



Independent Auditor's Report

To the Members of **AYATTI INNOVATIVE PRIVATE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of AYATTI INNOVATIVE PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024 and its loss for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order, 2020 ("the order"), Issued by the central Government of India in terms of sub-section (11) of section 143 of the companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, 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 and the Statement of Profit and Loss 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 and rules thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 borrowing 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 over vide MCA Notification No. GSR 583(E) dated 13.06.2017 issued by MCA.
 - g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a 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 derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's 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

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. No dividend has been declared or paid during the year by the company.
 - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
 - vii. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Place:-Mumbai
Date: 23/05/2024
UDIN:24155157BKAOCJ5020

For LA AND ASSOCIATES
Chartered Accountants
FRN: 137317W



CA LATESH SURESH GOGRI
(PARTNER)
Membership No. 155157

**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 TDS & TCS as applicable, with the appropriate authorities. There are statutory dues that are outstanding as of March 31, 2024, for a period of more than six months as follows:

Statutory Dues	More than 6 months Rs.
TCS	9,081.20
TDS	1,141,779.30

- (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. a) 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).
- b) 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.
- 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. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company; hence Clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. (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.
- xvii. The company has incurred substantial cash losses in current financial year as well in immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the reasons stated by the outgoing auditors.

- xix. 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, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the auditor report that Company is not capable of meeting its liabilities existing as on the date of Balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. 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.

Place: Mumbai
Date: May 23, 2024
UDIN:24155157BKAOCJ5020

For LA AND ASSOCIATES
Chartered Accountants

FRN: 137317W



CA LATESH SURESH GOGRI
(PARTNER)

Membership No. 155157

AYATTI INNOVATIVE PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2024

(Amount in Lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
I Assets			
Non Current Assets			
a. Property, Plant and Equipment	2	461.04	354.62
b. Capital Work in Progress	2	-	71.23
c. Financial Assets			
i. Other Financial Assets	3	4.10	-
d. Non Current Tax Assets (Net)		0.20	-
e. Other Non Current Assets	4	0.12	12.58
		465.46	438.43
Current Assets			
a. Inventories	5	6.91	-
b. Financial Assets			
i. Trade Receivables	6	-	84.80
ii. Cash and Cash Equivalents	7	2.15	2.20
iii. Bank Balances other than (ii) above	8	0.58	0.55
iv. Loans	9	-	30.00
v. Other Financial Assets	10	-	6.20
c. Other Current Assets	11	178.39	173.51
		188.03	297.26
Total Assets		653.49	735.69
II Equity And Liabilities			
Equity			
a. Equity Share Capital	12	262.00	262.00
b. Other Equity	13	(517.37)	(330.11)
		(255.37)	(68.11)
Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	14	93.00	-
ia. Lease Liabilities	14A	39.39	-
b. Deferred Tax Liabilities (Net)	15	-	1.69
		132.39	1.69
Liabilities			
Current Liabilities			
a. Financial Liabilities			
i. Borrowings	16	668.60	729.98
ia. Lease Liabilities	16A	24.90	-
ii. Trade Payables	17		
Total Outstanding dues of Micro enterprises and small enterprises		1.69	1.58
Total Outstanding dues of creditors other than Micro enterprises and small enterprises		42.42	40.49
iii. Other Financial Liabilities	18	25.41	17.35
b. Other Current Liabilities	19	13.45	12.71
		776.47	802.11
Total Equity and Liabilities		653.49	735.69
Material Accounting Policies and Notes to the Financial Statements	1 to 35		

As per our Report of even date

For LA and Associates
Chartered Accountants
(Firm Registration No. 137317W)

