THE SKYVIEW 10
18th Floor, "NORTH LOBBY"
Survey No. 83/1, Raidurgam
Hyderabad - 500 032, India
Tel : +91 40 6141 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Dhaksha Unmanned Systems Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dhaksha Unmanned Systems Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 Act 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 audit opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director'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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. 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

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HYDERABAD

judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on September 29, 2023.

The comparative financial information of the Company for the year ended March 31, 2023 and the transition date opening balance sheet as at April 01, 2022 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2021, as amended, audited by the predecessor auditor whose report for the year ended March 31, 2023 and March 31, 2022 dated September 29, 2023 and September 07, 2022 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   (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 except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis and for the matters stated in the paragraph (i)(vi.) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g); and

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company 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;

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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

b) The management has represented that, to the best of its knowledge and belief, 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 performed 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company; and

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility which was not enabled throughout the year for all relevant transactions recorded in the software, as described in note 38 to the financial statements. Further, we cannot comment upon whether during the year there was any instance of audit trail feature being tampered with in respect of the accounting software.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Shankar Srinivasan
Partner
Membership Number: 213271

UDIN: 24213271BKELBY5805
Place of Signature: Hyderabad
Date: April 24, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date
Re: Dhaksha Unmanned Systems Private Limited ("the Company")

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment were physically verified by the management in the previous years in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) As disclosed in note 39 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) to (f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 ("Act") are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.

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(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has complied with provisions of sections 42 and 62 of the Act in respect of the preferential allotment or private placement of shares during the year. The funds raised, have been used for the purposes for which the funds were raised.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv) (a) and (b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Act. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are two Core Investment Companies (CICs) as a part of the Group as defined under Core Investment Companies (Reserve Bank) Directions.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 584 lakhs. In the immediately preceding financial year, the Company had not incurred cash losses.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 34 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Act in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Shankar Srinivasan
Partner
Membership Number: 213271

UDIN: 24213271BKELBY5805
Place of Signature: Hyderabad
Date: April 24, 2024

Annexure '2' to the Independent Auditor's report of even date on the Financial Statements of Dhaksha Unmanned Systems Private Limited

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

We have audited the internal financial controls with reference to financial statements of Dhaksha Unmanned Systems Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

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CHARTERED ACCOUNTANTS
HYDERABAD

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

per Shankar Srinivasan
Partner
Membership Number: 213271

UDIN: 24213271BKELBY5805
Place of Signature: Hyderabad
Date: April 24, 2024

Dhaksha Unmanned Systems Private Limited
Balance sheet as at March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

		Notes	March 31, 2024	March 31, 2023	April 01, 2022
I	**ASSETS**				
1	**Non-current assets**				
	(a) Property, plant and equipment	3	1,102	400	216
	(b) Right-of-use assets	6	252	75	98
	(c) Intangible assets	4	159	-	-
	(d) Intangible assets under development	5	751	1,108	310
	(e) Financial assets				
	i) Other financial assets	7	29	7	7
	(f) Deferred tax asset (net)	12	525	22	7
	(g) Other Non-current assets	8	220	-	-
			3,038	**1,613**	**638**
2	**Current assets**				
	(a) Inventories	9	3,486	1,368	518
	(b) Financial assets				
	i) Trade receivables	10	1,268	134	233
	ii) Cash and cash equivalents	11	132	146	130
	iii) Other current financial assets	7	16	2	-
	(c) Other current assets	8	4,924	516	152
			9,826	**2,167**	**1,034**
	Total assets		**12,865**	**3,779**	**1,672**
II	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity share capital	13	1	1	1
	(b) Other equity	14	3,128	2,726	1,092
	Total equity		**3,129**	**2,727**	**1,093**
2	**Non-current liabilities**				
	(a) Financial liabilities				
	i) Lease liabilities	6	197	59	78
	(b) Provisions	17	21	14	-
			217	**73**	**78**
3	**Current liabilities**				
	Financial liabilities				
	(a) Financial liabilities	15	5,150	488	388
	i) Lease liabilities	6	56	19	17
	ii) Trade payables	16			
	Total outstanding dues of micro enterprises and small enterprises		0	103	21
	Total outstanding dues of creditors other than micro enterprises and small enterprises		483	57	41
	(b) Provisions	17	93	-	-
	(c) Current tax liabilities (net)	12	-	10	4
	(d) Other current liabilities	18	3,737	302	30
			9,518	**979**	**501**
	Total liabilities		**9,736**	**1,052**	**579**
	Total equity and liabilities		**12,865**	**3,779**	**1,672**
	Corporate Information and material accounting policies	2			

See accompanying notes to the financial statements.
"0" represents amounts less than Rs. 50,000.

In terms of our report attached
For S.R. Batliboi & Assosiates LLP
Chartered Accountants
Firm Registration no. 101049W/E300004

per Shankar Srinivasan
Partner
Membership no. 213271

Place : Hyderabad
Date: April 24, 2024

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For and on behalf of the Board of Directors of
Dhaksha Unmanned Systems Private Limited

Ramanathan N	**Jayashree Satagopan**	**Satya Narayan Nayak**
Director	Director	Company Secretary
DIN : 07720956	DIN : 06922300	

Place : Chennai
Date: April 24, 2024

DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600 098

Dhaksha Unmanned Systems Private Limited
Statement of profit and loss for the year ended March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations	19	4,640	899
	Other income	20	21	22
	Total income		**4,661**	**921**
II	**Expenses**			
	Cost of raw materials and components consumed		4,357	400
	Changes in inventories of finished goods and work-in-progress	21	(437)	(155)
	Employee benefits expense	22	672	233
	Finance costs	23	122	61
	Depreciation and amortization expense	24	205	81
	Impairment of intangibles under development	5	617	-
	Other expenses	25	1,227	323
	Total expense		**6,761**	**943**
III	**Loss before tax (I - II)**		**(2,100)**	**(22)**
IV	**Tax expense:**			
	(1) Current tax		-	10
	(2) Deferred tax	12	(503)	(15)
	Income tax expenses/(credit)		**(503)**	**(6)**
V	**Loss for the year (III - IV)**		**(1,597)**	**(16)**
VI	**Other comprehensive income/(loss)**			
	Other comprehensive income not to be reclassified to profit or			
	(i) Remeasurements of the net defined benefit liability/asset		(1)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0	-
	Total other comprehensive income/(loss), net of tax		**(0)**	**-**
VII	**Total comprehensive loss for the year, net of tax (V + VI)**		**(1,598)**	**(16)**
VIII	**Earnings per share**			
	Basic (₹10 per share), computed on the basis of profit for the year	26	(12,493)	(153)
	Diluted (₹10 per share), computed on the basis of profit for the year		(12,307)	(143)
	Corporate Information and material accounting policies	2		
	See accompanying notes to the financial statements.			
	"0" represents amounts less than Rs. 50,000.			

In terms of our report attached
For S.R. Batliboi & Assosiates LLP
Chartered Accountants
Firm Registration no. 101049W/E300004

per Shankar Srinivasan
Partner
Membership no. 213271

Place : Hyderabad
Date: April 24, 2024

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

For and on behalf of the Board of Directors of
Dhaksha Unmanned Systems Private Limited

Ramanathan N	**Jayashree Satagopan**	**Satya Narayan Nayak**
Director	Director	Company Secretary
DIN : 07720956	DIN : 06922300	

