

# M/s. C B J & ASSOCIATES



CHARTERED ACCOUNTANTS

CA. Vipul V. Jadhav

B.Com, F.C.A., D.I.S.A. (ICAI)

110, Devi Annapoorna, Plot No. 8, Sector - 18, Near Onion Potato Market, Turbhe, Navi Mumbai - 400 705.

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## INDEPENDENT AUDITORS' REPORT

To,

**The Members**

**Ayatti Innovative Pvt. Ltd.**

### **Report on the Audit of the Financial Statements for FY 2022-23**

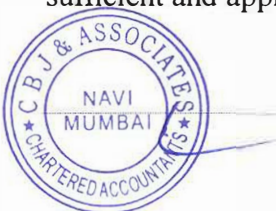
#### **Opinion -**

We have audited the accompanying Financial Statements of **Ayatti Innovative Pvt. Ltd.** (“the Company”), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, its **Loss**, changes in equity 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.



### **Emphasis of Matter -**

(It includes details related to but not limited to negative net worth, sudden disruptions in manufacturing or sales, any material change in business process, any unsecured loan granted to directors etc.).

- **The Company has W/off Miscellaneous Expenses amounting to Rs.3,40,56,150.78 during the year under Audit.**
- **The Company has been making Substantial Cash Losses during FY 2021-22 & FY 2022-23 as reflected in the Financial Statements annexed herewith, due to which the Networth of the Company is Negative.**
- **The Company has not discharged full liability in respects of TDS Deducted on amounts payable to various Suppliers of goods & services for period Prior to FY 2022-23.**

### **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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **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 Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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





### **Management's Responsibility 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, Changes In Equity 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.

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

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.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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;
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) Since the Company's turnover as per audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide MCA notification No. G.S.R. 583 (E) dated June 13, 2017;
- 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, we report that section 197 is not applicable on private company. Hence reporting as per section 197(16) is not required;



- 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. 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;
  - v. 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 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; and
  - vi. 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 subclause (i) and (ii) contain any material mis-statement.
  - vii. 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.

**Place : Navi Mumbai.**

**Date : 12/05/2023.**



**For C B J & ASSOCIATES**  
Chartered Accountants

Partner  
CA. Vipul Jadhav  
Membership No. 129745  
FRN No. 127647W

UPIN - 23129745BGXIV09913

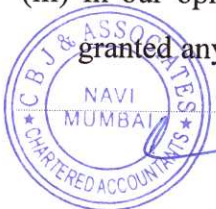


## Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report On Other Legal And Regulatory Requirements’ section of our report to the members of **Ayatti Innovative Pvt. Ltd.** of even date)

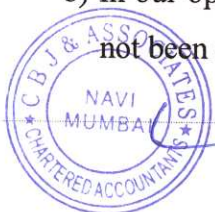
On the basis of the information and explanation given to us during the course of our audit, we report that:

- (i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of all fixed assets.
- (B) The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
- b) Pursuant to the company’s programme of verifying fixed assets in a phased manner, physical verification of fixed assets was conducted during the year as informed by the management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us there are no immovable properties, classified as fixed assets, which are held in the name of the company.
- d) The company has not revalued its Property, Plant, and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are 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, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.
- (ii) a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management are appropriate. No material discrepancies were noticed on such verification, as informed by the management.
- b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not applicable to the company.
- (iii) In our opinion and based on the information and explanation given to us the company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships, or other



parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and(c) of the Order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of representations of the management which we have relied upon, the loans given by the company during the financial year 2022-23 are in compliance with the provisions of Section 185 and Section 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, 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 this clause is not applicable.
- (vi) According to the rules prescribed by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company therefore reporting under this clause is not required.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has not been regular in depositing statutory dues such as GST, Income Tax TDS, ESIC & Provident Fund as applicable, with the appropriate authorities. There are statutory dues that are outstanding as of March 31, 2023, for a period of more than six months.
- b) As of the year-end, according to the records of the Company and information and explanations given to us, there are no disputed statutory dues outstanding on the company.
- (viii) In our opinion and according to the information and explanations given to us, there is no any transaction not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any loans from the financial institution and debenture holders therefore reporting of repayments of such loans under this clause is not applicable.
- b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.





- c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- d) In our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been utilised for long-term purposes.
- e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) According to the information and explanations given to us, on an overall basis, the company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (xi) a) According to the information and explanations given to us and on the basis of representation of the management which we have relied upon, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As auditors, we did not receive any whistle-blower complaints during the year.
- (xii) According to the information and explanations given to us company has not paid any managerial remuneration (Other than Director Remuneration of Rs.3,00,000/-) during the year therefore the reporting under this clause does not require.
- (xiii) Since the company is not a Nidhi company, therefore this clause is not applicable.
- (xiv) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, 2013 as applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



- (xv) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- (xvi) According to the information and explanations given to us based on our examination of the record of the company, the Company has not made any Preferential Allotment or Private Placement of Shares or fully or Partly Convertible Debentures during the Year.
- (xvii) According to the information and explanations given to us based on our examination of the record of the company, the company has not entered into any noncash transactions with directors or persons connected with him. Therefore the provisions of clause 3(xv) of the order are not applicable.
- (xviii) a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) As per the information and explanations received, the group does not have any CIC as part of the group.
- (xix) The company has incurred substantial cash losses in current financial year as well in immediately preceding financial year.
- (xx) There has been no resignation of the previous statutory auditors during the year.
- (xxi) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.





