated from Operating Activities | | -137.08 | 568.28 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant and Equipment, Including Capital advances | | -104.90 | -133.87 |
| Investment in Term Deposits other than considered as cash and cash equivalents | | -2.93 | -11.66 |
| Interest received | | 28.69 | 9.49 |
| Net Cash (Used in)/Generated from Investing Activities | | -79.14 | -136.03 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from Issue of Share Capital | | 2,330.50 | - |
| Repayment of Long Term Borrowings | | -280.76 | -184.80 |
| Proceeds from Short Term Borrowings(Net) | | - | 33.05 |
| Repayment of Short Term Borrowings(Net) | | -58.81 | - |
| Interest Paid | | -285.06 | -261.32 |
| Net Cash (Used in)/Generated from Financing Activities | | 1,114.44 | -413.07 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | 898.22 | 19.18 |
| Opening Balance of Cash and Cash Equivalents | | 26.31 | 7.13 |
| Closing Balance of Cash and Cash Equivalents | 17 | 924.53 | 26.31 |

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

See accompanying notes to the financial statements

As per our report of even date

For GRSM & Associates

Chartered Accountants

Firm's Registration No. 000863S

For and on behalf of the Board of

Presstonic Engineering Limited

Sd/-

Rajgopal A

Partner

Membership No. 205296

Place: Bengaluru

Date: 13 May 2024

Sd/-

Herga Poornachandra Kedilaya

Managing Director

DIN: 09120129

Sd/-

Yermal Giridhar Rao

Joint Managing Director & CFO

DIN: 09120130

Sd/-

Sudha Gajanana Hegde

Company Secretary

M No: A68052

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

1 COMPANY INFORMATION

Presstonic Engineering Limited (the "Company" or "Presstonic") was first established as a partnership firm under the name and style of "M/s. Presston Engineering Corporation" in accordance with a deed of partnership dated June 3, 1996. On March 23, 2021, M/s. Presston Engineering Corporation was converted into a private limited company with the name "M/s. Presstonic Engineering Private Limited" in accordance with the provisions of Section 366, Chapter XXI of the Companies Act, 2013, and a certificate of incorporation dated March 23, 2021 was issued by the Registrar of Companies, CRC. Presstonic Engineering Private Limited was converted to a public limited company on 31-07-2023 with the change of name to "Presstonic Engineering Limited" in accordance with the provisions of the Companies Act, 2013, and a new certificate of incorporation dated July 31, 2023 was issued by the Registrar of Companies, Bangalore.

The registered office of the Company is situated at Sy. No.2, Khata No.145. Srigandadakavalu, Hoysalanagara Main Road, Pillappa Industrial Layout, Sunkdakatte, Bengaluru – 560 091, Karnataka. The Company is engaged in the business of manufacturing of Metro Rail Rolling Stock Products, Railway Signaling Products, Infrastructure Products and related products.

The significant accounting policies have been predominantly presented below in the order of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021 (as amended).

2 SIGNIFICANT ACCOUNTING POLICIES

A BASIS FOR ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of The Companies Act, 2013 ("the Act") read with Rule 7 of The Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to The Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The financial statements are presented in Indian Rupees (INR) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

B USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at by applying weighted average method. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition.

D CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

E CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE

Contingent Liabilities are not recognized but are disclosed in the notes to accounts when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources, when there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote. Contingent Assets are not recognized in the Financial Statements.

F NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES

Net Profit for the period and prior period items are shown separately in the Statement of Profit & Loss wherever applicable.

Prior period items of income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.

Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly.

G REVENUE RECOGNITION

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognized net of trade discounts, rebates and Goods and Service Tax.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest income is recognised on accrual basis on the Bank Deposit balance outstanding as at end of financial year.

H PROPERTY, PLANT & EQUIPMENT

Items of Property, plant and equipment are measured at its cost less any accumulated depreciation and any accumulated impairment losses. The cost comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

I INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The company has capitalized all costs relating to acquisition and installation of intangible assets.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

J DEPRECIATION & AMORTISATION

Depreciation on Property, Plant and Equipment is provided to the extent of depreciable amount on the written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013, which is given below:

Plant & Machinery: 15 years

Vehicles: 8 years

Office Equipments: 5 years

Computer: 3 years

Furniture & Fixtures: 10 years

Building Partitions & Interiors: 30 years

The Intangible assets are amortized using straight line method over their estimated useful lives, which is given below. The estimated useful life is reviewed annually by the management.

Software: 6 years

Depreciation is not recorded on capital work-in progress until construction and installation is completed and the asset is for intended use.

K FOREIGN CURRENCY TRANSACTIONS

The transactions in foreign currency are recorded at the rate of exchange in force at the time the transactions are effected. Gains / Losses arising out of fluctuations in the exchange rate at the time of settlement, are recognized as Income / Expense in the period in which they arise.

L EMPLOYEE BENEFITS

Short-term Employees Benefits: All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. **Leave Encashment:** The obligation for Leave Encashment recognised, provided for and paid on Monthly basis.

Other employee benefits:

(i) Defined Contribution Plan are post-employment benefit plans under which an enterprise pays fixed contributions into a separate entity (a fund) and will have no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company contributes to the Provident Fund of the employees operated by the Regional Provident Fund Commissioner, which qualifies to be a defined contribution plan.

(ii) Defined Benefit Plan are post-employment benefit plans other than defined contribution plans.