Place : Chennai
Date: April 24, 2024

DHAKSHA UNMANNED SYSTEMS PVT. LTD.
CHENNAI
600 098

Dhaksha Unmanned Systems Private Limited
Cash flow statements for the year ended March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating activities		
Loss before tax	(2,100)	(22)
Adjustments to reconcile loss before tax to net cash flows :		
Depreciation and amortization expense	205	81
Loss on disposal of property plant and equipment	192	-
Impairment of intangible assets under development	617	-
Bad debts written off	64	52
Gain on measuring financial instruments at FVTPL	(2)	(1)
Provision for employee benefits	13	14
Provision for warranties	86	-
Finance cost	122	61
Interest income	(10)	(12)
	(814)	**173**
Working capital adjustments		
(Increase)/Decrease in trade receivables	(1,199)	47
(Increase)/Decrease in inventories	(2,117)	(850)
(Increase)/Decrease in other financial assets	(34)	(2)
(Increase)/Decrease in other assets	(4,408)	(364)
Increase/(Decrease) in trade payables	322	99
Increase/(Decrease) in Other liabilities	3,435	272
	(4,815)	**(624)**
Income tax paid	(10)	(4)
Net cash generated used in operating activities (A)	**(4,825)**	**(629)**
Investing activities		
Purchase of property, plant and equipments and other intangible assets including Intangible assets under development and capital advances	(1,700)	(1,040)
Interest received	10	12
Net cash flow used in investing activities (B)	**(1,690)**	**(1,028)**
Financing activities		
Proceeds from short-term borrowings	17,617	4,045
Repayment of short-term borrowings	(12,955)	(3,945)
Interest paid	(104)	(52)
Proceeds from issue of equity shares	2,000	1,651
Repayment of lease liabilities	(57)	(25)
Net cash flow from financing activities (C)	**6,500**	**1,673**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(15)	16
Cash and cash equivalents at the beginning of the year	146	130
Cash and cash equivalents at the end of the year (Refer note 11)	**132**	**146**

Note:

1. Statement of Cash Flows has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements, whereby profit/(loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments for the year. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents in the Statement of Cash Flows comprise cash at bank and in hand, demand deposits and cash equivalents which are short-term and held for the purpose of meeting short-term cash commitments.

2. Changes in liabilities arising from financing activities and non-cash investing activities

A. Reconciliation of Short-term borrowings:		
Opening balance	488	388
Proceeds from short-term borrowings	17,617	4,045
Repayment of short-term borrowings	(12,955)	(3,945)
Closing balance	**5,150**	**488**
B. Reconciliation of lease liabilities (Current and Non-current):		
Opening balance	78	95
Lease liabilities addition during the year	214	-
Interest	18	8
Repayment	(57)	(25)
Closing balance	**253**	**78**

See accompanying notes to the financial statements.
"0" represents amounts less than Rs. 50,000.

In terms of our report attached
For S.R. Batliboi & Assosiates LLP
Chartered Accountants
Firm Registration no. 101049W/E300004

per Shankar Srinivasan
Partner
Membership no. 213271

Place : Hyderabad
Date: April 24, 2024

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

For and on behalf of the Board of Directors of
Dhaksha Unmanned Systems Private Limited

Ramanathan N
Director
DIN : 07720956

Jayashree Satagopan
Director
DIN : 06922300

Satya Narayan Nayak
Company Secretary

Place : Chennai
Date: April 24, 2024

DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600 098

Dhaksha Unmanned Systems Private Limited
Statement of changes in equity for the year ended March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Balance as at April 01, 2022	10,561	1
Issue of equity share capital	1	0
Restated balance as at March 31, 2023	**10,562**	**1**
Issue of equity share capital	1,189	0
Issued during the year in pursuance of conversion of CCPS	1,331	0
Balance as at March 31, 2024	**13,082**	**1**

B. Other equity

Particulars	Securities premium	Retained earnings	Compulsorily Convertible Preference Share	Total
Balance as at April 01, 2022	**693**	**(0)**	**399**	**1,092**
Loss for the year	-	(16)	-	(16)
Total comprehensive income for the year	**693**	**(16)**	**399**	**1,076**
Proceeds from issue of equity share capital	2	-	-	2
Proceeds from issue compulsorily convertible preference	-	-	1,649	1,649
Balance as at March 31, 2023	**695**	**(16)**	**2,048**	**2,726**
Balance as at April 01, 2023	695	(16)	2,048	**2,726**
Loss for the year	-	(1,597)	-	**(1,597)**
Other comprehensive income/(loss) for the period	-	(0)	-	**(0)**
Total comprehensive income for the year	**-**	**(1,598)**	**-**	**(1,598)**
Proceeds from issue of equity share capital	1,999	-	-	**1,999**
Conversion of compulsorily convertible preference share	2,048	-	(2,048)	**(0)**
Balance as at March 31, 2024	**4,742**	**(1,614)**	**-**	**3,128**

See accompanying notes to the financial statements.
Note: "0" represents amounts less than Rs. 50,000.

In terms of our report attached
For S.R. Batliboi & Assosiates LL
Chartered Accountants
Firm Registration no. 101049W/E300004

For and on behalf of the Board of Directors of
Dhaksha Unmanned Systems Private Limited

per Shankar Srinivasan
Partner
Membership no. 213271

Place : Hyderabad
Date: April 24, 2024

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

Ramanathan N
Director
DIN : 07720956

Jayashree Satagopan
Director
DIN : 06922300

Satya Narayan Nayak
Company Secretary

Place : Chennai
Date: April 24, 2024

DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600 096

1 Corporate information:

Dhaksha Unmanned Systems Private Limited ("the Company") (CIN U35900TN2019PTC128496) is a private company domiciled in India and is incorporated on April 02, 2019 under the provisions of the Companies Act, 2013. The address of its registered office is Plot No. 253, Sidco (N.P.) Ambattur Industrial Estate, Chennai, Chennai, Tamil Nadu, India, 600098.

The Company is principally engaged in the business of developing and manufacturing of Unmanned Aerial Vehicle Drones, Remote Pilot Training Services and services related to agriculture etc. The financial statements were approved for issue in accordance with a resolution of the directors on April 24, 2024.

During the year, Coromandel International limited (CIL) (Ultimate Holding Company), an entity listed on stock exhchanges of India, through its Wholly Owned Subsidiary (WOS), Coromandel Technology Limited (CTL) (Holding Company), has acquired 32.68 % of equity stake in the company. Further, CTL has also acquired the existing 18.34 % of equity stake in the company held by Dare Ventures Limited (DVL), a WOS of the CIL. Accordingly, CIL holds 51.02% equity stake in the company and is subsidiary of the CIL from July 31, 2023.

2 Material accounting policies

(a) Statement of compliance and basis of preparation

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

Upto the year ended 31 March 2023, the Company prepared its financial statements in accordance with the requirements of previous generally accepted accounting principles ("Previous GAAP"), which includes Accounting Standards ("AS") notified under the Companies (Accounting Standards) Rules, 2006 and prescribed under Section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Accordingly, the financial statements of the company have been prepared in accordance with the Ind-AS. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note 35.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of reporting period, and or accrual basis.

The financial statements are presented in INR and all values are rounded to the nearest Lakhs (Rs. 00,000), except when otherwise indicated. "0" represents amounts less than Rs. 50,000.
The Company has prepared the financial statements on the basis that it will continue to operate as a going concern
The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

(b) Summary of material accounting policies

2.1 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
1.Expected to be realised or intended to be sold or consumed in normal operating cycle
2.Held primarily for the purpose of trading
3.Expected to be realised within twelve months after the reporting period, or
4. 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 treated as current when:
1.It is expected to be settled in normal operating cycle
2.It is held primarily for the purpose of trading
3.It is due to be settled within twelve months after the reporting period, or
4.There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The Company classifies all other liabilities as non-current.

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

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DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600098

2.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e., the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company and rounded to the nearest Lakhs.

2.3 Foreign currencies

Transaction and balances

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

2.4 Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.5 Revenue from contract with customer

Revenue is recognised to depict transfer of control of promised goods and services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Consideration includes goods and services contributed by the customer as non-cash consideration over which the company has control.

Sale of goods

Revenue from sale of goods is recognised when control or substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

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

Revenue is measured based on transaction price, which is the consideration, adjusted for discounts and claims , if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.
The Company recognises revenue at a point in time when the performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation are transferred to the customer. Customers obtain control of the good when the goods are delivered at the agreed point of delivery where generally is the premises of customer.

Rendering of services

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables and allocation of transaction price to these distinct performance obligations involves significant judgment.

Rendering of services includes Maintenance services, training services and other services. The Company recognises revenue over a peirod of time when the performance obligation is satisfied.

Warranty

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent liabilities and contingent assets.

Variable consideration

The Companies estimate the amount of consideration to which the Company will be entitled in exchange for transferring the promised goods and services to a customer if the consideration promised in a contract includes a variable amount .