(xxii) There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

(xxiii) The company has not made investments in the subsidiary company. Therefore, the company does not require to prepare a consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

**Place : Navi Mumbai.**

**Date : 12/05/2023.**



**For C B J & ASSOCIATES  
Chartered Accountants**

  
Partner  
CA Vipul Jadhav  
Membership No. 129745  
FRN No. 127647W

UDIN - 23129745B67XIV09913

**Ayatti Innovative Private Limited**

Balance Sheet as at March 31, 2023

(All amounts in Rupees thousands, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I Assets</b>			
<b>1) Non Current Assets</b>			
a. Property, Plant and Equipment	2	35,462.31	41,644.86
b. Capital Work in Progress	2	7,122.87	-
d. Financial Assets			
i Other Financial Assets	3	-	389.71
e. Non Current Tax Assets		-	217.40
f. Other Non Current Assets	4	1,258.25	1,614.35
g. Deferred Tax Assets (Net)		-	52.77
<b>2) Current Assets</b>			
a. Inventories	5	-	78.43
b. Financial Assets			
i Trade Receivables	6	8,479.57	8,474.80
ii Cash and Cash Equivalents	7	219.56	98.00
iii Bank Balances other than (ii) above	8	54.95	52.15
iv Loans	9	3,000.00	-
v Other Financial Assets	10	619.84	-
c. Other Current Assets	11	17,350.47	50,713.15
<b>Total Assets</b>		<b>73,567.81</b>	<b>1,03,335.61</b>
<b>II Equity And Liabilities</b>			
<b>Equity</b>			
a. Equity Share Capital	12	26,200.00	1,000.00
b. Other Equity	13	(33,012.76)	(42,961.14)
		<b>(6,812.76)</b>	<b>(41,961.14)</b>
<b>Liabilities</b>			
<b>1) Non Current Liabilities</b>			
a. Deferred Tax Liabilities (Net)	14	169.33	-
<b>2) Current Liabilities</b>			
a. Financial Liabilities			
i Borrowings	15	72,998.24	1,32,339.26
ii Trade Payables	16		
Total Outstanding dues of Micro enterprises and small		158.22	-
Total Outstanding dues of creditors other than Micro		4,049.25	9,222.02
enterprises and small enterprises			
iii Other Financial Liabilities	17	1,734.50	1,559.78
b. Other Current Liabilities	18	1,271.03	2,098.82
c. Current Tax Liabilities (Net)		-	76.87
		<b>80,380.57</b>	<b>1,45,296.75</b>
<b>Total Equity And Liabilities</b>		<b>73,567.81</b>	<b>1,03,335.61</b>
Significant accounting policies and notes to the financial statements	1 to 34		

As per our Report of even date

For CBJ & Associates  
Chartered Accountants

CA Vipul Jadhav  
(Partner)

Membership No. 129745

Firm Reg. No. 127647W

Place: Navi Mumbai

Date: May 12, 2023

DIN - 23129745B6XIVO9913

For and on behalf of the Board of Directors



Harshad Vijaysing Rane  
Director  
DIN - 08199620Hemali Amish Patel  
Director  
DIN - 09675608



**Ayatti Innovative Private Limited**

Statement of Profit And Loss for the year ended March 31, 2023

(All amounts in Rupees thousands, unless otherwise stated)

Particulars	Note No.	For the Period from October 06, 2022 to March 31, 2023	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
1 Revenue from Operations				
2 Other Income			-	-
3 Total Income (1+2)	18	122.65	135.41	3.97
		122.65	135.41	3.97
4 Expenses				
Cost of Materials Consumed		-	-	83.81
Purchase of Stock in Trade		-	-	-
Changes in Inventories of Work in Progress	19	-	78.43	-
Employee Benefits Expense	20	473.62	563.57	2,085.31
Finance Costs	21	324.86	379.68	1,452.45
Depreciation	22	1,846.42	3,789.29	8,943.85
Other Expenses	23	2,841.91	39,873.96	7,288.03
Total Expenses		5,486.80	44,684.93	19,853.45
5 (Loss)/Profit Before Exceptional Items and Tax (3-4)		(5,364.16)	(44,549.52)	(19,849.48)
6 Exceptional Items			-	-
7 (Loss)/Profit Before Tax (5-6)		(5,364.16)	(44,549.52)	(19,849.48)
8 Tax Expenses :				
(a) Current Tax		-	-	-
(b) Deferred Tax		222.10	222.10	-
9 (Loss)/Profit for the Year (7-8)		(5,586.25)	(44,771.62)	(19,849.48)
10 Other Comprehensive Income				
(i) Items that will not be reclassified to Profit or Loss		-	-	-
(ii) Items that will be reclassified to Profit or Loss		-	-	-
Total Other Comprehensive Income (Net of Tax)				
Total Comprehensive Income for the Year (9-10)		(5,586.25)	(44,771.62)	(19,849.48)
11 Earnings per Equity Share of Rs. 10/- each	24			
Basic (Rs.)		-	(29.00)	(198.49)
Diluted (Rs.)		-	(29.00)	(198.49)
Significant accounting policies and notes to the financial statements	1 to 33			