CA Latesh Gogri
Partner
Membership No. 155157
UDIN: 24155157BKAOCJ5020

Date: 23-05-2024



For and on behalf of Board of Directors

Harshad Vijaysing Rane
Director
DIN - 08199620

Hemali Amish Patel
Director
DIN - 09675608



AYATTI INNOVATIVE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
1	Revenue From Operations		0.00	0.00
2	Other Income	20	2.22	1.36
3	Total Income		2.22	1.36
4	Expenses			
	Cost of Materials Consumed		2.49	-
	Changes in Inventories of Work in Progress	21	(6.91)	0.78
	Employee Benefits Expense	22	7.45	5.63
	Finance Costs	23	20.54	3.80
	Depreciation	24	52.97	37.89
	Other Expenses	25	114.63	398.74
	Total Expenses		191.17	446.84
5	(Loss) Before Exceptional Items and Tax (3-4)		(188.95)	(445.48)
6	Exceptional Items		-	-
7	(Loss) Before Tax (5-6)		(188.95)	(445.48)
8	Tax Expenses :			
	Current Tax		-	-
	Deferred Tax	15	(1.69)	2.22
			(1.69)	2.22
9	(Loss) for the Year (7-8)		(187.26)	(447.70)
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)		(187.26)	(447.70)
11	Earnings per Equity Share of Rs. 10/- each	26		
	Basic (Rs.)		(7.15)	(29.00)
	Diluted (Rs.)		(7.15)	(29.00)
	Material Accounting Policies and Notes to the Financial Statements	1 to 35		

As per our Report of even date

For LA and Associates
Chartered Accountants
(Firm Registration No. 137317W)

CA Latesh Gogri
Partner
Membership No. 155157
UDIN: 24155157BKAOCJ5020

Date: 23-05-2024

For and on behalf of 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 YEAR ENDED 31ST MARCH, 2024

A. Equity Share Capital

Particulars	Balance as at 1st April, 2022	Changes during the Year	Balance as at 31st March, 2023	Changes during the Year	Balance as at 31st March, 2024
Equity Share Capital	10.00	252.00	262.00	-	262.00

B. Other Equity

Particulars	(Amount in Lakhs)		
	Reserves and Surplus Retained Earnings	Securities Premium	Total
Balance as at 1st April, 2022	(429.61)	-	(429.61)
Issue of Equity Shares	-	547.20	547.20
Total Comprehensive Income for the Year	(447.70)	-	(447.70)
Balance as at 31st March, 2023	(877.31)	547.20	(330.11)
Balance as at 1st April, 2023	(877.31)	547.20	(330.11)
Total Comprehensive Income for the Year	(187.26)	-	(187.26)
Balance as at 31st March, 2024	(1,064.57)	547.20	(517.37)

As per our Report of even date

For LA and Associates
Chartered Accountants
(Firm Registration No. 137317W)

CA Latesh Gogri
Partner
Membership No. 155157
UDIN: 24155157BKAOCJ5020

Date: 23-05-2024

For and on behalf of Board of Directors

Harshad Vijaysing Rane
Director
DIN - 08199620

Hemali Amish Patel
Director
DIN - 09675608



AYATTI INNOVATIVE PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in Lakhs)

Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax as per the Statement of Profit and Loss	(188.95)	(445.48)
ADJUSTMENT FOR:		
Depreciation	52.97	37.89
Loss on sale of Property, Plant and Equipment (Net)	-	12.28
Finance Costs	20.54	3.80
Provision for Expected Credit Loss	84.80	-
Interest Income	(2.22)	(1.36)
Bad Debts / Advances written off (Net)	-	3.52
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES	(32.86)	(389.35)
ADJUSTMENT FOR:		
Trade and Other Receivables	(4.88)	298.96
Trade and Other Payables	16.98	(64.12)
Inventories	(6.91)	0.78
CASH USED IN OPERATIONS	(27.67)	(153.73)
Income tax paid (Including interest)	(0.20)	1.41
NET CASH USED IN OPERATING ACTIVITIES	(27.87)	(152.32)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Intangible assets	(0.17)	(63.10)
Sale of Property, Plant and Equipment, Intangible assets	-	11.66
Loan repaid	30.00	-
Interest Income	3.20	0.16
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	33.03	(51.28)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Fresh Equity Shares	-	799.20
Borrowings (Net)	31.62	(593.42)
Payment of Lease Liabilities	(17.50)	-
Finance Costs	(19.30)	(0.92)
Margin Money	(0.03)	(0.03)
NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(5.21)	204.83
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(0.05)	1.23
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2.20	0.97
CASH AND CASH EQUIVALENTS AT END OF YEAR (Refer Note No. 7.1)	2.15	2.20

Notes :

i Bracket indicates cash outflow.

ii Changes in liabilities arising from Financing Activities on account of Current Borrowings & Non-current Borrowings.