An amount of consideration can vary because of discounts, refunds, credits, price concessions, incentives, performance bonuses or other similar items. The promised consideration can also vary if Company's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

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Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to customer for which the Company has received consideration for 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 realised when the payment is made.

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

2.6 Other 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.

2.7 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

2.8 Property plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial period of time.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

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CHARTERED ACCOUNTANTS
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DHAKSHA UNMANNED SYSTEMS PVT. LTD.
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Category of asset	Estimated useful life (in years)
Lease hold improvements	Over the lease term
Plant and Machinery- Others	5 - 15
Office Equipment	5
Computers	3
Furniture & Fixtures	10
Vehicles	8

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets individually costing ₹ 5,000 and below are depreciated over a period of one year. Land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.9 Intangible assets

Intangibles primarily comprise of softwares and product development. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Useful life estimated by Company is as under

Software- 6 years , New product development - 3 years

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

1.The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
2.Its intention to complete and its ability and intention to use or sell the asset
3.How the asset will generate future economic benefits
4.The availability of resources to complete the asset
5.The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

2.10 Leases

Company as a lessee

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Right-of-use assets

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

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

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600 098

ii) Lease liabilities

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

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

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

2.11 Inventories

Inventories consist of raw materials, work-in-progress and finished goods and are measured at lower of cost or net realisable value.

Cost incurred in bringing each product to its present location and condition are accounted as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average cost method.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined using weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Impairment of non-financial assets

Tangible and Intangible assets

The Company assesses at each reporting date whether there is an indication that an asset/cash generating unit may be impaired. If any indication exists the Company estimates the recoverable amount of such assets and if carrying amount exceeds the recoverable amount, impairment is recognized. The recoverable amount is the higher of the net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount factor. When there is indication that previously recognized impairment loss no longer exists or may have decreased such reversal of impairment loss is recognized in the profit or loss.

2.13 Provisions, Contingent liabilities and Contingent assets

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liability

Contingent liabilities are disclosed for :

1. a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
2. a present obligation that arises from past events but is not recognized because; it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are neither recognized nor disclosed in the financial statements.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

DHAKSHA UNMANNED SYSTEMS PVT. LTD. CHENNAI 600 098

2.14 Retirement and other employment benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans

The Company's Gratuity scheme for its employees is a defined benefit retirement plan. The liability as at the Balance Sheet date is provided for using the projected unit credit method, with actuarial valuations being carried out as at the end of the year.

Defined benefit costs are categorized as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short-term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on expected obligation on an undiscounted basis.

2.15 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.

A. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer note 2.5.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Financial assets at amortised cost (debt instruments)
• Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
• Financial assets at fair value through profit or loss

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Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

• The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (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 balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment.

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B. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

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

Financial liabilities at amortised cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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.

Offsetting of financial instruments

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

2.16 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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2.17 Cash and cash equivalents

Cash comprises cash on hand, in bank and demand deposits with banks and with financial institutions. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment and intangible assets.	The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Provision for doubtful receivables	The Company makes provision for doubtful receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories, the Company makes an estimate of future selling prices and costs necessary to make the sale.
Impairment of intangible asset under development and intangible assets	The Company capitalises intangible asset under development for projects in accordance with the accounting policy. In determining the amounts to be capitalised, Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

2.20 Standards notified but not yet effective

There are no standards that are notified and not yet effective as on the date.

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Dhaksha Unmanned Systems Private Limited
Notes to financial statements for the year ended March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

3. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Office equipment	Computers	Furniture and fixtures	Vehicles	Total
Cost or deemed cost							
As at April 1, 2022	5	189	2	4	10	6	216
Additions	21	151	23	18	14	14	241
Disposals/adjustments	0	0	1	1	0	-	3
Balance at March 31, 2023	26	340	25	20	24	20	455
Additions	462	385	48	41	36	-	973
Disposals/adjustments	-	237	2	1	-	-	240
Balance at March 31, 2024	488	489	71	60	60	20	1,187
Depreciation and amortization :							
Balance at April 1, 2022	-	-	-	-	-	-	-
Charge for the year	3	48	3	2	1	0	58
Disposal during the year	0	0	1	1	0	-	3
As at March 31, 2023	3	48	2	1	1	0	55
Charge for the year	13	42	6	12	3	3	78
Disposal during the year	-	47	1	1	-	-	48
Balance at March 31, 2024	16	43	7	12	4	3	85
Net book value							
At March 31, 2024	472	446	64	48	56	17	1,102
At March 31, 2023	23	292	22	20	23	20	400
At April 1, 2022	5	189	2	4	10	6	216

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Dhaksha Unmanned Systems Private Limited
Notes to financial statements for the year ended March 31, 2024
CIN : U35900TN2019PTC128496
(All amounts in Rs. lakhs except for share data or as otherwise stated)

4. Intangible assets

	New Product Development	Software	Total
Cost or deemed cost			
As at April 1, 2022	-	-	-
Additions	-	-	-
Disposals/adjustments	-	-	-
Balance at March 31, 2023	-	-	-
Additions	148	88	236
Impairment/Adjustments	-	-	-
Balance at March 31, 2024	148	88	236
Amortisation and impairment			
At April 1, 2022	-	-	-
Amortisation	-	-	-
Disposals/adjustments	-	-	-
At March 31, 2023	-	-	-
Amortisation	60	18	77
Disposals/adjustments	-	-	-
At March 31, 2024	60	18	77
Net book value			
At March 31, 2024	88	71	159
At March 31, 2023	-	-	-
At April 1, 2022	-	-	-

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5. Intangible asset under development

	New Product Development	Total
Cost or deemed cost		
As at April 1, 2022	**310**	**310**
Additions	799	799
Balance at March 31, 2023	**1,108**	**1,108**
Additions	407	407
Less: Capitalization	(148)	(148)
Less: Impairment*	(617)	(617)
Balance at March 31, 2024	**751**	**751**

*During the year ended March 31, 2024, the company has impaired Intangible Assets Under Development (IAUD) due to the unfeasibility of certain projects from which Company does not expect any future economic benefits.

Intangible Asset under Development (IAUD) Ageing Schedule

As at 31 March 2024

	Amount of IAUD for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	407	344	-	-	751
	407	**344**	**-**	**-**	**751**

As at 31 March 2023

	Amount of IAUD for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	799	211	99	-	1,108
	799	**211**	**99**	**-**	**1,108**

As at April 01, 2022

	Amount of IAUD for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	211	99	-	-	310
	211	**99**	**-**	**-**	**310**

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(All amounts in Rs. lakhs except for share data or as otherwise stated)

6. Right-of-use asset

The Company has lease contracts for office and factories premises with a lease term of 2 to 6 Years.

	March 31,2024	March 31, 2023	April 01, 2022
Carrying amounts of:			
Office and factory premises	252	75	98
Total	**252**	**75**	**98**

Details of Right-of-use asset

	Office and factory premises
Gross carrying value	
At April 1, 2022	98
Additions	-
Deletion/Adjustments	-
At March 31, 2023	**98**
Additions	226
Deletion/Adjustments	-
At March 31, 2024	**324**
Accumulated depreciation	
At April 1, 2022	-
Amortisation	(23)
Disposal/adjustments	-
At March 31, 2023	**(23)**
Amortisation	(49)
Disposal/adjustments	-
At March 31, 2024	**(72)**
Carrying amount	
At March 31, 2024	**252**
At March 31, 2023	**75**
At April 1, 2022	**98**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
At April 1	78	95	-
Additions	214	-	95
Accretion of interest	18	8	-
Payments	(57)	(25)	
At March 31	**253**	**78**	**95**
Current	56	19	17
Non Current	197	59	78

The effective interest rate for lease liabilities is 10%, with maturity between 2026-2028. Refer note 37(b).