Gratuity (defined benefit plan) : The Company provides for Gratuity, covering eligible employees under Company Gratuity Scheme. On reporting date, liabilities with respect to gratuity plan as determined by an independent actuarial valuation and actuarial gains/losses are charged to the Statement of Profit and Loss Account. The Company has obtained an insurance policy to cover the Gratuity Liabilities of the Company.

M SEGMENT REPORTING

A reportable segment is a business segment or a geographical segment identified on the basis of foregoing definitions for which segment information is required to be disclosed by this Standard.

The basic factor for Business segment is the nature of the products for the Company, which is a distinguishable component that is engaged in providing an individual product or a group of related products and that is subject to risks and returns that are different from those of other business segments or as a whole business.

The basic factor Geographical segment, for the Company, is relationships between operations in different geographical areas in terms of India and Outside India, which is a distinguishable component that is engaged in providing products or within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

N EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

O ACCOUNTING FOR TAXES ON INCOME

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on "Accounting for Taxes on Income" (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

P PROVISIONS AND CONTINGENCIES

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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

3 Share Capital

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Authorised Share Capital | | |
| Equity Shares, Rs. 10 par value, 80,00,000 (Previous Year -30,00,000) Equity Shares | 800.00 | 300.00 |
| Issued, Subscribed and Fully Paid up Share Capital | | |
| Equity Shares, Rs. 10 par value 77,07,480 (Previous Year -22,35,340) Equity Shares paid up | 770.75 | 223.53 |
| Total | 770.75 | 223.53 |

- a) 22,35,340 No. of Equity Shares were issued for Consideration other than cash, on incorporation pursuant to the conversion of a Partnership Firm into a Private Limited Company as on 23-03-2021 as per the provisions of Section 366 of the Companies Act 2013.
- b) During the year, the Authorised Share capital of the company is increased from Rs 300 lakhs divided 30 lakhs Equity shares of Rs 10/- each to Rs 800 lakhs divided into 80 lakhs Equity shares of Rs 10/- each.
- c) The Company has issued fully paid bonus equity shares of 22,35,340 in the ratio of 1:1 as on 22nd May 2023.
- d) The Company has completed its initial public offer (IPO) of 32,36,800 Equity shares of face value of Rs 10 each at an issue price of Rs 72/- per share amounting to Rs 2,330.50/- lakhs. The equity shares of the company were listed on SME EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") on 18th December 2023.

(i) Reconciliation of number of shares

| Particulars | 31 March 2024 | | 31 March 2023 | |
|------------------------|------------------|---------------|------------------|---------------|
| | No. of shares | (₹ in lacs) | No. of shares | (₹ in lacs) |
| Equity Shares | | | | |
| Opening Balance | 22,35,340 | 223.53 | 22,35,340 | 223.53 |
| Issued during the year | 54,72,140 | 547.21 | - | - |
| Deletion | - | - | - | - |
| Closing balance | 77,07,480 | 770.75 | 22,35,340 | 223.53 |

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. In case of any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

| Equity Shares | 31 March 2024 | | 31 March 2023 | |
|------------------------------|---------------|--------|---------------|--------|
| | No. of shares | In % | No. of shares | In % |
| Name of Shareholder | | | | |
| Herga Poornachandra Kedilaya | 22,34,740 | 28.99% | 11,17,670 | 50.00% |
| Yermal Giridhar Rao | 22,34,740 | 28.99% | 11,17,670 | 50.00% |

(iv) Shares held by Promoters at the end of the year 31 March 2024

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|------------------------------|-----------------|---------------|-------------------|--------------------------|
| Herga Poornachandra Kedilaya | Equity | 22,34,740 | 28.99% | -21.01% |
| Yermal Giridhar Rao | Equity | 22,34,740 | 28.99% | -21.01% |

Shares held by Promoters at the end of the year 31 March 2023

| Name of Promoter | Class of Shares | No. of Shares | % of total shares | % Change during the year |
|------------------------------|-----------------|---------------|-------------------|--------------------------|
| Herga Poornachandra Kedilaya | Equity | 11,17,670 | 50.00% | 0.00% |
| Yermal Giridhar Rao | Equity | 11,17,670 | 50.00% | 0.00% |

(v) Equity shares movement during 5 years preceding 31 March 2024

| Particulars | 31st March 2024 | 31st March 2023 | 31st March 2022 | 31st March 2021 | 31st March 2020 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Equity shares issued on conversion of Partnership Firm | | - | - | 22,35,340 | - |
| Equity shares issued as bonus | 22,35,340 | | | | |
| Equity shares added through IPO | 32,36,800 | | | | |

4 Reserves and Surplus

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------------------|-----------------|---------------|
| Securities Premium | | |
| Opening Balance | - | - |
| Add: Issue of Shares | 2,006.82 | - |
| Less: IPO Issue Expenses written off* | 591.43 | - |
| Closing Balance | 1,415.39 | - |
| Statement of Profit and loss | | |
| Balance at the beginning of the year | 266.82 | 23.34 |
| Add: Profit/(loss) during the year | 252.55 | 243.48 |
| Less: Appropriation | | |
| Bonus Issue during the year | 223.53 | - |
| Balance at the end of the year | 295.84 | 266.82 |
| Total | 1,711.23 | 266.82 |

*Pursuant to the provision of Section 52(2)(C) of the companies act, 2013., the entire expenses of issue of shares through IPO has been written off from the Securities Premium Account.