As per our Report of even date

For and on behalf of the Board of Directors

For CBJ & Associates  
Chartered Accountants

CA Vipul Jadhav  
(Partner)  
Membership No. 129745  
Firm Reg. No. 127647W  
Place: Navi Mumbai  
Date: May 12, 2023



Harshad Vijaysing Rane  
Director  
DIN - 08199620

Hemali Amish Patel  
Director  
DIN - 09675608

UDIN - 23129745B6XIV09913

**Ayatti Innovative Private Limited**  
**Statement Of Cash Flows for the year ended March 31, 2023**  
*(All amounts in Rupees thousands, unless otherwise stated)*

(Amount in Thousand)

	For the year ended March 31, 2023	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax as per the Statement of Profit and Loss		(44,549.52)
<b>ADJUSTED FOR :</b>		
Depreciation and Amortisation Expense	3,789.29	
Loss on sale of Property, Plant and Equipment (Net)	1,227.59	
Finance Costs	379.68	
Interest Income	(135.41)	
Bad Debts / Advances written off (Net)	351.53	5,612.68
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>(38,936.84)</b>
<b>ADJUSTMENTS FOR :</b>		
Trade and Other Receivables	29,896.10	
Inventories	78.43	
Trade and Other Payables	(6,411.62)	23,562.90
<b>CASH USED IN OPERATING ACTIVITIES (A)</b>		<b>(15,373.93)</b>
Income Tax paid / Refund		140.52
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(15,233.41)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment, Intangible assets		(6,310.02)
Sale of Property, Plant and Equipment, Intangible assets		1,165.67
Interest Income		15.57
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(5,128.77)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Equity Share		79,920.00
Current Borrowings		(59,341.02)
Finance Costs		(92.43)
Margin Money		(2.81)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>		<b>20,483.74</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>121.56</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>98.00</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 10.1)</b>		<b>219.56</b>

**Changes in Liabilities arising from financing activities on account of Non-Current and Current Borrowings**

Particulars	Balance as at 31st March, 2023
Opening Balance Of Liabilities Arising From Financing Activities	1,32,339.26
Add : Changes from Cash Flow from Financing Activities (Net)	(59,341.02)
<b>Closing Balance Of Liabilities Arising From Financing Activities</b>	<b>72,998.24</b>

- (i) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".  
(ii) Figures in brackets indicate Outflows.  
(iii) Previous Year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date

For CBJ & Associates  
Chartered Accountants

CA Vipul Jadhav  
(Partner)  
Membership No. 129745  
Firm Reg. No. 127647W  
Place: Navi Mumbai  
Date: May 12, 2023



For and on behalf of the Board of Directors

Harshad Vijaysing Rane  
Director  
DIN - 08199620

Hemali Amish Patel  
Director  
DIN - 09675608



**Ayatti Innovative Private Limited****Statement of Changes in Equity for the period ended March 31, 2023***(All amounts in Rupees thousands, unless otherwise stated)***A. EQUITY SHARE CAPITAL**

Particulars	Balance as at 1st April, 2021	Changes during the Year	Balance as at 31st March, 2022	Changes during the Year	Balance as at 31st March, 2023
Equity Share Capital	1,000.00	-	1,000.00	25,200.00	26,200.00

**B. OTHER EQUITY**

Particulars	Reserves and Surplus		Total
	Retained Earnings	Securities Premium	
Balance as at April 01, 2021	(23,111.66)	-	(23,111.66)
Total Comprehensive Income for the Year	(19,849.48)	-	(19,849.48)
Balance as at March 31, 2022	(42,961.14)	-	(42,961.14)
Balance as at April 01, 2022	(42,961.14)	-	(42,961.14)
Issue of Equity Shares	-	54,720.00	54,720.00
Total Comprehensive Income for the Year	(44,771.62)	-	(44,771.62)
Balance As at March 31, 2023	(87,732.76)	54,720.00	(33,012.76)

As per our Report of even date

For and on behalf of the Board of Directors

For CBJ & Associates  
Chartered Accountants  
CA Vipul Jadhav  
(Partner)  
Membership No. 129745  
Firm Reg. No. 127647W  
Place: Navi Mumbai  
Date: May 12, 2023Harshad Vijaysing Rane  
Director  
DIN - 08199620Hemali Amish Patel  
Director  
DIN - 09675608

## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### 1.1 Corporate Information

Ayatti Innovative Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India. The registered office of the Company is situated at Gate No. 316, Behind Bapdev Maharaj Mandir, Nighoje To Bapdev Maharaj Mandir Road, Nighoje, Khed, Pune- 410501. The Parent Company is Paras Defence & Space Technologies Limited.

The Company is engaged in the business of manufacturing, processing of Iron, Mild steel, stainless steel fabrication, handling and assembly works procuring.

The financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by board of directors in their meeting held on May 12, 2023.

#### 1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements are presented in Indian Rupees, which is the company's functional and presentation currency and all values are rounded off to the nearest thousand with two decimals, except when otherwise indicated.