Particulars	31st March, 2024	31st March, 2023
Opening balance of liabilities arising from Financing Activities	729.98	1,323.39
Add : Changes from Cash Flow from Financing Activities (Net)	31.62	(593.42)
Closing balance of liabilities arising from financing activities	761.60	729.98

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

iv The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows".

As per our Report of even date

For LA and Associates
Chartered Accountants
(Firm Registration No. 137317W)

CA. Latesh Gogri
Partner
Membership No. 155157
UDIN: 24155157BKAOCJ5020

Date: 23-05-2024



For and on behalf of Board of Directors

Harshad Vijaysing Rane

Harshad Vijaysing Rane
Director
DIN - 08199620

Hemali Amish Patel

Hemali Amish Patel
Director
DIN - 09675608



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2024

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, 2024 were approved and adopted by Board of Directors in their meeting held on 23-05-2024

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.

The Financial Statements have been prepared and presented on going concern basis and historical cost basis, except for the following assets and liabilities, which have been measured as indicated below:

- Certain Financial assets and liabilities at fair value (refer accounting policy regarding financial instruments).

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

1.3 Material Accounting policies

(A) Property, Plant and Equipment :

Property, plant and equipment are carried at its cost, net of 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 not ready for the intended use on the date of Balance Sheet are disclosed as "Capital Work-in-Progress" and expenses incurred relating to it, net of income earned during the development stage, are disclosed as pre-operative expenses under "Capital Work-in-Progress".

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 Property, Plant and Equipment is provided on straight line method for the year for which the assets have been used as under:

- Depreciation on assets is provided over the useful life of assets as prescribed under Schedule II of Companies Act, 2013

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 of 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. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a year does not exceed the amount of borrowing cost incurred during that year. All other borrowing costs are expensed in the year in which they occur.



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2024

(C) **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.

(D) **Inventories:**

Inventories are measured at lower of cost and net realisable value (NRV) 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. The 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. The 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.

(E) **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. Purchase and sale of financial assets are recognized using trade date accounting. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 31ST March, 2024

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 of 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.

(F) 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 31ST March, 2024

(G) 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.

(H) 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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 31ST March, 2024

(I) 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 31ST March, 2024

(J) 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 Statements. 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.

(K) 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.

(L) 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.

(M) 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:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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:

- a) Expected to be settled in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Due to be settled within twelve months after the reporting period, or
- d) 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.

(N) 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 31ST March, 2024

(O) Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered. Contribution to Provident Fund is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(P) Research and Development:

Revenue expenditure on Research and Development is charged in the year in which it is incurred. Capital Expenditure for Research and Development is capitalised when commissioned and included in the Plant, Property and Equipment and depreciated in accordance with the policies stated for Property, Plant and Equipment.

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:

Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the Financial Statements. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

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) Impairment of Non-Financial Assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST March, 2024

Note 2 : Property, Plant And Equipment

(Amount in Lakhs)

Particulars	Office Equipment	Plant and Equipment	Furniture & Fixtures	ROU Asset (Land & Building)	Total
Balance as at 1st April, 2022	8.02	570.91	15.16	-	594.09
Additions for the year	-	-	-	-	-
Disposals/Adjustment for the Year	5.85	21.42	7.35	-	34.62
Balance as at 31st March, 2023	2.17	549.49	7.81	-	559.47
Additions for the Year	-	80.46	-	78.93	159.39
Disposals/Adjustment for the Year	-	-	-	-	-
Balance as at 31st March, 2024	2.17	629.95	7.81	78.93	718.86
Depreciation					
Balance as at 1st April, 2022	4.02	170.33	3.29	-	177.64
Depreciation for the year	0.58	36.58	0.73	-	37.89
Disposals / Adjustment	2.53	6.42	1.73	-	10.68
Balance as at 31st March, 2023	2.07	200.49	2.29	-	204.85
Depreciation for the Year	-	36.87	0.73	15.37	52.97
Disposals / Adjustment	-	-	-	-	-
Balance as at 31st March, 2024	2.07	237.36	3.02	15.37	257.82
Net Carrying Value					
Balance as at 31st March, 2023	0.10	349.00	5.52	-	354.62
Balance as at 31st March, 2024	0.10	392.59	4.79	63.56	461.04