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	49	23
Interest expense on lease liabilities	18	8
Expense relating to short-term leases (included in other expenses)	14	1
Total amount recognised in profit or loss	**81**	**32**

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7. Other financial assets

	March 31, 2024		March 31, 2023		April 01, 2022	
	Non-current	Current	Non-current	Current	Non-current	Current
Security deposits	29	9	7	0	7	-
Tender security deposit	-	7	-	2	-	-
	29	**16**	**7**	**2**	**7**	**-**

8. Other assets

	March 31, 2024	March 31, 2023	April 01, 2022
Capital advance	220	-	-
Advances to suppliers	2,844	291	118
Balance with statutory authorities	1,296	225	31
Prepaid expenses	784	-	-
Other receivables	-	-	3
Total	**5,145**	**516**	**152**
Other Non-current Assets	220	-	-
Other Current Assets	4,924	516	152
Total	**5,145**	**516**	**152**

9. Inventories

	March 31, 2024	March 31, 2023	April 01, 2022
Raw materials	2,441	761	66
Work in progress	-	93	28
Finished goods	1,044	515	424
Total Inventories	**3,486**	**1,368**	**518**

10. Trade receivables

	March 31, 2024	March 31, 2023	April 01, 2022
Secured, considered good	-	-	-
Unsecured, considered good	1,275	134	233
Trade Receivables - credit impaired	9	19	13
	1,284	**153**	**246**
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	6	-	-
Trade Receivables - credit impaired	9	19	13
	15	**19**	**13**
Total Trade receivables	**1,268**	**134**	**233**

The credit period on sales of goods varies with seasons and business segments/markets and generally ranges between 30 to 90 days.
Before accepting any new customer, the Company has a credit evaluation system to assess the potential customer's credit quality and to define credit limits for the customer. Credit limits attributed to customers are reviewed on an annual basis.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers adjusted for forward looking estimates. Accordingly, the Company creates provision for past due receivables beyond 180 days ranging between 25%-100% after reckoning the underlying collaterals. Besisdes, based on the expected credit loss model the Company also provides upto 0.5% for receivables less than 180 days.

1. Ageing of Trade receivables as at 31 March 2024
(a) Undisputed Trade receivables

Particulars	Considered good	Considered doubtful
Not due	-	-
Less than 6 months	1,246	-
6 months -1 year	9	-
1-2 years	20	9
2-3 years	-	-
More than 3 years	-	-
	1,268	**15**

(b)Disputed Trade receivables
There are no disputed trade receivables.

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(All amounts in Rs. lakhs except for share data or as otherwise stated)

(c)Total Trade receivables (a+b)

Considered good	1,268
Trade Receivables - credit impaired	15
Less: Impairment Allowance (allowance for bad and doubtful debts)	(15)
	1,268

2. Ageing of Trade receivables as at 31 March 2023
(a) Undisputed Trade receivables

Particulars	Considered good	Considered doubtful
Not due	-	-
Less than 6 months	78	-
6 months -1 year	56	8
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	44
	134	**52**

(b)Disputed Trade receivables
There are no disputed trade receivables.

(c)Total Trade receivables (a+b)

Considered good	134
Trade Receivables - credit impaired	52
Less: Impairment Allowance (allowance for bad and doubtful debts)	(52)
	134

3. Ageing of Trade receivables as at 31 March 2022
(a) Undisputed Trade receivables

Particulars	Considered good	Considered doubtful
Not due	-	-
Less than 6 months	-	-
6 months -1 year	198	-
1-2 years	-	-
2-3 years	36	13
More than 3 years	-	-
	233	**13**

(b)Disputed Trade receivables
There are no disputed trade receivables.

(c)Total Trade receivables (a+b)

Considered good	233
Trade Receivables - credit impaired	13
Less: Impairment Allowance (allowance for bad and doubtful debts)	(13)
	233

4.Movement in the allowance for doubtful receivables

	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at beginning of the year	19	13
Impairment losses recognised/(reversed) on receivables (net)	(4)	6
Balance at end of the year	**15**	**19**

11. Cash and cash equivalents

	March 31, 2024	March 31, 2023	April 01, 2022
Cash and cash equivalents			
Cash on hand	-	0	1
Balances with banks:			
On current accounts	102	1	0
Deposits with original maturity of less than three months	29	146	129
Total	**132**	**146**	**130**

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(All amounts in Rs. lakhs except for share data or as otherwise stated)

12. Income tax

a. Deferred tax liabilities net	**March 31, 2024**	**March 31, 2023**	**April 01, 2022**
Deferred tax liabilities	(63)	(20)	(26)
Deferred tax assets	588	42	32
	525	**22**	**7**

	Opening Balance as on 01 April 2023	**Recognised in Profit and Loss A/c**	**Recognised in other comprehensive income**	**Closing Balance as on 31st March 2024**
Deferred tax liabilities/(asset) in relation to:				
Property plant and equipment	3	30	-	34
Right to use asset	(20)	(44)	-	(63)
Lease liability	20	43	-	64
Provision for doubtful debts and advances and expected credit loss	14	(10)	-	4
Losses carryforward*	-	437	-	437
Others	4	46	(0)	50
Total	**22**	**503**	**(0)**	**525**

* During the current year, the management on review of the financial performance, open customer orders and cash flow projections has recognised deferred tax asset on business losses to the extent the same can be set off against taxable profits in foreseeable future.

2022-23	**Opening Balance as on April 01, 2022**	**Recognised in Profit and Loss A/c**	**Recognised in other comprehensive income**	**Closing Balance as on 31st March 2023**
Deferred tax liabilities/(asset) in relation to:				
Property plant and equipment	3	0	-	3
Right to use asset	(26)	6	-	(20)
Lease liability	25	(4)	-	20
Provision for doubtful debts and advances and expected credit loss	3	10	-	14
Security deposit	1	(0)	-	1
Others	-	4	-	4
Total	**7**	**15**	**-**	**22**

b. Current tax liabilities(net)	**March 31, 2024**	**March 31, 2023**	**April 01, 2022**
Income tax payable (net of advance tax)	-	10	4
Total	**-**	**10**	**4**

c. Reconciliation of tax expense in the accounting profit is as follows:

	For the year ended March 31, 2024	**For the year ended March 31, 2023**
Accounting Loss before tax	(2,100)	(22)
Tax expense/(credit) at statutory tax rate of 25.17% (March 31, 2023: 25.17%)	(529)	(6)
Adjustments:		
Effect of expenses that are not deductible in determining taxable profit/loss	(3)	-
Effect of tax relating to prior years	29	0
Tax expense/(credit) reported in the Statement of Profit and Loss	**(503)**	**(6)**

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13. Share capital

Authorised share capital

	Equity share		Compulsorily convertible preference shares ("CCPS")	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
At April 01, 2022	**1,00,000**	**10**	**10,000**	**1**
At March 31, 2023	**1,00,000**	**10**	**10,000**	**1**
At March 31, 2024	**1,00,000**	**10**	**10,000**	**1**

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Terms/ rights attached to Compulsorily convertible preference shares ("CCPS")

1. CCPS are non-participating and convertible.
2. CCPS carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to repayment in case of a winding up or repayment of capital.
3. Terms of Conversion:

3.1. CCPS are compulsorily converted to Equity Shares of the Company (a) at the option of holder of the CCPS, but no later than the occurrence of a Liquidation Event, or (b) immediately prior to the expiry of a period of 20 (twenty) years from the date of issuance of such CCPS.

3.2. Upon conversion of CCPS into Equity Shares of the Company in the ratio of 1:1, such Equity Shares shall rank pari passu to all existing Equity Shares of the Company.

During the current year, entire CCPS have been converted into equity.

I. Issued equity capital

A. Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	No. of Shares	INR in Rs.
At April 01, 2022	**10,561**	**1**
Issued during the Year	1	0
At March 31, 2023	**10,562**	**1**
Issued during the Year	1,189	0
Issued during the year in pursuance of conversion of CCPS	1,331	0
At March 31, 2024	**13,082**	**1**

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2024	March 31, 2023	April 01, 2022
Coromandel Technology Limited 6,674 (March 31, 2023: NIL) and (April 01, 2022: NIL) equity shares	6,674	-	-

Details of Shareholders holding more than 5% shares in the company

	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**	**No. of Shares**	**% of Holding**
Name of the shareholder						
Equity Shares of INR 10 each fully paid						
Coromandel Technology Limited	6,674	51.02%	-	-	-	-
Mr. Krishnakumar	3,500	26.75%	4000	37.87%	4000	37.87%
Mr. M Venkatesan	1,900	14.52%	2500	23.67%	2500	23.67%
Mr. Santhosh Baby	-	-	873	8.27%	1000	8.27%

Details of shares held by promoters - March 31, 2024

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Coromandel Technology Limited*	-	6,674	6,674	**51.02%**	**51.02%**

* w.e.f from July 31, 2023. Refer note 1.