#### 1.3 Significant Accounting policies

##### (A) Property, Plant and Equipment:

Property, plant and equipment are carried at its cost, net off recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment are eliminated from financial statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

##### Depreciation:

Depreciation on the Property, Plant and Equipment is provided using straight line method over the useful life of the assets as specified in Schedule II to the Companies Act, 2013 except for following assets where the useful life is different as per technical evaluation than those prescribed in Schedule II are mentioned below-

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

##### (B) Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net off income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. All other borrowing costs are expensed in the year in which they occur.

##### (C) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects change in the non-cancellable period of a lease. The discount rate is generally base





## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### (D) Taxes on Income:

Tax expense represents the sum of current tax and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

#### (E) Inventories:

Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. NRV is the estimate selling price in the ordinary course of business, less estimated costs of completion and estimate cost necessary to make the sale. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis. The Cost of Work in Progress and Finished Goods is determined on absorption costing methods.

#### (F) Financial Instruments:

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

##### Financial Assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

##### Financial assets - Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is **measured at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

a) **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.



## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

**All other financial asset is measured at fair value through profit or loss.**

#### Financial assets - Derecognition

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

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### Financial Liabilities - Initial recognition and measurement:

The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net off directly attributable transaction costs.

#### Financial Liabilities - Subsequent measurement:

Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Financial Liabilities - Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

#### Financial liability - Derecognition:

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

#### (G) Fair Value:

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

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

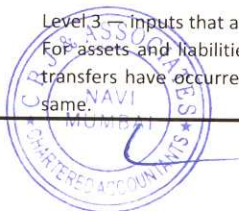
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.





## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### (H) Revenue Recognition and Other Income:

##### Sales of goods and services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

##### Contract Assets - Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

##### Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### (I) Foreign currency transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.



## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### (J) Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

#### The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company elects not to apply the requirements of Ind AS 116 to Short term leases or the leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as expense on either a straight line basis over lease term or another systematic basis.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.





## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### (K) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

#### (L) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### (M) Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

#### (N) Current / Non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

##### An asset is classified as current when it is:

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

All other assets are classified as non-current.

##### A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

#### (O) Off-setting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.



## Ayatti Innovative Private Limited

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

(All amounts in Rupees thousands, unless otherwise stated)

#### 1.4 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

##### a) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

##### b) Income Tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### c) Impairment of Financial Assets :

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

##### d) Revenue:

The application of Accounting Standard on Revenue Recognition involves use of key judgements with respect to multiple elements deliverables, timing of revenue recognition, accounting of discounts, incentives, etc. The Management has reviewed such accounting treatment and is satisfied about its appropriateness in terms of the relevant Ind AS.

##### e) Recoverability of trade receivables:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

##### f) Contingencies:

Management has estimated the possible outflow of resources at the end of each annual financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

#### 1.5 Standards Issued But Not Effective

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2023:

- Ind AS 101 – First-time Adoption of Indian Accounting Standards
- Ind AS 102 – Share-based Payment
- Ind AS 103 – Business Combinations
- Ind AS 107 – Financial Instruments Disclosures
- Ind AS 109 – Financial Instruments
- Ind AS 115 – Revenue from Contracts with Customers
- Ind AS 1 – Presentation of Financial Statements
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Ind AS 12 – Income Taxes
- Ind AS 34 - Interim Financial Reporting





**Ayatti Innovative Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**  
*(All amounts in Rupees thousands, unless otherwise stated)*

<b>Note: 2 Property, Plant and Equipment</b>				
<b>Particulars</b>	<b>Plant and Machinery</b>	<b>Furniture and Fixtures</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Balance as at April 01, 2021</b>	<b>57,091.01</b>	<b>1,515.55</b>	<b>801.82</b>	<b>59,408.37</b>
Additions	-	-	-	-
Disposals / Adjustment	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>57,091.01</b>	<b>1,515.55</b>	<b>801.82</b>	<b>59,408.37</b>
Additions	-	-	-	-
Disposals / Adjustment	2,142.23	734.21	584.59	3,461.02
<b>Balance as at March 31, 2023</b>	<b>54,948.78</b>	<b>781.34</b>	<b>217.23</b>	<b>55,947.35</b>
<b>Depreciation</b>				
<b>Balance as at April 01, 2021</b>	<b>8,469.31</b>	<b>196.63</b>	<b>153.71</b>	<b>8,819.65</b>
Depreciation for the Year	8,563.65	132.32	247.89	8,943.86
Disposals / Adjustment	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>17,032.96</b>	<b>328.95</b>	<b>401.60</b>	<b>17,763.51</b>
Depreciation for the Period	3,658.41	73.25	57.63	3,789.29
Disposals / Adjustment	642.22	172.68	252.86	1,067.76
<b>Balance as at March 31, 2023</b>	<b>20,049.15</b>	<b>229.52</b>	<b>206.37</b>	<b>20,485.04</b>
<b>Net Carrying Value</b>				
<b>Balance as at March 31, 2022</b>	<b>40,058.05</b>	<b>1,186.60</b>	<b>400.22</b>	<b>41,644.86</b>
<b>Balance as at March 31, 2023</b>	<b>34,899.63</b>	<b>551.82</b>	<b>10.86</b>	<b>35,462.31</b>