2.1 Capital Work in Progress includes

Particulars	31st March, 2024	31st March, 2023
Plant and Machinery :		
Upto Previous Year	71.23	-
Addition During The Year	14.79	71.23
Charged To statement of Profit and Loss	5.56	-
Capitalised During the Year	80.46	-
TOTAL	-	71.23

2.2 Capital Work In Progress ageing schedule as at 31st March, 2024 is as follows:

Particulars	Less than 1 Year	1-2 Years	2-3 Years		More than 3 Years	Total
Plant and Machinery	-	-	-		-	-
TOTAL	-	-	-		-	-

Capital Work in Progress ageing schedule as at 31st March, 2023 is as follows:

Particulars	Less than 1 Year	1-2 Years	2-3 Years		More than 3 Years	Total
Plant and Machinery	71.23	-	-		-	71.23
TOTAL	71.23	-	-		-	71.23

2.3 In accordance with the Indian Accounting standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management, there was no impairment loss on Property, Plant and Equipment during the year ended March 31, 2024.



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note: 15 Income Tax

15.1 Current Tax

Particulars	(Amount in Lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax	-	-
Deferred Tax	(1.69)	2.22
Total	(1.69)	2.22

15.2 The major components of Tax Expense for the year ended 31st March, 2024 and 31st March, 2023 are as follows:

Particulars	(Amount in Lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Recognised in the Statement of Profit and Loss		
Current Tax	-	-
Deferred Tax:-Relating to origination and reversal of temporary differences	(1.69)	2.22
Total Tax Expenses	(1.69)	2.22

15.3 Deferred Tax Liabilities:

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31st March, 2024	As at 31st March, 2023	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Property Plant and Equipment	(22.60)	(1.69)	(20.91)	(2.22)
Disallowed as per Income tax	21.63	-	21.63	-
Lease Liabilities	16.18	-	16.18	-
Unabsorbed Depreciation	30.42	-	30.42	-
Deferred Tax Assets	45.63	(1.69)	47.32	(2.22)

15.4 As at March 31, 2024, the Company has Net Deferred Tax Assets of Rs. 45.63 Lakhs . In the absence of virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, the same has not been recognized in the books of account in line with Indian Accounting Standard 12 dealing with "Income Taxes".

15.5 Reconciliation of Deferred Tax Liabilities (Net):

Particulars	(Amount in Lakhs)	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Balance at the beginning of the year	(1.69)	0.53
Deferred Tax Income recognised in the Statement of Profit and Loss	1.69	(2.22)
Closing Balance at the end of the year	-	(1.69)



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 3 Other Non Current Financial Assets (Amount in Lakhs)		
Particulars	As At 31st March, 2024	As at 31st March, 2023
(Unsecured, Considered Good)		
Security Deposits	4.10	-
Total	4.10	-

Note: 4 Other Non Current Assets (Amount in Lakhs)		
Particulars	As At 31st March, 2024	As at 31st March, 2023
Capital Advances	0.12	12.58
Total	0.12	12.58

Note: 5 Inventories (Amount in Lakhs)		
Particulars	As At 31st March, 2024	As at 31st March, 2023
Work-in-Progress	6.91	-
Total	6.91	-

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

Note: 6 Trade Receivables (Amount in Lakhs)		
Particulars	As At 31st March, 2024	As at 31st March, 2023
(Unsecured)		
Considered Good	-	84.80
Significant Increase in Credit Risk	-	-
Credit Impaired	84.80	-
	84.80	84.80
Less: Provision for Credit Impaired	84.80	-
Total	-	84.80