5 Long term borrowings

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Secured Term loans from banks | | |
| -Canara Bank Machinery Loan | 6.86 | 29.69 |
| -Canara Bank-Term Loan | 154.43 | 296.49 |
| Secured Term loans from other parties | | |
| -Piramal Capital Housing Finance-Machinery Loan | - | 7.77 |
| Unsecured Loans and advances from related parties | - | 109.57 |
| Total | 161.29 | 443.52 |

Borrowings includes

(` in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| DPN Loan:11 Monthly equal installment of Rs 9.44 lakhs Commencing from June 2022. | - | 28.24 |
| Term Loan:35 Monthly equal installment of Rs 2.08 lakhs Commencing from June 2022. | 27.45 | 50.28 |
| GECL :39 Monthly equal installment of Rs 4.83 lakhs Commencing from June 2022. | 89.34 | 151.12 |
| GECL (1.0 EXTN):36 Monthly equal installment of Rs 1.28 lakhs Commencing from February 2024. | 44.62 | 46.23 |
| WCTL:49 Monthly equal installment of Rs 2.50 lakhs Commencing from July 2022. | 89.34 | 111.19 |
| FITL:30 Monthly equal installment of Rs 0.16 lakhs Commencing from July 2022. | 1.41 | 3.29 |
| 10% Additional Assitance:48 Monthly equal installment of Rs 1.81 lakhs Commencing from August 2022. | 70.08 | 87.59 |
| Fixed DHFL Plant and Machinery: 15 Monthly equal installment of Rs 1.11 lakhs Commencing from July 2022. | - | 6.26 |
| Fixed DHFL Plant and Machinery: 17 Monthly equal installment of Rs 0.35 lakhs Commencing from July 2022. | - | 2.55 |
| Total | 322.26 | 486.75 |

a) Canara bank: Rate of Interest on loans varies based on RLLR.

b) Loans from Bank were initially sanctioned to the partnership firm later all the existing loans were transferred in the name of the company.

c) Current Maturity of Long term debts disclosed under schedule Short Term Borrowings.

Details of Security:

a) Primary Security: Hypothecation of Stock and Book Debts for Overdraft , Bills Discounting and Bank Guarantee facilities and Hypothecation of new 900 tons Hydraulic Pressing Machine for Term Loan.

b) Collateral Security: Loans from Bank are additionally secured by the personal guarantee of directors and against properties belonging to their relatives.

6 Long term provisions

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------------|---------------|---------------|
| Provision for employee benefits | 0.88 | 15.34 |
| Total | 0.88 | 15.34 |

7 Short term borrowings

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Current maturities of long-term debt | 153.23 | 151.76 |
| Secured Loans repayable on demand from banks | | |
| -Canara Bank - Overdraft | 470.24 | 505.25 |
| Secured Other loans and advances | | |
| -Canara Bank-(Bill Discounting Facilities) | 149.99 | 149.32 |
| -Loan from NSIC | 480.51 | 484.98 |
| Unsecured Loans repayable on demand from other parties | - | 20.00 |
| Total | 1,253.97 | 1,311.31 |

Notes:

- Loans from Bank were initially sanctioned to the partnership firm later all the existing loans were transferred in the name of the company.
- Loan repayable on demand from banks represents working capital loan borrowed from canara bank which is secured against Stock, Book debts and Current Assets of the company and Rate of Interest varies based on RLLR.
- Overdraft, Bill-discounting facilities and guarantees are towards working capital and are renewable annually. Term loans were sanctioned partly towards general corporate and working capital purposes and partly for acquiring capital assets.
- Unsecured loans were from various unrelated parties, with no specific term for repayment and on a lumpsum interest basis. This Loans were taken before the conversion of partnership firm into private limited.

8 Trade payables

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| Due to Micro and Small Enterprises | 22.06 | 31.71 |
| Due to others | 125.15 | 341.47 |
| Total | 147.21 | 373.18 |

8.1 Trade Payable ageing schedule as at 31 March 2024

(₹ In lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 22.06 | - | - | - | 22.06 |
| Others | 125.13 | 0.01 | - | - | 125.15 |
| Disputed dues- MSME | | | | | - |
| Disputed dues- Others | | | | | - |
| Sub total | | | | | 147.21 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | | | | | 147.21 |

8.2 Trade Payable ageing schedule as at 31 March 2023

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------|--|-----------|-----------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 31.70 | | | | 31.70 |
| Others | 156.49 | 107.10 | 49.20 | 28.68 | 341.47 |
| Disputed dues- MSME | | | | | - |
| Disputed dues- Others | | | | | - |
| Sub total | | | | | 373.17 |
| MSME - Undue | | | | | |
| Others - Undue | | | | | |
| Total | | | | | 373.17 |

9 Other current liabilities

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Statutory dues | 7.19 | 30.74 |
| Advances from customers | 0.46 | 48.80 |
| Expenses Payable | 10.69 | 7.66 |
| Salary & Wages Payable | 16.32 | 40.46 |
| Total | 34.66 | 127.66 |

10 Short term provisions

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------------|---------------|---------------|
| Provision for employee benefits | 5.75 | 0.71 |
| Provision for income tax | 6.57 | 92.53 |
| Total | 12.32 | 93.24 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