**2.1 Capital Work in Progress includes**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Plant and Machinery	7,122.87	-
<b>TOTAL</b>	<b>7,122.87</b>	<b>-</b>

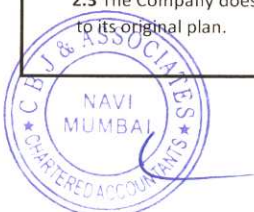
**2.2 Capital Work In Progress ageing schedule as at March 31, 2023 is as follows:**

<b>Net Carrying Value</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 Years</b>	<b>Total</b>
Project in progress	7,122.87	-	-	7,122.87
Project temporarily suspended	-	-	-	-
<b>TOTAL</b>	<b>7,122.87</b>	<b>-</b>	<b>-</b>	<b>7,122.87</b>

**Capital Work In Progress ageing schedule as at March 31, 2022 is as follows:**

<b>Net Carrying Value</b>	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 Years</b>	<b>Total</b>
Project in progress	-	-	-	-
Project temporarily suspended	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2.3 The Company does not have any Capital work in progress, whose completion is overdue or exceeded its cost compared to its original plan.**



**Ayatti Innovative Private Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
*(All amounts in Rupees thousands, unless otherwise stated)*
**Note: 3 Other Non Current Financial Assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(Unsecured, Considered Good) Security Deposits	500.00	389.71
<b>Total</b>	<b>500.00</b>	<b>389.71</b>

**Note: 4 Other Non Current Assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Capital Advances	1,258.25	1,614.35
<b>Total</b>	<b>1,258.25</b>	<b>1,614.35</b>

**Note: 5 Inventories**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Finished Goods	-	78.43
<b>Total</b>	<b>-</b>	<b>78.43</b>

5.1 For basis of valuation Refer Accounting Policy Note No. 1.3(E)

**Note: 6 Trade Receivables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(Unsecured) Considered Good	8,479.57	8,474.80
<b>Total</b>	<b>8,479.57</b>	<b>8,474.80</b>

**Trade Receivables Ageing Schedule as at March 31, 2023**

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables –considered good	-	-	-	-	8,479.57	-	8,479.57
Undisputed Trade Receivables – which have significant	-	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,479.57</b>	<b>-</b>	<b>8,479.57</b>

**Trade Receivables Ageing Schedule as at March 31, 2022**

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 6 months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables –considered good	-	-	-	8,474.80	-	-	8,474.80
Undisputed Trade Receivables – which have significant	-	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,474.80</b>	<b>-</b>	<b>-</b>	<b>8,474.80</b>

**Note: 7 Cash And Cash Equivalents**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balances with Bank In Current Account	181.55	30.40
Cash on Hand	38.01	67.60
<b>Total</b>	<b>219.56</b>	<b>98.00</b>

7.1 For the purpose of statement of Cash Flows, cash and cash equivalents comprises of the following-

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balances with Bank In Current Account	181.55	30.40
Cash on Hand	38.01	67.60
<b>Total</b>	<b>219.56</b>	<b>98.00</b>





**Note: 8 Bank Balances Other Than Cash And Cash Equivalents**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Fixed Deposits with Bank Pledged as Margin Money	54.95	52.15
<b>Total</b>	<b>54.95</b>	<b>52.15</b>

**Note: 9 Short-Term Loans and Advances**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Inter Corporate Deposits given	3,000.00	-
<b>Total</b>	<b>3,000.00</b>	<b>-</b>

**Note: 10 Other Current Assets**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Advances to Suppliers	234.14	1,177.57
Balances with Government Authorities	17,110.67	15,479.43
Prepaid Expenses	5.66	-
Interest Receivable	119.84	-
Other Advances	-	-
Miscellaneous Expenses (Capitalised)	-	34,056.15
<b>Total</b>	<b>17,470.30</b>	<b>50,713.15</b>



Note: 11 Equity Share Capital

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised</b> 28,00,000 (March 31, 2022: 10,000) Equity Shares of Rs. 10/- each	28,000.00	10,000.00
<b>Issued, Subscribed and Paid up</b> 26,20,000 (March 31, 2022: 10,000) Equity Shares of Rs. 10/- each	26,200.00	1,000.00
<b>Total</b>	<b>26,200.00</b>	<b>1,000.00</b>

11.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	1,00,000	1,000.00	1,00,000	1,000.00
Add: Issue of Equity Shares	25,20,000	25,200.00	-	-
<b>Shares outstanding at the end of the Year</b>	<b>26,20,000</b>	<b>26,200.00</b>	<b>1,00,000</b>	<b>1,000.00</b>

11.2 Details of Shareholder, holding more than 5% shares of the Company:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. Of shares	% Holding	No. Of shares	% Holding
Harshad Rane	9,95,500	38%	39,000	39%
Hemali Amish Patel	1,04,500	3.99%	-	-
Paras Defence & Space Technologies Limited (The Holding Company)	15,20,000	58%	-	-
Ajaykumar Kadoo	-	0%	26,000	26%
Jash Jain	-	0%	9,000	9%
Milind Tulaskar	-	0%	8,000	8%
Vishal Shah	-	0%	18,000	18%

11.3 Disclosure of Shareholding of Promoters

Particulars	As at March 31, 2023		As at March 31, 2022		% Change From 1st April, 2022 to 31st March, 2023
	No. of shares	% of Holding	No. of shares	% of Holding	
Milind Tulaskar	-	0.00%	8,000	5.00%	5.00%
Hemali Amish Patel	1,04,500	3.99%	39,000	8.00%	4.01%
Harshad Rane	9,95,500	38.00%	-	0.00%	38.00%

11.4 The Company has only one class of equity shares having a face value of Rs. 10/- per share. In the event of liquidation of the Company, the equity shareholder will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts.