Trade Receivables Ageing Schedule as at 31st March, 2024 (Amount in Lakhs)							
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	-	-	-	-	-	-	-
Undisputed Trade Receivables –Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables –Credit impaired	-	-	-	-	-	84.80	84.80
Disputed Trade Receivables– Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
Total Receivable	-	-	-	-	-	84.80	84.80
Less: Provision for Credit Impaired	-	-	-	-	-	84.80	84.80
Total	-	-	-	-	-	-	-

Trade Receivables Ageing Schedule as at 31st March, 2023 (Amount in Lakhs)							
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	-	-	-	-	84.80	-	84.80
Undisputed Trade Receivables –Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables –Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables– Considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
Total Receivable	-	-	-	-	84.80	-	84.80

Note: 7 Cash And Cash Equivalents (Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Bank In Current Accounts	1.78	1.82
Cash on Hand	0.37	0.38
Total	2.15	2.20

7.1- For the purpose of statement of Cash Flows, cash and cash equivalents comprises of the following (Amount in Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with Bank In Current Accounts	1.78	1.82
Cash on Hand	0.37	0.38
Total	2.15	2.20



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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 8 Bank Balances Other Than Cash And Cash Equivalents			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Fixed Deposits with Bank Pledged as Margin Money	0.58	0.55	
Total	0.58	0.55	

Note: 9 Loans			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
(Unsecured, Considered Good) Intercompany Deposits given	-	30.00	
Total	-	30.00	

Note: 10 Others Current Financial Assets			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
(Unsecured, Considered Good) Interest Receivables Security Deposits Other Receivables	- - - -	1.20 5.00 -	
Total	-	6.20	

Note: 11 Other Current Assets			Total
Particulars	As at 31st March, 2024	As at (Amount in Lakhs) 31st March, 2023	
Advances to Suppliers Balances with Government Authorities Other Advances Prepaid Expenses	1.99 176.40 - -	2.34 171.11 - 0.06	
Total	178.39	173.51	

Note: 12 Equity Share Capital			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Authorised 28,00,000 (31st March, 2023 : 28,00,000) Equity Shares of Rs. 10/- each	280.00	280.00	
	280.00	280.00	
Issued, Subscribed and Paid up 26,20,000 (31st March, 2023 : 26,20,000) Equity Shares of Rs. 10/- each fully paid up	262.00	262.00	
Total	262.00	262.00	

Note: 12.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the Year

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	26,20,000	262.00	1,00,000	10.00
Add: Issue of equity shares	-	-	25,20,000	252.00
Shares outstanding at the end of the year	26,20,000	262.00	26,20,000	262.00

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

Name of Shareholder	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
Paras Defence & Space Technologies Limited (The Holding Company)*	15,20,000	58.02%	15,20,000	58.02%
Harshad Rane	9,95,500	38.00%	9,95,500	38.00%

12.3 Details of shares held by promoters in the Company.

Particulars	As at 31st March, 2024		As at 31st March, 2023		% Changes From 31st March, 2023 to 31st March, 2024
	No. of shares	% of Holding	No. of shares	% of Holding	
Harshad Rane	9,95,500	38.00%	9,95,500	38.00%	0.00%
Hemali Amish Patel	1,04,500	3.98%	1,04,500	3.98%	0.00%

12.4 The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Note: 13 Other Equity					(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2023	
Retained Earnings Balance as per last Balance Sheet Add: (Loss) after tax for the Year	(877.31) (187.26)	(1,064.57)	(429.61) (447.70)	(877.31)	
Total		(1,064.57)		(877.31)	
Securities Premium Opening Balance Add: Movement during the year Closing balance	547.20 -	547.20	- 547.20	547.20	
Total		(517.37)		(330.11)	



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

13.1. Nature And Purpose Of Reserves

Retained Earnings

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

Securities Premium

Securities Premium was created when shares were issued at premium. It shall be utilised in accordance with the provisions of the Companies Act, 2013.