Details of shares held by promoters - March 31, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Mr. Krishnakumar	4,000	-	4,000	**37.87%**	**0.00%**
2	Mr. M Venkatesan	2,500	-	2,500	**23.67%**	**0.00%**
3	Mr. N Ramanathan and B Sravananan (Joint Holder)	125	-	125	**1.18%**	**0.00%**

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II. Issued Compulsory Convertible Preference Shares (CCPS)
A. CCPS of INR 10 each issued, subscribed and fully paid

Particulars	No. of Shares	INR in Rs.
At April 01, 2022	**333**	**0**
Issued during the Year	998	0
At March 31, 2023	**1,331**	**0**
Converted to equity shares during the year	(1,331)	(0)
At March 31, 2024	-	-

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	March 31, 2024	March 31, 2023	April 01, 2022
Dare Ventures Limited	-	998	-

Details of Shareholders holding more than 5% shares in the company

	March 31, 2024		March 31, 2023		April 01, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Name of the shareholder						
Equity Shares of INR 10 each fully paid						
Dare Ventures Limited	-	0.00%	998	74.98%	-	-
Mr. N Ramanathan and B Sravananan (Joint Holder)	-	0.00%	333	25.02%	333	100.00%

Details of shares held by promoters - March 31, 2024

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Mr. N Ramanathan and B Sravananan (Joint Holder)	333	(333.00)	-	0.00%	-25.02%

Details of shares held by promoters - March 31, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Mr. N Ramanathan and B Sravananan (Joint Holder)	333	-	333	25.02%	25.02%

14. Other equity

	Amount
Securities premium account	
At April 1, 2022	**693**
Add: Issuance of Share Capital	2
March 31, 2023	**695**
Add: Issuance of Share Capital	1,999
Add: Issuance of Share Capital in pursuance of CCPS	2,048
March 31, 2024	**4,742**
Retained Earnings	
At April 1, 2022	(0)
Add: Loss for the Year	(16)
March 31, 2023	**(16)**
Add: Other comprehensive loss for the period	(0)
Add: Loss for the Year	(1,597)
March 31, 2024	**(1,614)**
Compulsorily convertible preference shares (including premium)	
At April 1, 2022	399
Add: Issuance of CCPS	1,649
March 31, 2023	**2,048**
Less: Conversion of CCPS	(2,048)
March 31, 2024	-
Other equity	
At April 1, 2022	**1,092**
March 31, 2023	**2,726**
March 31, 2024	**3,128**

i) Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.
ii) Retained earnings represents the Company's undistributed earnings after taxes.

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15. Short term Borrowings

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Current Borrowings			
Loan from Banks (Secured)			
Working capital demand loans (Note 15.1)	5,150	-	-
Cash Credit facilities availed from bank (Note 15.2)	-	461	292
Vehicle Loans (Note 15.3)	-	13	-
From Other Parties			
Loans from directors (Unsecured) (Note 15.4)	-	15	-
Loans from related parties (Unsecured) (Note 15.4)	-	-	97
Total	**5,150**	**488**	**388**
Aggregate Secured loans	**5,150**	**473**	**292**
Aggregate Unsecured loans	**-**	**15**	**97**

15.1 Working capital demand loans (WCDL) availed from HDFC Bank, carry interest ranging between 7.76% to 8.34%. Interest is payable on monthly rest. Tenor of the WCDLs loans is 120 days from the Draw Down Date.
WCDLs are secured by way
Current Assets - First Rank Paripassu on stock and book debt of the Company
Movable Fixed Assets - First Rank Paripassu on the movable fixed assets of the Company.
Letter of Comfort from CIL - refer Note 32

15.2 Cash Credit facilities availed from Bank was secured against the current assets of Company (Stock and book debts), carried interest rate of 10.90%. The entire loan has been repaid during the current year.

15.3 Vehicle loans from bank was at carried interest rate of 10.04%. The loans are repayable equated monthly instalments. Vehicle loan was secured by the hypothecation of vehicles purchased out of the loan taken. The entire loan has been repaid during the current year.

15.4 Loans from directors and loans from related parties are unsecured, interest free and repayable on demand. The entire loan has been repaid during the previous year.

16. Trade payables

	March 31, 2024	March 31, 2023	April 01, 2022
Others			
Dues to micro and small enterprises (Note no. 31)	0	103	21
Dues to other than micro and small enterprises	483	57	41
Total	**483**	**161**	**62**

Terms and conditions of the above financial liabilities:
16.1 Trade payables are non-interest bearing and are normally settled on 30 to 90 days.

Trade Payables ageing schedule:

As on 31 March 2024	Outstanding for following period from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0	-	-	-	-	-	0
(ii) Others	59	419	4	-	-	-	483
(iii) Disputed dues - MSME	-	-		-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**59**	**419**	**4**	**-**	**-**	**-**	**483**

As on 31 March 2023	Outstanding for following period from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	103	-	-	-	-	-	103
(ii) Others	-	57	-	-	-	-	57
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**103**	**57**	**-**	**-**	**-**	**-**	**161**

As on 01 April 2022	Outstanding for following period from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	21	-	-	-	-	-	21
(ii) Others	-	41	-	-	-	-	41
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	**21**	**41**	**-**	**-**	**-**	**-**	**62**

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17. Provisions

	March 31, 2024	March 31, 2023	April 01, 2022
Non current			
Provision for gratuity	21	14	-
	21	**14**	**-**
Current			
Provision for warranty	86	-	-
Provision for gratuity	7	-	-
	93	**-**	**-**

The Company records provisions towards warranty for products wherein the obligation is for one year. Accordingly the provision has been recognised on the basis of managements expectations of warranty claims on such product

Movements in provision for warranty	March 31, 2024	March 31, 2023	April 01, 2022
At the commencement of the year	-	-	-
Provision made during the year	86	-	-
At the end of the year	**86**	**-**	**-**

18. Other current liabilities

	March 31, 2024	March 31, 2023	April 01, 2022
Statutory dues	40	13	5
Contract liabilities (Advances from customers refer note 30)	3,584	275	22
Other payables	113	13	3
Total	**3,737**	**302**	**30**

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19. Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customers (Note 30)	4,634	899
Other operating revenue	6	-
Total	**4,640**	**899**

20.Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	8	11
Foreign exchange gain	-	10
Gain on measuring financial instruments at FVTPL	2	1
Others	11	0
Total	**21**	**22**

21. Changes in inventories of finished goods and work-in-progress

	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance		
Work in progress	93	28
Finished goods	515	424
Total opening balance	**607**	**452**
Closing balance		
Work in progress	-	93
Finished goods	1,044	515
Total closing balance	**1,044**	**607**
Changes in inventory		
Work-in-progress	93	(64)
Finished goods	(530)	(90)
Changes in inventory of finished goods and work-in-progress	**(437)**	**(155)**

22. Employee benefits expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	585	192
Contribution to provident and other fund	21	18
Gratuity expenses (Note 27)	13	14
Staff welfare expenses	52	9
	672	**233**

23. Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on debt and borrowings	104	48
Interest on lease liabilities	18	8
Other borrowing cost	-	4
Total	**122**	**61**

24. Depreciation and amortization expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property plant and equipment	78	58
Amortisation of intangible assets	77	-
Depreciation of Right-of-use assets	49	23
Total	**205**	**81**

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25. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	11	3
Freight and forwarding charges	69	12
Rates and taxes	11	2
Insurance	14	4
Repairs and maintenance		
Building	25	6
Others	20	5
Advertising and sales promotion	114	23
Travelling and conveyance	116	30
Professional and technical consultancy fees	213	104
Payment to auditor (Note No. 25(a))	15	1
Expected credit loss	(4)	6
Provision for warranties, restructuring, and others	86	33
Rent	14	1
Loss on disposal of property plant and equipment	192	-
Royalty expenses	108	14
Boarding and lodging	135	33
Miscellaneous expenses	90	47
	1,227	**323**