Note: 12 Other Equity

Particulars	As at	As at	As at	As at
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
<b>Retained Earnings</b>				
Balance as per last Balance Sheet			(23,111.66)	
Add : (Loss)/Profit for the Period/Year	(42,961.14)	(87,732.76)	(19,849.48)	(42,961.14)
<b>Total</b>	(44,771.62)	(87,732.76)	(19,849.48)	(42,961.14)
<b>Securities Premium</b>				
Opening balance			-	
Add: During the year	54,720.00	54,720.00	-	
Closing balance			-	
<b>Total</b>		(33,012.76)	-	(42,961.14)

12.1 Nature And Purpose Of Reserves

**Retained Earnings**

Retained Earnings represent the accumulated Profits / (losses) made by the company over the years.

Note: 14 Current Financial Liabilities - Borrowings

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Unsecured:</b>		
Intercorporate Deposits from Related Party	12,000.00	-
Loan From Shareholders	55,908.42	1,27,249.45
Unsecured Loan	5,089.82	5,089.82
<b>Total</b>	<b>72,998.24</b>	<b>1,32,339.26</b>





**Ayatti Innovative Private Limited**

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

(All amounts in Rupees thousands, unless otherwise stated)

**Note 13: Income Tax**

13.1 The major components of Tax Expense For the Year Ended March 31, 2023 &amp; March 31, 2022 are as follows:

(Amount in Thousand)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Recognised in the Statement of Profit and Loss</b>		
Current Tax	-	-
Deferred Tax:- Relating to Property Plant and Equipment	222.10	-
<b>Total Tax (Income)</b>	<b>222.10</b>	<b>-</b>

13.2 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate For the Year Ended 31st March, 2023 and 31st March, 2022:

(Amount in Thousand)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Accounting Profit Before Tax	(44,549.52)	(19,849.48)
Applicable tax rate (in %)	25.17%	25.17%
Computed Tax Expenses	-	-
<b>Tax effect on account of:</b>		
Property, Plant and Equipment	-	-
Brought Forward Loss Adjusted	-	-
Expenses not allowed under Income Tax	-	-
<b>Total Tax Expenses</b>	<b>-</b>	<b>-</b>

13.3 Deferred Tax Assets relates to the following:

(Amount in Thousand)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2023	As at March 31, 2022	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Property Plant and Equipment	(169.33)	52.77	(222.10)	52.77
Deferred Tax Assets/(Liabilities)	(169.33)	52.77	(222.10)	52.77



Note: 15 Trade Payables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Micro, Small and Medium Enterprises Other Than Micro Enterprises And Small Enterprises	158.22 4,049.25	- 9,222.02
<b>Total</b>	<b>4,207.47</b>	<b>9,222.02</b>

15.1. Disclosures of the Micro, Small And Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information as available with the Company and

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	158.22	-
(ii) Interest due there on remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of Interest paid, along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of Interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of Further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Trade Payables Ageing Schedules as at March 31, 2023

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	86.47	71.76	-	-	-	158.22	
Others	47.25	58.93	196.50	3,526.97	219.59	4,049.25	
Disputed dues - MSME	-	-	-	-	-	-	
Disputed dues - Others	-	-	-	-	-	-	
<b>Total Trade Payables</b>	<b>133.72</b>	<b>130.69</b>	<b>196.50</b>	<b>3,526.97</b>	<b>219.59</b>	<b>4,207.47</b>	

Trade Payables Ageing Schedules as at March 31, 2022

Particulars	Not due	Outstanding for the following period from due date of payment					Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	-	-	-	-	-	-	
Others	-	9,203.90	10.62	7.50	-	9,222.02	
Disputed dues - MSME	-	-	-	-	-	-	
Disputed dues - Others	-	-	-	-	-	-	
<b>Total Trade Payables</b>	<b>-</b>	<b>9,203.90</b>	<b>10.62</b>	<b>7.50</b>	<b>-</b>	<b>9,222.02</b>	

Note: 16 Other Current Financial Liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Creditors for Capital Goods	839.71	382.95
Interest Accrued but not due	287.25	-
Other payables*	607.54	1,176.83
<b>Total</b>	<b>1,734.50</b>	<b>1,559.78</b>

\*Other Payables mainly includes outstanding liability for expenses and payable to employees.