Property, Plant and Equipment

(₹ in lacs)

| Name of Assets | Gross Block | | | | Depreciation and Amortization | | | | Net Block | |
|--|-----------------|---------------|-----------|-----------------|-------------------------------|--------------|-----------|-----------------|-----------------|-----------------|
| | As on 01-Apr-23 | Addition | Deduction | As on 31-Mar-24 | As on 01-Apr-23 | for the year | Deduction | As on 31-Mar-24 | As on 31-Mar-24 | As on 31-Mar-23 |
| (i) Property, Plant and Equipment | | | | | | | | | | |
| Plant & Machinery | 434.38 | 407.42 | - | 841.80 | 116.99 | 69.65 | - | 186.64 | 655.15 | 317.38 |
| Vehicles | 44.27 | 54.00 | - | 98.27 | 25.77 | 4.73 | - | 30.50 | 67.77 | 18.50 |
| Office Equipments | 7.96 | - | - | 7.96 | 5.56 | 1.10 | - | 6.66 | 1.30 | 2.40 |
| Computer | 3.40 | 0.69 | - | 4.09 | 2.94 | 0.47 | - | 3.41 | 0.69 | 0.46 |
| Furniture & Fixtures | 14.59 | - | - | 14.59 | 6.58 | 2.11 | - | 8.69 | 5.90 | 8.01 |
| Building Partitions & Interiors | 42.94 | - | - | 42.94 | 6.92 | 3.48 | - | 10.39 | 32.55 | 36.02 |
| Total | 547.55 | 462.11 | - | 1,009.65 | 164.76 | 81.53 | - | 246.29 | 763.36 | 382.78 |
| Previous Year | 543.27 | 4.28 | - | 547.55 | 76.16 | 88.60 | - | 164.76 | 467.11 | 382.78 |

| | | | | | | | | | | |
|-------------------------------|-------------|----------|----------|-------------|----------|-------------|----------|-------------|-------------|-------------|
| (ii) Intangible Assets | | | | | | | | | | |
| Software | 7.64 | - | - | 7.64 | - | 3.66 | - | 3.66 | 3.98 | 7.64 |
| Total | 7.64 | - | - | 7.64 | - | 3.66 | - | 3.66 | 3.98 | 7.64 |
| Previous Year | 7.64 | - | - | 7.64 | - | - | - | - | 7.64 | 7.64 |

(iii) Capital Work-in-progress

383.00

Capital Work-in-Progress Ageing Schedule

(₹ in lacs)

| Capital Work-in-Progress | Amount in CWIP for a period of | | | | 31 March 2024 | Amount in CWIP for a period of | | | | 31 March 2023 |
|--------------------------------|--------------------------------|------------|-----------|-------------------|---------------|--------------------------------|------------|-----------|-------------------|---------------|
| | Less than 1 year | 1 -2 Years | 2-3 Years | More than 3 Years | Total | Less than 1 year | 1 -2 Years | 2-3 Years | More than 3 Years | Total |
| Projects in progress | - | - | - | - | - | 104.56 | 135.14 | 43.16 | 100.13 | 383.00 |
| Projects temporarily suspended | - | - | - | - | - | - | - | - | - | - |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

12 Deferred tax assets net (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Deferred tax assets net | 6.30 | 8.62 |
| Total | 6.30 | 8.62 |

12.1 Significant Components of Deferred Tax (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Deferred Tax Asset | | |
| Expenses provided but allowable in Income tax on Payment basis | 0.46 | - |
| Provision for Gratuity | 1.80 | - |
| Difference between book depreciation and tax depreciation | 4.04 | 8.62 |
| Gross Deferred Tax Asset (A) | 6.30 | 8.62 |
| Deferred Tax Liability | | |
| Gross Deferred Tax Liability (B) | - | - |
| Net Deferred Tax Asset (A)-(B) | 6.30 | 8.62 |

Note: The Deferred tax assets has not been recognised on unabsorbed depreciation and carry forward of losses under tax laws, in the absence of virtual certainty supported by convincing evidence.

13 Long term loans and advances (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------|---------------|---------------|
| Capital Advances | 50.82 | 25.03 |
| Total | 50.82 | 25.03 |

14 Other non current assets (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------|---------------|---------------|
| Security Deposits | | |
| -Electricity Deposit | 4.18 | 7.42 |
| -Other Deposits | 1.37 | 1.37 |
| -Rental Deposit | 38.51 | 14.01 |
| Total | 44.06 | 22.80 |

15 Inventories (₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------|-----------------|-----------------|
| Raw materials | 512.18 | 540.50 |
| Work-in-progress | 585.23 | 546.56 |
| Finished goods | 39.93 | - |
| Total | 1,137.35 | 1,087.06 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

16 Trade receivables

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------------------|---------------|---------------|
| Unsecured considered good | 675.22 | 524.50 |
| Total | 675.22 | 524.50 |

16.1 Trade Receivables ageing schedule as at 31 March 2024

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 507.10 | 24.41 | 82.59 | 13.18 | 47.93 | 675.22 |
| Undisputed Trade Receivables-considered doubtful | | | | | | - |
| Disputed Trade Receivables considered good | | | | | | - |
| Disputed Trade Receivables considered doubtful | | | | | | - |
| Sub total | | | | | | 675.22 |
| Undue - considered good | | | | | | |
| Total | | | | | | 675.22 |

16.2 Trade Receivables ageing schedule as at 31 March 2023

(₹ in lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables-considered good | 310.92 | 6.45 | 88.23 | 23.81 | 95.10 | 524.50 |
| Undisputed Trade Receivables-considered doubtful | | | | | | - |
| Disputed Trade Receivables considered good | | | | | | - |
| Disputed Trade Receivables considered doubtful | | | | | | - |
| Sub total | | | | | | 524.50 |
| Undue - considered good | | | | | | |
| Total | | | | | | 524.50 |