25(a). Payment to Auditor

As Auditor		
Audit Fee	15	1
Tax Audit	-	0
	15	**1**

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26. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Loss for the Year	**(1,597)**	**(16)**
Weighted average number of equity shares for basic EPS	12,785	10,561
Effect of dilution:		
Convertible preference shares	193	776
Weighted average number of equity shares adjusted for the effect of dilution	**12,978**	**11,337**
The following table shows computation of basic and diluted EPS		
Basic, computed based on profit for the year	(12,493)	(153)
Diluted, computed based on profit for the year	(12,307)	(143)

27. Employee benefit obligation

(a) Disclosures related to defined benefit plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972, payable at the time of separation or retirement, whichever is earlier. The scheme is unfunded.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

I. Reconciliation of net defined benefit asset/ (liability)

(i) Reconciliation of present value of defined benefit obligation

	March 31, 2024	March 31, 2023	April 01, 2022
Opening defined benefit obligation	14	-	-
Current service cost	13	14	-
Actuarial (gain)/loss on obligation	1	-	-
Closing defined benefit obligation	**27**	**14**	**-**
(ii) Reconciliation of net defined benefit asset/(liability):			
Present value of defined benefit obligation	27	14	-
Fair value of plan assets	-	-	-
Plan liability	**27**	**14**	**-**

II. Expenses recognised in the statement of profit and loss under employee benefit expense

	March 31, 2024	March 31, 2023
Current service cost	13	14
Net benefit expense	**13**	**14**
III. Remeasurements recognised in statement of other comprehensive income		
Net actuarial (gain)/ loss recognized in the year	1	-
(Profit)/ Loss recognised in statement of other comprehensive income	**1**	**-**
IV. Amount recognised in the balance sheet:		
Defined benefit obligation	27	14
Fair value of plan assets	-	-
Closing asset	**27**	**14**
V. Experience adjustment		
On plan liabilities loss	1	-

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VI. The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Discount rate	6.99%	6.99%
Increase in compensation cost	9%	9%
Attrition rate	5%	5%
Estimated rate of return on plan assets	0%	0%
Mortality rate during employment	100% of IALM 12-14	100% of IALM 12-14

Notes :

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VII. A quantitative sensitivity analysis for significant assumption is as shown below:

	(increase)/ decrease in defined benefit obligation		
Particulars	**Sensitivity level**	**March 31, 2024**	**March 31, 2023**
Discount rate	1% increase	(24)	-
	1% decrease	31	-
Salary escalation rate	1% increase	31	-
	1% decrease	(25)	-
Attrition rate	1% increase	(24)	-
	1% decrease	31	-

VIII. The following pay-outs are expected in future years (valued on undiscounted basis):

Particulars	**March 31, 2024**	**March 31, 2023**
1st year	7	7
2nd year	0	0
3rd Year	0	0
4th year	2	2
5th Year	1	1
6th to 10 years	6	6

28. Commitments and Contingent liabilities

The Company has no outstanding Commitments and Contingent liabilities.

29. Segment reporting :

The Company has considered business segment as primary segment for disclosure. The Company's operations predominantly consist of developing and manufacturing of Unmanned Aerial Vehicle Drones, Remote Pilot Training Services and services related to agriculture etc., which in the context of Ind AS 108 "Operating Segments" is considered as the only business segment.

30. Disclosure pursuant to Ind AS 115 "Revenue from contracts with customers"

(a) Disaggregation of revenue:

Set out below is the disaggregation of the Company's revenue from contracts with customers

	For the year ended March 31, 2024	**For the year ended March 31, 2023**
Type of goods or service		
Sale of drones and drones accessories	4,230	562
Rendering of services	404	338
Total revenue from contracts with customers	**4,634**	**899**
India	4,634	899
Outside India	-	-
Total revenue from contracts with customers	**4,634**	**899**
Timing of revenue recognition		
Goods transferred at a point in time	4,230	562
Services transferred over time	404	338
Total revenue from contracts with customers	**4,634**	**899**

(b) Contract balances

Opening and closing of contract balances

		March 31, 2024	**March 31, 2023**	**April 01, 2022**
(i)	Trade receivables	1,268	134	233
(ii)	Contract assets	-	-	-
(iii)	Contract liabilities	3,584	275	22

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days. The outstanding balances of trade receivables increased from previous years due to the continuous increase in the Company's customer base. In March 31, 2024, INR 15.46 lakhs (March 31, 2023: INR 19.05 lakhs) and (April 01, 2022: INR 13.20 lakhs) was recognised as provision for expected credit losses on trade receivables.

Contract liabilities include advances received to deliver products and to render training services. The outstanding balances of contract liabilities increased from previous years due to the continuous increase in the Company's customer base.

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(C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price and Right of return assets and refund liabilities

There is no difference in the contract price negotiated and the revenue recognised in the statement of profit and loss for the current year. There is no significant revenue recognised in the current year from performance obligations satisfied in previous periods. There are no right to return assets and refund liabilities.
Amounts included in contract liabilities at the beginning of the year recognised as revenue in the current year of Rs. 275 lakhs (March 31, 2023: Rs. 22 lakhs).

(d) Performance obligation

Information about the Company's performance obligations are summarised below:

Sale of Drones and drones accessories

The performance obligation is satisfied upon delivery of the equipment and payment is generally due within 30 to 90 days from delivery.

Rendering of service

The performance obligation is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer.

31. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act,2006:

S.No	Particulars	March 31, 2024	March 31, 2023	April 01, 2022
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year Principal amount due to micro and small enterprises	0	103	21
	Interest due on above	-	-	-
(b)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-	-

32. Related party disclosures:

A. Name of related parties of the company

Name of Related Party	Nature of Relationship
EID Parry Limited	Ultimate Holding Company (W.e.f from July 31, 2023)
Coromandel International Limited	Stepup Holding Company (W.e.f from July 31, 2023)
Coromandel Technologies Limited	Immediate Holding Company (W.e.f from July 31, 2023)
Dare Ventures Limited	Fellow Subsidiary (W.e.f from July 31, 2023)
Hari Overseas	Entity in which director / Key Managerial personnel is interested
Etails Labs	Entity in which director / Key Managerial personnel is interested
Magnipower Technology LLP	Entity in which director / Key Managerial personnel is interested
Mr. Ramanathan N	Whole time Director
Mrs. Jayashree Satagopan	Director (w.e.f October 20, 2022)
Mr. Santhosh Baby	Whole time Director (up to September 14, 2022)
Mr. Mathavan V	Whole time Director (up to July 01, 2022)
Mr. Venkaatesh D	Whole time Director (up to Septmber 01, 2022)
Mr. Satya Narayan Nayak	Company Secretary (w.e.f February 01, 2024)

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(All amounts in Rs. lakhs except for share data or as otherwise stated)

B. Disclosure of transaction between the company and related parties

Name	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Mr. Ramanathan N	Remuneration	69	24
Mr. Mathavan V	Remuneration	-	2
Mr. Santhosh Baby	Remuneration	3	4
Hari Overseas	Interest on Loan	-	11
Hari Overseas	Loans taken from related party	-	140
Hari Overseas	Loan repaid to related party	-	(235)
Mr. Ramanathan N	Loans taken from related party	32	117
Mr. Ramanathan N	Loan repaid to related party	(46)	(102)
Magnipower Technology LLP	Purchase of Goods	2,060	165
Etails Labs	Purchase of Goods	-	30
Etails Labs	Other Expenses	30	-
Coromandel International Limited	Other Expenses	60	-
Coromandel International Limited	Sale of Goods and Services	1,586	-
EID Parry Limited	Sale of Goods and Services	2	-

C. Disclosure of outstanding balances

Name	March 31, 2024	March 31, 2023	April 01, 2022
Hari Overseas			
Interest Payable	-	-	2
Loan payable	-	-	95
Mr. Ramanathan N			
Loan payable	-	15	-
Magnipower Technology Company LLP			
Advances to suppliers	606	36	-
Etails Labs			
Other payable	-	1	-
Coromandel International Limited			
Trade Payables	63	-	-
Contract liabilities (Advances from customers)	100	-	-
Letter of Comfort for loan facility #	10,000	-	-

During the year, the Coromandel International Limited has issued letter of comfort to the lenders of the Company which states that the CIL shall ensure the Company repays the debts under the above facility.