Note: 17 Other Current Liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Statutory Liabilities	1,271.03	2,098.82
<b>Total</b>	<b>1,271.03</b>	<b>2,098.82</b>





**Ayatti Innovative Private Limited**

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

(All amounts in Rupees thousands, unless otherwise stated)

**NOTE 18 : OTHER INCOME**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Income from Financial assets measured at amortised cost- On fixed Deposits with Banks	-	-	3.97
Others	122.65	135.41	
<b>Total</b>	<b>122.65</b>	<b>135.41</b>	<b>3.97</b>

**NOTE 19 : CHANGES IN INVENTORIES OF WORK-IN-PROGRESS**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Closing Inventories:</b> Work In Progress		-	78.43
<b>Opening Inventories:</b> Work In Progress	-	78.43	78.43
	-	78.43	78.43
<b>(Increase) / Decrease in Inventories</b>	<b>-</b>	<b>78.43</b>	<b>-</b>

**NOTE 20 : EMPLOYEE BENEFIT EXPENSES**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, Wages & Allowances	473.32	563.27	1,862.83
Contribution to Provident and Other Funds		-	192.54
Welfare and Other Amenities	0.30	0.30	29.93
<b>Total</b>	<b>473.62</b>	<b>563.57</b>	<b>2,085.31</b>

**NOTE 21 : FINANCE COSTS**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest Expenses on Financial Liabilities measured at amortised cost	324.86	379.68	1,452.45
Interest on Lease Liability		-	-
Other Borrowing Cost		-	-
<b>Total</b>	<b>324.86</b>	<b>379.68</b>	<b>1,452.45</b>

**NOTE 22 : DEPRECIATION**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	1,846.42	3,789.29	8,943.85
<b>Total</b>	<b>1,846.42</b>	<b>3,789.29</b>	<b>8,943.85</b>



**NOTE 23 : OTHER EXPENSES**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>MANUFACTURING EXPENSES</b>			
Consumables, Stores and Spares Consumed	441.69	441.69	-
Other Manufacturing Expenses	151.97	458.97	-
	<b>593.66</b>	<b>900.66</b>	<b>-</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Travelling and Conveyance	228.39	231.94	-
Rent	960.00	1,600.00	5,863.00
Rates and Taxes	80.27	492.40	5.26
Legal and Professional Charges	436.35	638.69	453.04
Payment to Auditor (refer Note No. 23.1)	140.00	140.00	50.00
Printing and Stationery	2.30	2.30	-
Miscellaneous Expenses	400.95	584.19	912.57
	<b>2,248.25</b>	<b>3,689.52</b>	<b>7,283.87</b>
<b>OTHER EXPENSES</b>			
Loss on sale of fixed assets (net)	-	1,227.59	-
Bank Charges	-	0.05	4.16
Other Expenses	-	34,056.15	-
	<b>-</b>	<b>35,283.79</b>	<b>4.16</b>
<b>Total</b>	<b>2,841.91</b>	<b>39,873.96</b>	<b>7,288.03</b>

**Note 23.1: Break-up of Payment to Auditor :**

Particulars	For the Period from October 06, 2022 to March 31, 2023	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Payments to the auditor as:</b>			
For Statutory Audit	140.00	140.00	50.00
<b>Total</b>	<b>140.00</b>	<b>140.00</b>	<b>50.00</b>

**NOTE 24 : EARNINGS PER SHARE**

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
<b>Basic Earnings Per Share</b>		
Loss for the Year	(44,771.62)	(19,849.48)
Weighted average number of Equity Shares (Nos.)	15,43,586.37	1,00,000.00
Basic Earnings Per Share of Rs.10/- each	(29.00)	(198.49)
<b>Diluted Earnings Per Share</b>		
Amount available for calculation of Diluted EPS	(44,771.62)	(19,849.48)
Weighted average number of Equity Shares (Nos.)	15,43,586.37	1,00,000.00
Add : Potential number of Equity Shares (Nos.)		
No. of shares used for calculation of Diluted EPS (Nos.)	15,43,586.37	1,00,000.00
Diluted Earnings Per Share of Rs.10/- each	(29.00)	(198.49)





**NOTE 25 : CONTINGENT LIABILITIES**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b> (to the extend not provided for) Claims against the Company not acknowledged as debts		
<b>i. Capital Commitments :</b> Estimated amount of contracts to be executed on capital account not provided for	220.18	-

**NOTE 26 : RELATED PARTY DISCLOSURE**

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are as detail below:

**List of Related Parties :**  
 (As certified by the Management)

**I. Holding Company**  
 Paras Defence & Space Technologies Limited

**II. Key Management Personnel & their Relative**  
 Harshad Rane  
 Hemali Amish Patel

**A. Transactions with Related Parties**

Nature of Transactions	Name of the Related Parties	2022-2023	2021-2022
<b>Transactions with Holding Company:</b>			
Equity shares issued	Paras Defence and Space Technologies Ltd.	15,200.00	-
Security Premium		54,720.00	-
Loans Taken		12,000.00	-
Lease Rent Expenses		1,600.00	-
Interest Expense		318.84	-
<b>Transactions with other Related Parties:</b>			
Equity shares issued	Hemali Amish Patel	1,045.00	-
Loans Taken from director	Harshad Rane	6,795.00	13,868.89
Loans Repaid to Director		15,643.00	2,050.00
Equity shares issued		9,605.00	350.00

Name of the Related Parties:	As at March 31, 2023	As at March 31, 2022
<b>Balances with Holding Company:</b>		
<b>Current-Borrowings - Loan</b>		
Paras Defence and Space Technologies Ltd.	12,000	-
<b>Interest Payable</b>		
Paras Defence and Space Technologies Ltd.	287	-
<b>Balance with other Related Parties:</b>		
<b>Current-Borrowings - Loan from director:</b>		
Harshad Rane	7,166	16,014