17 Cash and bank balances

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|-----------------|---------------|
| <u>Cash and Cash equivalents</u> | | |
| Cash on hand | 6.20 | 6.30 |
| Balances with banks in current accounts | 12.11 | 20.01 |
| In Deposit Accounts | 906.22 | - |
| | 924.53 | 26.31 |
| <u>Other Bank Balances</u> | | |
| In Deposit Accounts held as margin money or security against the borrowings, guarantees | 196.26 | 193.33 |
| | 196.26 | 193.33 |
| Total | 1,120.79 | 219.64 |

Cash and Cash Equivalents includes Deposits Maturing beyond 3 Months - Rs. 906.22 lakhs (P.Y. - Nil)

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

18 Short term loans and advances

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Loans and advances to employees | 9.86 | 10.92 |
| Advances to suppliers | 59.44 | 14.81 |
| Balances with Government Authorities | 37.54 | - |
| Other loans and advances (Unsecured, considered good) | | |
| -Advance Tax and TDS/TCS Receivable | 55.70 | 4.04 |
| -Advances (Under Litigation) | 25.10 | 25.10 |
| -Other Receivables | 67.47 | 117.16 |
| -Prepaid Expenses | 2.50 | 2.50 |
| Total | 257.61 | 174.53 |

19 Other current assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-----------------------|---------------|---------------|
| Preliminary Expenses | - | 3.89 |
| Security Deposit NSE | 23.30 | - |
| Unclaimed GST Credits | 9.52 | 15.11 |
| Total | 32.82 | 19.00 |

20 Revenue from operations

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------|-----------------|-----------------|
| Sale of products | 2,613.95 | 2,049.33 |
| Sale of services | 5.05 | 53.73 |
| Total | 2,619.00 | 2,103.06 |

21 Other Income

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Duty Drawback | 1.25 | 0.71 |
| Exchange Gain | 0.25 | - |
| Interest on Fixed Deposits | 28.69 | 9.49 |
| Old liabilities no more payables, written back | 58.94 | - |
| Total | 89.13 | 10.20 |

22 Cost of Material Consumed

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|-----------------|---------------|
| Raw Material Consumed | | |
| Opening stock | 540.50 | 438.09 |
| Purchases | 1,103.34 | 878.23 |
| Carriage Inwards | 8.59 | 22.59 |
| Less: Closing stock | 512.18 | 540.50 |
| Total | 1,140.25 | 798.41 |
| Total | 1,140.25 | 798.41 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

23 Change in Inventories of work in progress and finished goods

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|----------------|---------------|
| Opening Inventories | | |
| Finished Goods | - | - |
| Work-in-progress | 546.56 | 624.76 |
| Less: Closing Inventories | | |
| Finished Goods | 39.93 | - |
| Work-in-progress | 585.23 | 546.56 |
| Total | (78.60) | 78.19 |

24 Employee benefit expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| Salaries and wages | 189.25 | 90.86 |
| Staff welfare expenses | 18.09 | 6.89 |
| Bonus | 6.43 | 4.75 |
| Employers Contribution to PF & ESI | 9.44 | 8.38 |
| Gratuity | 10.05 | 16.05 |
| Total | 233.26 | 126.93 |

Defined Benefit Plan

Changes in the present value of the defined benefit obligation

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Defined Benefit Obligation at beginning of the year | 16.05 | 12.35 |
| Current Service Cost | 4.69 | 3.34 |
| Interest Cost | 1.21 | 0.93 |
| Actuarial (Gain) / Loss | 1.05 | (0.57) |
| Defined Benefit Obligation at year end | 22.99 | 16.05 |

Changes in the fair value of plan assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Expected return on plan assets | 16.36 | - |
| Expected Interest income of assets | 0.62 | - |
| Actuarial gain/ (loss) on plan assets | (0.62) | - |
| Fair value of plan assets as at the end of the year | 16.36 | - |

Reconciliation of present value of defined benefit obligation and fair value of assets

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------------|---------------|---------------|
| Present value of Funded Obligation | 22.99 | - |
| Fair Value of Plan Assets | 16.36 | - |
| Present value of Unfunded obligation | - | 16.05 |
| Funded status [(Deficit)] | (6.63) | (16.05) |
| Amount classified as: | | |
| Short term provision | 5.75 | 0.71 |
| Long term provision | 0.88 | 15.34 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

Expenses recognized in Profit and Loss Account

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Current service cost | 4.69 | 3.34 |
| Interest cost | 1.21 | 0.93 |
| Expected return on plan assets | (0.62) | |
| Net actuarial loss/(gain) recognized during the year | 1.66 | (0.57) |
| Total expense recognised in Profit and Loss | 6.94 | 3.69 |

Investment details of the Plan Assets

| Particulars | 31 March 2024 | 31 March 2023 |
|--------------------------------|---------------|---------------|
| Government of India Securities | - | - |
| Corporate Bonds | - | - |
| Insurer Managed Fund | - | - |
| Special Deposit Scheme | - | - |
| Assets Under Insurance Schemes | 100 | 100 |

Actuarial assumptions

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Discount Rate | 7.23% | 7.52% |
| Expected Rate of increase in Compensation Level | 7.00% | 7.00% |
| Expected Rate of return on Plan assets | 7.52% | 0.50% |
| Mortality Rate | IALM2012-14 | IALM2012-14 |
| Retirement Rate | 58 years | 58 years |

General Description of the Plan

The Entity operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Entity's scheme is more favourable as compared to the obligation under Payment of Gratuity Act, 1972.