33. Capital management

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	April 01, 2022
Borrowings (Short term term Loans)	5,150	488	388
Lease liabilities	253	78	95
Less: Cash and cash equivalents	(132)	(146)	(130)
Net Debt	**5,271**	**419**	**353**
Total equity	3,129	2,727	1,093
Capital and net debt	**8,400**	**3,147**	**1,446**
Gearing ratio	**63%**	**13%**	**24%**

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Notes to financial statements for the year ended March 31, 2024
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34 Ratio and its components

a. Ratios

Sr. no.	Ratio	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reason for variance exceeding 25%
1	Current ratio	1.03	2.21	-53%	Note 2
2	Trade receivable turnover ratio (days)	6.62	4.90	35%	Note 1
3	Inventory turnover ratio (days)	1.62	0.26	521%	Note 1
4	Debt-Equity ratio	1.73	0.21	732%	Note 2
5	Debt Service coverage ratio	-7.98	1.51	-630%	Note 2
6	Return on equity ratio	-54.55%	-0.85%	6339%	Note 3
7	Trade payable turnover ratio	9.91	2.84	249%	Note 1
8	Net capital turnover ratio	15.06	0.76	1889%	Note 4
9	Net profit ratio	-34.26%	-1.76%	1851%	Note 1
10	Return on capital employed	-23.71%	1.20%	-2071%	Note 3
11	Return on Investment	NA	NA	NA	NA

Note 1 The reasons for the variance is increase in the operations of company during the year.
Note 2 The reasons for the variance in the ratio is on account of increase in the debt during the current year.
Note 3 The reasons for the variance in the ratio is on account of loss incurred during the current year.
Note 4 The reasons for the variance in the ratio is on account of increase in Turnover and decrease in Working capital during the current year.

b. Components of ratio

Ratio	Formula
Current ratio	Current assets/Current liabilities
Trade receivable turnover ratio (days)	Revenue from contracts with customers /Average receivables
Inventory turnover ratio (days)	(Cost of materials consumed, Purchases of stock-in-trade, Changes in inventories of finished goods, work-in-process and stock-in-trade)/ Average Inventories
Debt-Equity ratio	(Long-term and Short-term borrowings including Current maturities of long-term borrowings)/(Total equity)
Debt Service coverage ratio	(Profit after tax and before Depreciation and Amortisation Expense, Finance costs excluding lease interest, exceptional Items)/(Finance costs excluding lease interest + Principal repayment of long term borrowings)
Return on equity ratio	Net Profit after tax / Average share-holders equity
Trade payable turnover ratio	Purchases including other expenses/ Average Trade payables * Number of days
Net capital turnover ratio	Net sales / Working capital
Net profit ratio	Profit after tax/ Revenue from contracts with customers
Return on capital employed	Earnings before Interest and taxes / Capital employed
Return on Investment	Interest Income/ Average Investment in Inter-corporate deposits & fixed deposits

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35 First time adoption

Pursuant to the Companies (Indian Accounting Standard) second amendment Rule 2015, the Company has prepared its first set of statutory financial statement as per Indian Accounting Standard (Ind- AS) notified under the Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) the Comparative information presented in these financial statement for the year ended March 31, 2023 and in the preparation of the Opening Ind AS balance sheet as at April 01, 2022 (the "transition date"). Upto the financial year ended March 31, 2023, the Company prepared its financial statement in accordance with accounting standard prescribed under Section 133 of the Companies Act 2013 ("Indian GAAP")

Previous year numbers have been restated and hence it will not tie up with the signed financial statement for earlier years. In preparing its Ind AS balance sheet as at April 1, 2022 and in presenting the comparative information for the year ended March 31, 2023, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

a. Deemed cost for Property, plant and equipment and intangible assets

As per Ind AS 101 permits first time adopter to elect to continue with the carrying values of Property, plant and equipment and intangible assets as recognised in the financial statement as at the date of transition to Ind AS measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities if any. Accordingly the Company has elected to measure all of its property, plant and equipment at their pervious GAAP carrying value as at transition date.

b. Lease

As per Ind AS 101 an entity has elected to:

(a) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

(b) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(c) not consider leases where the effect is expected to be not material.

B. Mandatory exceptions

a. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value for certain financial liabilities carried at amortised cost.

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable

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C. Reconciliation with previous GAAP

(i) Reconciliation of Assets and Liabilities between previous GAAP and Ind AS

		April 1, 2022			March 31, 2023		
	Note	Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		216	-	216	400	-	400
Right-of-use assets	1	-	98	98	-	75	75
Intangible assets under development		310	-	310	1,108	-	1,108
Financial assets							
Other financial assets	3	10	(3)	7	10	(3)	7
Deferred tax asset (net)	6	3	3	7	12	10	22
		539	**98**	**638**	**1,530**	**83**	**1,613**
Current assets							
Inventories		518	-	518	1,368	-	1,368
Financial assets							
Trade receivables	2	246	(13)	233	153	(19)	134
Cash and cash equivalents		130	-	130	146	-	146
Other financial assets		-	-	-	2	-	2
Other current assets		152	-	152	516	-	516
		1,047	**(13)**	**1,034**	**2,186**	**(19)**	**2,167**
Total assets		**1,586**	**85**	**1,672**	**3,716**	**64**	**3,779**

		April 1, 2022			March 31, 2023		
	Note	Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
EQUITY and LIABILITIES							
Equity							
Equity share capital	4	1	(0)	1	1	(0)	1
Other equity		1,101	(10)	1,092	2,755	(29)	2,726
Total equity		**1,103**	**(10)**	**1,093**	**2,756**	**(29)**	**2,727**
Non current liabilities							
Financial liabilities							
Lease liabilities	1	-	78	78	-	59	59
Provisions		-	-	-	-	14	14
Total non-current liabilities		**-**	**78**	**78**	**-**	**73**	**73**
Current liabilities							
Financial liabilities							
Borrowings		388	-	388	488	-	488
Lease liabilities	1	-	17	17	-	19	19
Trade payables		62	-	62	160	-	160
Other current liabilities		30	-	30	302	-	302
Current tax liabilities (net)		4	-	4	10	-	10
Total current liabilities		**484**	**17**	**501**	**960**	**19**	**979**
Total equity and liabilities		**1,586**	**85**	**1,672**	**3,716**	**64**	**3,779**

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(ii) Reconciliation of statement of profit and loss between previous GAAP and Ind AS

	Note	March 31, 2023		
		Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Income				
Revenue from contracts with customers		899	-	899
Other income	3	21	1	22
Total income		**921**	**1**	**921**
Expenses				
Cost of raw materials and components consumed		400	-	400
(Increase)/decrease in inventories of finished goods and work-in-progress		(155)	-	(155)
Employee benefits expense	5	219	14	233
Finance costs	1	43	18	61
Depreciation and amortization expense	1	58	23	81
Other expenses	1 and 2	352	(29)	323
Total Expense		**917**	**26**	**943**
Profit/(loss) before tax		**4**	**(26)**	**(22)**
Current tax		10	-	**10**
Deferred tax		(9)	(7)	**(15)**
Income tax expense		**1**	**(7)**	**(6)**
Profit/(loss) for the year		**3**	**(19)**	**(16)**
Other Comprehensive Income (Net of tax)		-	-	-
Total Comprehensive income for the year		**3**	**(19)**	**(16)**

(iii) Reconciliation of other equity for the year ended March 31, 2023 and April 1, 2022

	Note	March 31, 2023	April 01, 2022
Other equity as per previous GAAP		2,755	1,101
Adjustments			
Ind AS 116 transition impact	1	(6)	-
Provision for expected credit losses on trade receivables	2	(19)	(13)
Fair value income of security deposits	3	1	-
Compulsorily convertible preference shares impact	4	0	0
Provision for Defined benefit plans	5	(14)	-
Deferred tax effects of adjustments	6	10	3
Other equity		**2,726**	**1,092**