Note: 14 Non Current Financial Liabilities - Borrowings			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Unsecured:			
Intercompany Deposits from Holding Company	93.00	-	
Total	93.00	-	

14.1 Loan from holding Company is repayable on or before 31st March, 2026 and carries interest rate of 12% p.a.

Note: 14A Lease Liabilities-Non Current			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Lease Liabilities	39.39	-	
Total	39.39	-	

14A.1: The following is the movement in lease liabilities during the Year:

			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Opening Balance	-	-	
Add: Addition during the Year	77.81	-	
Add: Finance cost accrued during the Year	3.98	-	
Less: Payment of lease liabilities	-17.50	-	
Closing Balance	64.29	-	

14A.2: The following is the contractual maturity profile of lease liabilities:

			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Less than one year	30.00	-	
One year to Five years	42.50	-	
More than five years	-	-	
Total	72.50	-	

Note: 16 Current Financial Liabilities - Borrowings

			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Unsecured:			
Intercompany Deposits from:			
Holding company (Refer Note 16.1)	56.50	120.00	
Other related parties (Refer Note 16.2)	73.78	559.08	
Others (Refer Note 16.2)	538.32	50.90	
Total	668.60	729.98	

16.1 Loan from holding Company is repayable on or before 31st March, 2025 and carries interest rate of 12% p.a.

16.2 Loan from other related parties and others are interest free and repayable on demand

Note: 16A Current Financial Liabilities - Lease Liabilities			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Lease Liabilities	24.90	-	
Total	24.90	-	

Note: 17 Trade Payables

			(Amount in Lakhs)
Particulars	As at 31st March, 2024	As at 31st March, 2023	
Micro, Small and Medium Enterprises	1.69	1.58	
Others	42.42	40.49	
Total	44.11	42.07	



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

17.1 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 the required disclosures are given below :

Particulars		As at 31st March, 2024	(Amount in Lakhs) As at 31st March, 2023
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.69	1.58
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.16	-
(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	0.16	-
(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 31st March, 2024

Particulars		Outstanding for the following period from due date of payment				(Amount in Lakhs) Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	0.72	0.50	0.47	-	-	1.69
Others	-	2.40	0.59	37.23	2.20	42.42
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total Payable	0.72	2.90	1.06	37.23	2.20	44.11

Trade Payables Ageing Schedules as at 31st March, 2023

Particulars		Outstanding for the following period from due date of payment				(Amount in Lakhs) Total
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	0.86	0.72	-	-	-	1.58
Others	0.47	0.59	1.96	35.27	2.20	40.49
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total Payable	1.33	1.31	1.96	35.27	2.20	42.07

Note: 18 Other Financial Liabilities

Particulars		As at 31st March, 2024	(Amount in Lakhs) As at 31st March, 2023
Creditors for Capital Goods		5.00	8.40
Interest Accrued and due		0.15	2.89
Other payables*		20.26	6.06
Total		25.41	17.35

* It includes Salary Payable, Audit fees and Rent payable.

Note: 19 Other Current Liabilities

Particulars		As at 31st March, 2024	(Amount in Lakhs) As at 31st March, 2023
Statutory Liabilities		13.45	12.71
Total		13.45	12.71



AYATTI INNOVATIVE PRIVATE LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024		
Note: 20 Other Income (Amount in Lakhs)		
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest Income from Financial assets measured at amortised cost-		
On fixed Deposits with Banks	0.03	0.03
On Inter Corporate Deposit Given	1.97	1.33
Others	0.22	-
Total	2.22	1.36
Note: 21 Changes In Inventories of Work-In-Progress (Amount in Lakhs)		
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Closing Inventories:		
Work In Progress	6.91	-
Opening Inventories:		
Work In Progress	-	0.78
	-	0.78
(Increase)/Decrease In Inventories	(6.91)	0.78
Note: 22 Employee Benefits Expenses (Amount in Lakhs)		
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Salaries, Wages & Allowances	7.44	5.63
Welfare and Other Amenities	0.01	-
Total	7.45	5.63
Note: 23 Finance Costs (Amount in Lakhs)		
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Interest Expenses	16.56	3.80
Interest and finance charges on lease liability	3.98	-
Total	20.54	3.80
Note: 24 Depreciation (Amount in Lakhs)		
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	37.60	37.89
Depreciation of Right of Assets (Refer Note No. 2)	15.37	-
Total	52.97	37.89