Net assets/liability & actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets

(₹ in lacs)

| Particulars | 31-03-2020 | 31-03-2021 | 31-03-2022 | 31-03-2023 | 31-03-2024 |
|--|------------|------------|------------|------------|------------|
| Defined benefits Obligation | 7.65 | 10.00 | 12.35 | 16.05 | 22.99 |
| Plan assets | - | - | - | - | 16.36 |
| Surplus /Deficits | (7.65) | (10.00) | (12.35) | (16.05) | (6.63) |
| Experience Adjustments on Plan Liabilities | - | 0.00 | (0.27) | (0.52) | 0.43 |
| Experience Adjustments on Plan Assets | - | - | - | - | 0.62 |

25 Finance costs

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------|---------------|
| Bank Charges | 20.82 | 27.54 |
| Bills Discounting Charges | 40.40 | 32.54 |
| Collateral Charges | 55.81 | 15.95 |
| Interest on Bank Loans | 42.59 | 60.17 |
| Interest on Bank Overdraft | 60.47 | 61.43 |
| Interest on Income Tax | 15.22 | - |
| Interest on Loan from Others | 55.97 | 59.41 |
| Interest Paid to Suppliers | 9.00 | 4.28 |
| Total | 300.28 | 261.32 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

26 Other expenses

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|------------------------------------|----------------------|----------------------|
| Auditors' Remuneration | 5.50 | 0.40 |
| Advertisement | 0.41 | 0.29 |
| Freight outward | 33.56 | 5.65 |
| Insurance | 2.44 | 2.76 |
| Power and fuel | 23.52 | 21.04 |
| Rent | 38.32 | 35.13 |
| Repairs to machinery | 2.45 | 7.50 |
| Rates and taxes | 8.88 | 1.81 |
| Advances Written Off | 50.83 | - |
| Board Meeting Expenses | 0.68 | - |
| Computer Maintenance | 1.52 | 1.19 |
| Conveyance Charges | 16.06 | 11.78 |
| Delay Payment Charges | 1.44 | 0.58 |
| Director Sitting Fees | 7.50 | - |
| Job Work and Labour Charges | 504.55 | 296.42 |
| Office Expenses | 0.44 | 0.42 |
| Printing and Stationery | 1.64 | 0.96 |
| Professional & Consultancy Charges | 29.59 | 7.11 |
| Registration Charges | - | 7.69 |
| Repairs and Maintenance | 4.73 | 2.76 |
| Security Charges | 10.89 | 9.89 |
| Telephone & Internet Expenses | 2.02 | 1.96 |
| Total | 746.97 | 415.34 |

27 Prior Period Item

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------|----------------------|----------------------|
| Interest Expenses | 9.43 | - |
| Preliminary Expenses | 3.89 | - |
| Total | 13.32 | - |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

28 Earning per share

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Profit attributable to equity shareholders (₹ in lacs) | 252.55 | 243.48 |
| Weighted average number of Equity Shares | 53,99,270 | 44,70,680 |
| Earnings per share basic (Rs) | 4.68 | 5.45 |
| Earnings per share diluted (Rs) | 4.68 | 5.45 |
| Face value per equity share (Rs) | 10 | 10 |

The Board of Directors at its meeting held on May 19, 2023 pursuant to section 63 and all other applicable provisions, if any, of the Companies Act 2013. and rules made thereunder, proposed that a sum of Rs. 223.53 Lacs be capitalised as Bonus Equity Shares out of free reserves and surplus, distributed amongst the Equity Shareholders by issue of 22,35,340 Equity Shares of Rs.10 each credited as Fully paid to the Equity Shareholders in the proportion of 1:1 Equity Share for every 1 (One) Equity Shares. It has been approved in the extra ordinary general meeting held on May 22, 2023. The Board of Directors of the Company in the Board meeting dated May 22, 2023 allotted the Bonus Equity Shares to the shareholders of the Company. Earnings Per Share calculations have been restated for the previous year to give effect of bonus issue.

29 Auditors' Remuneration

(₹ In lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|-------------------------------|---------------|---------------|
| Payments to auditor as | | |
| - Auditor | 4.00 | 0.40 |
| - for taxation matters | 1.50 | - |
| - for other services | 3.00 | - |
| Total | 8.50 | 0.40 |

30 Contingent Liabilities and Commitments

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Claims against the Company not acknowledged as debt- | | |
| a) TDS Demand | 4.23 | 4.19 |
| Commitments shall be classified as- | | |
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for;(net off advances) | 206.33 | 25.00 |
| Total | 210.56 | 29.19 |

31 Micro and Small Enterprise

(₹ in lacs)

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|----------|---------------|----------|
| | Principal | Interest | Principal | Interest |
| Amount Due to Supplier | 22.06 | - | 31.70 | - |
| Principal amount paid beyond appointed date | - | - | - | - |
| Interest due and payable for the year | - | - | - | - |
| Interest accrued and remaining unpaid | - | - | - | - |
| Interest paid other than under Section 16 of MSMED Act to suppliers registered under the MSMED Act, beyond the appointed day during the year. | - | - | - | - |
| Interest paid under Section 16 of MSMED Act to suppliers registered under the MSMED Act beyond the appointed day during the year. | - | - | - | - |
| Further interest remaining due and payable for earlier years. | - | - | - | - |

There are no identified Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as on 31st March, 2024 and identified MSME creditors to whom payment delayed beyond 45 days. This information is disclosed as required under the Micro, Small and Medium Enterprises Development Act, 2006

The suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the company.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

32 Earnings in Foreign Currencies

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|---------------|---------------|
| Export of Goods (USD 23,670.72) | 19.50 | - |
| Total | 19.50 | - |

33 Value of Import on CIF basis

(₹ in lacs)

| Particulars | 31 March 2024 | 31 March 2023 |
|---------------|---------------|---------------|
| Capital goods | 1.34 | - |
| Total | 1.34 | - |

34 Un-hedged foreign currency exposure

The foreign currency exposure of the company is not hedged. A details of Unhedged foreign currency exposure at the year end is given below:

| Particulars | Foreign Currency(FC) | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
|--|----------------------|---------------|---------------|---------------|---------------|
| | | Amount in FC | Amount in FC | Amount in INR | Amount in INR |
| Trade payables-Credit Balance | | | | | |
| Trade Advances-Debit Balance | | | | | |
| Trade Receivable-Debit Balance | USD | 0.12 | - | 9.87 | - |
| Advance to Capital Creditors-Debit Balance | | | | | |
| Long term liabilities | | | | | |
| Total | | 0.12 | - | 9.87 | - |

35 Related Party Disclosure

(i) List of Related Parties

Herga Poornachandra Kedilaya

Yermal Giridhar Rao

Vidyalakshmi Rao

Kodipadi Yerkadithaya Supriya Murthy

Jyotsna Rajsekar Belliappa

Nagendra Dattathreya Rao

Sudha Gajanana Hegde

H.Chandrasekar Kedilaya

Relationship

Managing Director

Joint Managing Director & CFO

Non Executive Director

Non Executive Director

Non Executive: Independent Director

Non Executive: Independent Director & Chairman of the Board

Company Secretary

Relative of Managing Director

(ii) Related Party Transactions

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|--|---|---------------|---------------|
| Salary | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 19.86 | 6.00 |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 19.86 | 6.00 |
| - Sudha Gajanana Hegde | Company Secretary | 3.99 | - |
| Sitting Fees | | | |
| - Vidyalakshmi Rao | Non Executive Director | 0.50 | - |
| - Kodipadi Yerkadithaya Supriya Murthy | Non Executive Director | 0.50 | - |
| - Jyotsna Rajsekar Belliappa | Non Executive: Independent Director | 3.00 | - |
| - Nagendra Dattathreya Rao | Non Executive: Independent Director & Chairman of Board | 3.50 | - |
| Repayment of Borrowings | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 54.78 | - |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 54.78 | - |
| Receipt of Receivables | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 33.13 | - |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 33.13 | - |
| Reimbursement of Travelling Expenses | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 1.25 | - |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 1.45 | - |
| Purchase of Vehicles | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 27.00 | - |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 27.00 | - |
| Collateral Charges | | | |
| - H.Chandrasekar Kedilaya | Relative of Managing Director | 55.81 | 15.95 |

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

(iii) Related Party Balances

(₹ in lacs)

| Particulars | Relationship | 31 March 2024 | 31 March 2023 |
|--------------------------------|-------------------------------|---------------|---------------|
| Salary Payable | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 1.36 | - |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 1.36 | - |
| - Sudha Gajanana Hegde | Company Secretary | 0.45 | - |
| Other Receivables* | | | |
| - Herga Poornachandra Kedilaya | Managing Director | 33.11 | 66.24 |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | 33.11 | 66.24 |
| Unsecured Loan | | | |
| - Herga Poornachandra Kedilaya | Managing Director | - | 54.78 |
| - Yermal Giridhar Rao | Joint Managing Director & CFO | - | 54.78 |

*The amount receivable from the promoters, which pertain to the partnership (pre-conversion) period.

36 UTILIZATION OF FUNDS RAISED THROUGH IPO

(₹ in lacs)

| Particulars | Total Amount Allocated | Total Amount Utilized |
|--|------------------------|-----------------------|
| Capital Expenditure- Plant and Machinery | 232.12 | 25.79 |
| Prepayment of Borrowings | 500.00 | - |
| Working Capital Requirements | 923.38 | 830.45 |
| General Corporate Expenses* | 350.00 | 350.00 |
| Issue Related Expenses | 325.00 | 325.00 |
| Total | 2,330.50 | 1,531.24 |

During the financial year, the company has successfully completed its Initial Public Offer (IPO) of 32,36,800 equity shares of Rs 10/- each at a price of Rs 72/- per equity share (Including a premium of Rs 62 per share), amounting to Rs 2,330.50/- lakhs. Equity Shares offered in IPO were allotted on 14th December 2023 and listed on 18th December 2023. Details of the proceeds of IPO and utilisation, pursuant to Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided above.

*General Corporate Expenses includes Rs 266.43/- lakhs spent towards IPO expenses.

37 Loans and Advances given to Related Parties

The Company, during the year, has not granted any Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) and hence reporting in this regard is not applicable. However, there is an amount receivable from the promoters, which pertain to the partnership (pre-conversion) period.