**NOTE 27: FINANCIAL INSTRUMENTS****27.1 Financial Instruments by category:**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

**a) Financial Assets / Liabilities designated at Amortised Cost:-**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Trade Receivable	8,479.57	8,479.57	8,474.80	8,474.80
Cash & Cash equivalents	219.56	219.56	98.00	98.00
Bank Balance other than Cash and Cash Equivalents	54.95	54.95	52.15	52.15
Short-term loans and advances	3,000.00	3,000.00	-	-
Other Financial Assets	17,470.30	17,470.30	51,102.86	51,102.86
<b>Total</b>	<b>29,224.38</b>	<b>29,224.38</b>	<b>59,728.81</b>	<b>59,728.81</b>
<b>Financial Liabilities</b>				
Short Term Borrowings	72,998.24	72,998.24	1,32,339.26	1,32,339.26
Trade Payables	4,207.47	4,207.47	9,222.02	9,222.02
Other Financial Liabilities	1,734.50	1,734.50	1,559.78	1,559.78
<b>Total</b>	<b>78,940.21</b>	<b>78,940.21</b>	<b>1,43,121.06</b>	<b>1,43,121.06</b>

**27.2 Fair Valuation techniques used to determine Fair Value**

The Company maintains procedures to value its financial assets or financial liabilities using the best and most relevant data available. The Fair Values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the Fair Values:

- Fair Value of Cash and Cash Equivalents, Other Bank Balances, Trade Receivable, Trade Payables, Current Loans, Current Borrowings, and other Current Financial Assets and Liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of Non-Current Borrowings and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.
- The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**NOTE 28: FINANCIAL RISK MANAGEMENT**

The company is exposed to credit risk and liquidity risk.

**(a) Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**i. Trade Receivables:-**

The Company measures the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends.

The following table summarizes the Gross carrying amount of the trade receivables and provision made.

(Amount in Thousand)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	8,479.57	-	8,474.80	-

**ii. Financial Instruments and Cash Deposits:-**

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

**(b) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of short term borrowing, trade payable and other financial liabilities. Short term borrowings is from director, hence it is not exposed to significant liquidity risk.





**Liquidity Risk Management**

As Company does not have any long term borrowings hence it is not exposed to significant liquidity risk.

The table below illustrates the aged analysis of the company's Short Term Borrowings and financial liabilities.

**March 31, 2023**

Particulars	On demand	Up to 1 year	More than 1 year	Total
<b>Liabilities</b>				
Short Term Borrowings	72,998.24			72,998.24
Trade Payables	4,207.47			4,207.47
Other Financial Liabilities	1,271.03			1,271.03
<b>Total</b>	<b>78,476.74</b>	-	-	<b>78,476.74</b>

**March 31, 2022**

Particulars	On demand	Up to 1 year	More than 1 year	Total
<b>Liabilities</b>				
Short Term Borrowings	1,32,339.26	-	-	1,32,339.26
Trade Payables	1,03,335.61	-	-	1,03,335.61
Other Financial Liabilities	2,098.82	-	-	2,098.82
<b>Total</b>	<b>2,37,773.70</b>	-	-	<b>2,37,773.70</b>

**NOTE 29 : CAPITAL RISK MANAGEMENT**

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the business. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by Total capital. The company includes within net debt, borrowings less cash and cash equivalents. The capital structure of the company consist of equity share capital, other equity and net debt.

**Gearing Ratio**

The gearing ratio at the period end was as follows :

Particulars	(Amount in Thousand)	
	As at March 31, 2023	As at March 31, 2022
Total Debt	72,998.24	1,32,339.26
Less: Cash and cash equivalent	219.56	98.00
Less: Other Bank Balances	54.95	52.15
<b>Net Debt</b>	<b>72,723.73</b>	<b>1,32,189.12</b>
Total Equity	(6,812.76)	(41,961.14)
<b>Total Capital (Equity + Net Debts)</b>	<b>65,910.97</b>	<b>90,227.98</b>
<b>Gearing Ratio</b>	<b>110%</b>	<b>147%</b>

**NOTE : 30 SEGMENT REPORTING**

The Company is predominantly in the business of providing artificial intelligence solutions to non defence niche market with radical technologies and as such there are no separate reportable segments. The Company's operations are currently in India.

**NOTE 32: OTHER STATUTORY INFORMATION**

32.1 There are no balances outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

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

32.3 The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.

32.4 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

32.5 The Company is not declared wilful defaulter by any bank or financial institution or other lender.

32.6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

32.7 The Company has not received any fund from any person(s) or entity(s), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**NOTE : 33**

Previous year's figures have been regrouped / rearranged wherever necessary, to make them comparable with those of current year.

As per our Report of even date

For CBJ & Associates  
Chartered Accountants

CA Vipul Jadhav  
(Partner)

Membership No. 129745

Firm Reg. No. 127647W

Place: Navi Mumbai

Date: May 12, 2023



For and on behalf of Board of Directors

Harshad Vijaysing Rane

Director

DIN: 01080863

Hemali Amish Patel

Director

DIN: 01087400