AYATTI INNOVATIVE PRIVATE LIMITED		
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024		
Note: 25 Other Expenses		(Amount in Lakhs)
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Manufacturing expenses		
Consumables, Stores and Spares Consumed	1.81	4.42
Repairs & Maintenance	0.04	1.52
Other Manufacturing Expenses	0.98	3.07
	2.83	9.01
Administrative Expenses		
Rent	8.00	16.00
Legal and Professional Fees	4.30	6.39
Payment to Auditors (Refer Note No. 25.1)	0.85	1.40
Rates and Tax	7.88	4.92
Travelling And Conveyance	0.16	2.32
Printing & Stationery	0.16	0.02
Miscellaneous Expenses	0.09	5.84
	21.44	36.89
Other Expenses		
Loss on sale of Property, Plant and Equipment (net)	-	12.28
Bank Charges	0.01	-
Provision for Credit Impaired	84.80	-
CWIP Written off	5.56	-
Other Expenses	-	340.56
	90.37	352.84
Total	114.64	398.74
25.1 Break-up of Payment to Auditors :		(Amount in Lakhs)
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
For Statutory Audit	0.50	1.40
For Limited Review	0.35	-
Total	0.85	1.40
Note: 26 Earnings Per Share		(Amount in Lakhs)
Particulars	For the Year ended 31st March, 2024	For the Year ended 31st March, 2023
Basic Earnings Per Share		
Loss for the Year	(187.26)	(447.70)
Weighted average number of Equity Shares (Nos.)	26,20,000	15,43,586
Basic Earnings Per Share of Rs.10/- each	(7.15)	(29.00)
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS	(187.26)	(447.70)
Weighted average number of Equity Shares (Nos.)	26,20,000	15,43,586
Add : Potential number of Equity Shares (Nos.)	-	-
No. of shares used for calculation of Diluted EPS (Nos.)	26,20,000	15,43,586
Diluted Earnings Per Share of Rs.10/- each	(7.15)	(29.00)



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note 27 : Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent Liabilities (to the extent not provided for) Claims against the Company not acknowledged as debts		
i. Capital Commitments :		
Estimated amount of contracts to be executed on capital account not provided for	3.64	2.20

Note: 28 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 year are as detailed below:

(a) List of Related Parties :

I. Holding Company

Paras Defence & Space Technologies Limited

II. Key Management Personnel

Harshad Rane

Hemali Amish Patel

(b) Related Party Transactions

Nature of Transactions		Name of the Related Parties	2023-2024	2022-2023
(Amount in Lakhs)				
Transactions with Holding Company:				
Equity shares issued		Paras Defence and Space Technologies Ltd.	-	152.00
Security Premium			-	547.20
Loans Taken			119.50	120.00
Loan Repaid			90.00	-
Lease Rent Expenses			25.50	16.00
Interest Expense			2.09	3.19
Transactions with other Related Parties:				
Equity shares issued		Hemali Amish Patel	0.00	10.45
Loans Taken from director		Harshad Rane	0.00	67.95
Loans Repaid to Director			2.12	156.43
Equity shares issued			0.00	96.05

Name of the Related Parties:	As at March 31, 2024	As at March 31, 2023
Balances with Holding Company:		
Non Current-Borrowings - Loan		
Paras Defence and Space Technologies Ltd.	93.00	
Current-Borrowings - Loan		
Paras Defence and Space Technologies Ltd.	56.50	120.00
Interest Payable		
Paras Defence and Space Technologies Ltd.		2.87
Rent Payable		
Paras Defence and Space Technologies Ltd.	15.54	
Balance with other Related Parties:		
Current-Borrowings - Loan from director:		
Harshad Rane	73.78	71.66

Note: 29 Financial Instruments

29.1 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 31st March, 2024		As at 31st March, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Trade Receivables	-	-	84.80	84.80
Cash & Cash equivalents	2.15	2.15	2.20	2.20
Bank Balance other than Cash and Cash Equivalents	0.58	0.58	0.55	0.55
Short-term loans and advances	-	-	30.00	30.00
Others Financial Assets	4.10	4.10	6.20	6.20
Total	6.83	6.83	123.75	123.75
Financial Liabilities				
Short Term Borrowings	668.60	668.60	729.98	729.98
Trade Payables	44.11	44.11	42.07	42.07
Other Financial Liabilities	25.41	25.41	17.35	17.35
Total	738.12	738.12	789.40	789.40



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

29.2 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:

- i) 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.
- ii) The fair values of Non-Current Borrowings and Margin money are approximate at their carrying amount due to interest bearing features of these instruments.
- iii) 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: 30 Financial Risk Management

The company is exposed to market risk, credit risk and liquidity risk.