38 Security of Current Assets Against Borrowings

The company is required to submit monthly statements of inventories and receivables to the bank. The statements of inventories and receivables filed by the Company with banks were generally in agreement with the books of accounts except on a few occasions. The disagreements were because these statements were provided on provisional basis. However, reconciliation with regard to quarter ending months are provided in the table below:

Reconciliation between Current Assets as per Quarterly statement filed with Bank and Current Asset as per Books of Account

(₹ in lacs)

| Particulars | June,2023 | September,2023 | December,2023 | March,2024 |
|---|-----------------|-----------------|-----------------|-----------------|
| Current Assets as per Statements submitted to Bank | 1,575.34 | 1,658.11 | 1,461.68 | 1,815.51 |
| Less: | | | | |
| Valuation Difference | - | - | - | 2.94 |
| Reconciliation due to adoption of provisional figures | 5.46 | 5.36 | 69.79 | - |
| Current Assets as per Books of Account | 1,569.88 | 1,652.76 | 1,391.89 | 1,812.57 |

39 Details of Benami Property held

There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

40 Wilful Defaulter

The Company has not been declared as wilful defaulter by any bank or financial Institution (as defined under companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve bank of India.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements**41 Relationship with Struck off Companies**

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

42 Registration of Charge

The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period.

43 Compliance with number of layers of companies

The company does not have any subsidiaries and hence disclosure related to non compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

44 Ratio Analysis

| Particulars | Numerator/Denominator | 31 March 2024 | 31 March 2023 | Change in % |
|--------------------------------------|--|---------------|---------------|-------------|
| (a) Current Ratio | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ | 2.23 | 1.06 | 109.49% |
| (b) Debt-Equity Ratio | $\frac{\text{Total Debts}}{\text{Shareholder's Equity}}$ | 0.57 | 3.58 | -84.07% |
| (c) Debt Service Coverage Ratio | $\frac{\text{Earning available for Debt Service}}{\text{Debt Service}}$ | 1.32 | 1.97 | -33.08% |
| (d) Return on Equity Ratio | $\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$ | 16.99% | 66.05% | -74.27% |
| (e) Inventory turnover ratio | $\frac{\text{Total Turnover}}{\text{Average Inventories}}$ | 2.35 | 1.96 | 20.36% |
| (f) Trade receivables turnover ratio | $\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$ | 4.37 | 5.15 | -15.19% |
| (g) Trade payables turnover ratio | $\frac{\text{Total Purchases}}{\text{Average Account Payable}}$ | 4.24 | 2.42 | 74.88% |
| (h) Net capital turnover ratio | $\frac{\text{Total Turnover}}{\text{Net Working Capital}}$ | 1.47 | 17.62 | -91.63% |
| (i) Net profit ratio | $\frac{\text{Net Profit}}{\text{Total Turnover}}$ | 9.64% | 11.58% | -16.71% |
| (j) Return on Capital employed | $\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$ | 14.57% | 26.98% | -46.01% |

The variance in many ratios are due to operational changes.

Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in certain ratios.

The Company has added Share Capital and reduced certain borrowings, resulting in changes in some ratios.

45 Disclosure where company has given loan or invested to other person or entity to lend or invest in another person or entity

The company has not advanced or given loan or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries and hence disclosure in this regard is not applicable.

46 Disclosure where company has received fund from other person or entity to lend or invest in other person or entity

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and hence disclosure in this regard is not applicable.

Presstonic Engineering Limited (Formerly known as Presstonic Engineering Private Limited)

(CIN: U28995KA2021PLC145718)

Notes forming part of the Financial Statements

47 Undisclosed Income

The Company does not have any transaction which 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). Further, there are no transactions which are previously unrecorded income and related assets that were recorded in the books of accounts during the year.

48 CSR Expenditure

The provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 is not applicable to the company.

49 Details of Crypto Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year, and hence disclosure relating to profit or loss on transactions involving Crypto/Virtual Currency and amount of currency held as at the reporting date and deposits or advances from any person for the purpose of trading or investing in Crypto/virtual currency is not applicable.

50 Segment Reporting (AS-17)

Company is unable to provide Segment Reporting as it is operating in only a single Business or Geographical Segment, as stated below:

a) Primary Segment (Business Segment): The Company is Primarily engaged in the business of manufacturing of Metro Rail Rolling Stock Products, Railway Signaling Products, Infrastructure Products and other related products. The entire operations are governed by the same set of risk and returns. Hence, the same has been considered as representing a single Business Segment.

b) Secondary Segment (Geographical Segments)The Company's Major Revenue are from the India for both the reporting periods. Hence, the same has been considered as representing a single Geographical Segment.

51 Pending Litigation

The Company has filed a case u/s 138 of the Negotiable Instruments Act for recovery of Rs. 25.70/- lacs against a party who failed to render service as promised and returned the advance amount by way of two cheques which bounced.

Other pending litigations : NIL

52 Bank Guarantee

The Company has obtained a Bank guarantee from Canara Bank and issued to various parties and balance outstanding as on 31st March 2024 amounting to Rs 560.97/- lacs.

53 Confirmations

Balances of the Trade Receivables, Trade Payable, Loans and Advances and other current liabilities are subject to confirmation and reconciliation.

54 Regrouping

The previous year figures have been reclassified / regrouped / rearranged to conform to this year's classification. Figures in brackets indicate those for previous years.

55 Events after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date that required any adjustments to the financials.

As per our report of even date

For GRSM & Associates
Chartered Accountants
Firm's Registration No. 0008635

For and on behalf of the Board of
Presstonic Engineering Limited

Sd/-
Rajgopal A
Partner
Membership No. 205296

Sd/-
Herga Poornachandra Kedilaya
Managing Director
DIN: 09120129

Sd/-
Yermal Giridhar Rao
Joint Managing Director & CFO
DIN: 09120130

Sd/-
Sudha Gajanana Hegde
Company Secretary
M No: A68052

Place: Bengaluru
Date: 13 May 2024