(iv) Reconciliation of total comprehensive income for the year ended March 31, 2023

	Note	March 31, 2023
Net profit under previous IGAAP		3
Adjustments		
Ind AS 116 transition impact	1	(6)
Provision for expected credit losses on trade receivables	2	(6)
Fair value income of security deposits	3	1
Remeasurement of the defined benefit plan	5	(14)
Deferred tax effects of adjustments	6	7
Net profit under Ind AS		**(16)**
Other Comprehensive Income attributable to shareholders of the Company (Net of tax)		-
Total Comprehensive Income as per Ind AS		**(16)**

(v) There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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D. Notes to first time adoption and Ind AS adjustments

Note 1. Leases

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2022 being the date of transition which resulted in to recognition of right of use assets and lease liabilities and consequent changes in the statement of profit and loss and cash flow statement. Under previous GAAP interest free security deposit given for lease (that are refundable in cash on completion of its term) were recorded at their transaction value. The company has fair valued the security deposit given under Ind AS. The difference between the fair value and transition value has been recognised as right of use.

Statement of profit and loss	March 31, 2023
Depreciation of right of use assets	23
Reversal of rental expenses for which right of use assets have been recognised	(25)
Interest on lease liabilities	8
	6

Note 2. Expected credit loss

Under Previous GAAP provision of doubtful trade receivables was recognised under an incurred loss model. Under Ind AS an allowance for trade receivable are recognised using expected credit loss model. Accordingly an allowance for expected credit loss has been recognised in financial statement.

Note 3. Security Deposits

Under previous GAAP, interest free security deposits that are refundable in cash on completion of lease terms are recorded at transaction value. Under Ind AS all financial assets are required to be recognised at amortised cost. Accordingly the Company valued these security deposits at amortised cost under Ind AS. The difference between amortised cost and transaction value has been adjusted in the value of ROU Assets.

Note 4. Compulsory convertible preference shares

The company has issued compulsory convertible preference share which shall be converted into fixed equity share at a fixed price. Under IGAAP the preference share were classified as equity and dividend payable thereon were treated as distribution of profit. Under Ind AS these compulsory convertible preference shares have been classified as equity instrument and accordingly same is regrouped from share capital to other equity.

Note 5. Remeasurement of post-employment defined obligation

The company has recognised Remeasurement of post-employment defined obligation at the date of transition, with the actuarial gains and losses being recognized in other comprehensive income (OCI) going forward.

Note 6. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach which focuses on differences between taxable profit and accounting profit for the period. Ind AS 12 requires entities to account for deferred tax using balance sheet approach with focuses on temporary differences between carrying amount of assets or liability as per balance sheet and its tax base. The Application of Ind AS 12 resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

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36. Finanacial instruments- fair values and Fair value hierarchy

A. Accounting classification and fair values

The following table shows the fair values of financial assets and financial liabilites, including their levels in the fair value hierarchy.

		As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Note	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Trade receivables	10	1,268	1,268	134	134	233	233
Cash and cash equivalents	11	132	132	146	146	130	130
Other financial assets	7	45	45	9	9	7	7
Total financial assets		**1,445**	**1,445**	**289**	**289**	**370**	**370**
Borrowings	15	5,150	5,150	488	488	388	388
Lease Liability	6	253	253	78	78	95	95
Trade payable	16	483	483	161	161	62	62
Total financial liabilities		**5,885**	**5,885**	**727**	**727**	**545**	**545**

The carrying amount of assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values, measurement based on level 2- significant observable inputs since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans, borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a finance team that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The maximum credit exposure assoicated with the financial assets is equal to the carrying amount. The details of the credit risk specific to the Company along with relevent mitigation procedures adopted have been enumerated below:

(i)Trade receivables

The Company's exposure to credit risk is exposure that the Company has major has major business dealing with few parties to whom sales are made on credit basis and the contracted consideration is yet to be received. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on simplified provision matrix. The Company has considered an assessment of past history and has taken into account various future forecast conditions for determination of allowance for expected credit loss.

Revenue from two customers amounted to Rs. 3,823 lakhs (March 31, 2023: Rs. 35 lakhs).

(ii) Other Financial Assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Company has set counter party limit based on multiple factors including financial positions, credit rating etc. The Company's maximum exposure to credit risk as at March 31, 2024, March 31, 2023 and April 01, 2022 is carrying value of each class of financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty meeting obligations associated with financial liabilities that are proposed to be settled by delivering cash or another financial asset. The Company's financial planning has ensured, sufficient liquidity to meet the liabilities whenever due under both normal and stressed conditions, without incurring unexpected losses making damages to company's reputation. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024

Particulars	Carrying amount	On demand	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Trade payable	483	-	483	-	-	483
Lease liabilities	253	-	81	147	81	309
Borrowings	5,150	5,150	-	-	-	5,150
Total	**5,885**	**5,150**	**564**	**147**	**81**	**5,942**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023

Particulars	Carrying amount	On demand	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Trade payable	161	-	161	-	-	161
Lease liabilities	78	-	26	56	10	92
Borrowings	488	488	-	-	-	488
Total	**727**	**488**	**186**	**56**	**10**	**740**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 1, 2022

Particulars	Carrying amount	On demand	Upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Trade payable	62	-	62	-	-	62
Lease liabilities	95	-	25	53	39	117
Borrowings	388	388	-	-	-	388
Total	**545**	**388**	**87**	**53**	**39**	**567**

(c) Market risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The Company is exposed to foreign exchange risk majorly on account of for its imports of raw materials, intermediates and traded goods. The finance team monitor the currency movement and respond swiftly to market situations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under: - Nil

a. Foreign currency forward and option contracts outstanding as at the March 31, 2024, March 31, 2023 and April 01, 2022 - Nil

b. Net open exposures outstanding as at the Balance Sheet date: - Nil

c. Summary of hedging instruments outstanding at the end of the year designated as cash flow hedges: Nil

(ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations.

The Company draws working capital demand loans, avails cash credit. for meeting its funding requirements. Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2024 would decrease/increase by ₹ Nil (March 31, 2023: ₹ Nil).

(d) Commodity price risks

The Company's operating activities require the ongoing purchase of raw materials from other countries, it is exposed to commodity risk due to its reliance on international suppliers for raw materials, making it vulnerable to fluctuations in global market prices, currency exchange rates, and geopolitical events.The company's effective risk management strategies are in place to mitigate potential adverse effects on production and profitability.

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38. Audit Trail and Backup

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility which was not enabled throughout the year for all relevant transactions recorded in the software.

The Company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times. The Company is currently in the process of establishing a mechanism to ensure that a backup is taken in India, on a daily basis on the servers physically located in India to meet the requirements of Rule 3 of the Companies (Accounts) Rules, 2014 (as amended) and such activity is expected to be completed in the next year, given the complex nature.

39. Other Statutory Information

(i) No proceedings has been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Company does not have any transactions with companies struck off any section 248 of Companies Act 2013 or Section 560 of Companies Act 1956.

(iii) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(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.

(vi) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(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,

(vii) The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender.

(ix) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks on the basis of security of current assets of the Company. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(x) The Company has the following Core Investment Companies in the group:
1. Cholamandalam Financial Holdings Limited
2. Ambadi Investments Limited.

In terms of our report attached
For S.R. Batliboi & Assosiates LLP
Chartered Accountants
Firm Registration no. 101049W/E300004

per Shankar Srinivasan
Partner
Membership no. 213271

Place : Hyderabad
Date: April 24, 2024

S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
HYDERABAD

For and on behalf of the Board of Directors of
Dhaksha Unmanned Systems Private Limited

Ramanathan N
Director
DIN : 07720956

Jayashree Satagopan
Director
DIN : 06922300

Satya Narayan Nayak
Company Secretary

Place : Chennai
Date: April 24, 2024

DHAKSHA UNMANNED SYSTEMS PVT. LTD.
CHENNAI
600 098