(b) 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 Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Gross Carrying Amount	Loss Allowance	Gross Carrying Amount	Loss Allowance
Trade Receivables	-	84.80	84.80	-

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.

(c) 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.

31st March, 2024				
Particulars	On demand	Up to 1 year	More than 1 year	Total
Liabilities				
Short Term Borrowings	668.60	-	-	668.60
Trade Payables	-	1.22	0.47	1.69
Other Financial Liabilities	-	25.41	-	25.41
Total	668.60	26.63	0.47	695.70

31st March, 2023				
Particulars	On demand	Up to 1 year	More than 1 year	Total
Liabilities				
Short Term Borrowings	729.98	-	-	729.98
Trade Payables	-	42.07	-	42.07
Other Financial Liabilities	-	17.35	-	17.35
Total	729.98	59.42	-	789.40

Note: 31 Capital Risk Management

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

The Company manages its capital structure as per 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 Year end was as follows :

(Amount in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Total Debt	668.60	729.98
Less: Cash and cash equivalent	2.15	2.20
Less: Other Bank Balances	0.58	0.55
Net Debt	666.45	727.23
Equity	(255.37)	(68.11)
Total Capital (Equity + Net Debts)	411.08	659.12
Gearing Ratio	162.12%	110.33%



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

Note: 32 Segment Reporting

The Company is predominantly in the business of manufacturing, processing of Iron, Mild steel, stainless steel fabrication, handling and assembly works procuring and as such there are no separate reportable segments. The Company's operations are currently in India.

Note: 33 Other Statutory Information

33.1 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.

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

33.3 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.

33.4 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.

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

33.6 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.

33.7 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.



AYATTI INNOVATIVE PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2024

NOTE: 34 Ratios Analysis and its Components

Ratios	Numerator	Denominator	As at 31st March, 2024	As at 31st March, 2023	% Variance	Reason for Material Variance
1. Current Ratio	Current assets	Current liabilities	0.24	0.37	-34.66%	
2. Debt- Equity Ratio	Total Debt	Total Equity (Equity Share capital + Other equity)	(2.62)	(10.72)	-75.57%	
3. Debt Service Coverage Ratio	Earnings available for debt service (Net profit after taxes + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + principle repayment of long term borrowings during the period/year	(1.04)	(0.51)	104.97%	
4. Return on Equity (ROE)	Net profit after tax	Average Total Equity [(Opening Total Equity + Total Equity)/2]	1.17	1.84	-36.37%	
5. Inventory Turnover Ratio	Revenue from Operations	Average Inventory [(opening balance+ closing balance)/2]	-33.41	1029.72	100.00%	
6. Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivable [(opening balance+ closing balance)/2]	NA	NA	NA	
7. Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables [(opening balance+ closing balance)/2]	0.00	0.00	100.00%	
8. Net Capital Turnover Ratio	Revenue from Operations	Working capital ((Current asset - Investments) - current liabilities)	NA	NA	NA	
9. Net Profit Ratio	Net Profit after tax	Revenue from Operations	NA	NA	NA	
10. Return on capital employed (ROCE)	Profit Before interest & Tax	Total Equity + Total Debts + Deferred Tax Liability	-40.75%	(0.67)	-39.45%	
11. Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	NA	NA	NA	

NOTE: 35

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 LA and Associates
Chartered Accountants
(Firm Registration No. 137317W)

CA Latesh Gogri
Partner
Membership No. 155157
UDIN: 241551578KAOCJ5020

Date: 23-05-2024



For and on behalf of Board of Directors

Harshad Vijaysing Rane
Director
DIN - 08199620

Hemali Anjish Patel
Director
DIN - 09675608