



**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF NEOSKY INDIA LIMITED

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NEOSKY INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, for the year ended on that date.

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total 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 specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information other than the financial Statements and Auditor's Report thereon**

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

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

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



The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 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 financial controls 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 system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **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 A**" a statement on the matters specified in para 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
  - c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of changes in equity, Cash Flow Statement and the Notes to Accounts dealt with by this Report are in agreement with the books of account,
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,



- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company with reference to these Ind AS financial statements and operating effectiveness of such controls, refer our separate Report in "Annexure-B" to this report.
- g) 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:
- There was no material impact of pending litigation which would impact its financial position as on March 31, 2023;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts, which were required to be transferred to the investor Education and Protection Fund by the Company.
- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- The Company has not declared/paid dividend during the year, accordingly compliance u/s 123 of the Act is not applicable to the company.

**For MRKS And Associates  
Chartered Accountants  
FRN: 023711N**



**Kamal Ahuja  
(Partner)  
M. No. 505788  
Place: New Delhi  
Date: May 25, 2023  
UDIN: 23505788BGVKQK6179**

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF NEOSKY INDIA LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, 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 maintained proper records showing full particulars of intangible assets under development.
- (b) The Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not have any immovable properties (which are included under the head 'Property, plant and equipment') and hence reporting under clause 3A)(i)c) is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) (a)(A) The Company has made investments in a company and granted loans and advances in the nature of loans, secured or unsecured, to companies details in respect of which the requisite information is as below. The Company has not made investments in, granted any loans and advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties during the year. The Company has not provided any guarantee and security to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (B) Based on the audit procedures carried on by us and as per the information and explanation provided to us, the company has provided loan to its wholly owned subsidiary. Detail of which is as under :

Particulars	Loan (Amount in INR)
Aggregate amount during the year -Subsidiary	25,00,000
Balance outstanding at the balance sheet date -Subsidiary	0



- (b) In our opinion, the terms and conditions of investment made and loans given, are, prima facie, not prejudicial to the Company's interest.
- (c) in respect of loans and advances in the nature of loans, whether the schedule of repayment of principal and payment of interest has not been stipulated.
- d) Any amount is not overdue on the loans and advances during the audit period.
- e) In our opinion, Loan or advance in the nature of loan granted has not fallen due during the year.
- f) The company has granted loans to wholly owned subsidiary, in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount of INR 25,00,000, and 100% amount of total advances granted to subsidiary.
- iv) The company has made investment and granted loan to wholly owned subsidiary. Further any guarantee or security has not been given during the audit period. In our opinion, in respect of investment and loan made, provisions of Section 185 and 186 of the Companies Act'2013 have been complied with.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues, as applicable, to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess and other statutory dues are in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, as at March 31, 2023, there are no amount payable in respect of Goods and Service Tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) 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 has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) Since, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, accordingly reporting under clause 3(ix)(e) is not applicable to the company.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and do not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has made private placement of shares to its holding company (RattanIndia Enterprise Limited) and requirement of section 42 have been complied with and the funds raised have been used for the purpose for which the funds were raised.
- xi) (a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As informed, there is no complaint received from whistle blower by the Company during the year (and upto the date of this report), and hence reporting under clause 3(xi)(c) is not applicable to the company.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion and according to the information and explanation given to us, the company is in compliance with Sections 177 and 188 of Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013..
- (b) Since, internal audit is not applicable to the company as per Section-138 of Companies Act 2013, hence reporting under clause 3(xiv)(b) is not applicable .
- xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.





- xvi) (a) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The Company has incurred cash losses INR 2,22,19,390 during the financial year covered by our audit and has incurred cash losses 43,96,820 in the immediately financial year.
- xviii) There has been no resignation of the statutory auditor of the company during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) The provision of Sec 135 of Companies Act 2013 is not applicable to the company, accordingly reporting under clause 3(xx)(a) and (b) is not applicable.
- (xxi) As per section 129 of Companies Act 2013 and Ind-AS 110 'Consolidated Financial Statement' provisions is not applicable to the company at the time of preparation of financial statement.

**For MRKS And Associates**  
**Chartered Accountants**  
**FRN: 023711N**



**Kamal Ahuja**  
**(Partner)**  
**M. No. 505788**  
**Place: New Delhi**  
**Date: May 25, 2023**  
**UDIN: 23505788BGVKQK6179**

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF NEOSKY INDIA LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**(Referred to in paragraph 2(f) under 'Report on other Legal and regulatory requirements' section of our report of even date)**

In conjunction with our audit of the financial statements of **NEOSKY INDIA LIMITED** ("the Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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

A company's IFCoFR 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 IFCoFR 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, to the best of our information and according to the explanation given to us, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

**For MRKS And Associates**  
**Chartered Accountants**  
**FRN: 023711N**



**Kamal Ahuja**  
**(Partner)**  
**M. No. 505788**  
**Place: New Delhi**  
**Date: May 25, 2023**  
**UDIN: 23505788BGVKQK6179**

**Neosky India Limited**  
**Balance Sheet as at 31 March 2023**  
(All amount in Rs. Thousands, unless otherwise stated)

	Note	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	3,277.58	417.19
Intangible Assets Under Development	5	27,685.42	-
(b) Financial assets			
Investments	6	2,00,000.00	-
Other financial assets	7	1,020.00	-
(c) Other non-current assets	8	-	-
		<b>2,31,983.00</b>	<b>417.19</b>
<b>Current assets</b>			
(a) Financial assets			
Cash and cash equivalents	9	3,910.29	702.91
Other bank balances	10	558.22	305.44
Investments	11	1,003.94	-
Other Financial Assets	7	1,134.00	-
(b) Other current assets	8	5,651.08	183.28
Current tax assets (net)	12	428.78	-
		<b>12,686.31</b>	<b>1,191.63</b>
<b>TOTAL ASSETS</b>		<b>2,44,669.31</b>	<b>1,608.82</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	1,500.00	500.00
(b) Other equity	14	1,71,589.93	(4,412.23)
		<b>1,73,089.93</b>	<b>(3,912.23)</b>
<b>Non-current liabilities</b>			
(a) Provisions	15	784.70	43.82
		<b>784.70</b>	<b>43.82</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	50,500.00	1,500.00
(ii) Trade payables	17	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		215.09	183.98
(iii) Other financial liabilities	18	18,159.66	2,512.06
(b) Other current liabilities	19	1,912.75	1,280.76
(c) Provisions	15	7.18	0.43
		<b>70,794.68</b>	<b>5,477.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,44,669.31</b>	<b>1,608.82</b>

Significant accounting policies and accompanying notes are integral part of the financial statements

This is the balance sheet referred to in our report of even date.

For MRKS and Associates

Chartered Accountants  
FRN No. 023711A



**Kamal Ahuja**  
Partner  
Membership No. 505788

Place : New Delhi  
Date : 25 May 2023

For and on behalf of the Board of Directors

**Surinder Kumar Aery**  
Director  
DIN-02430754

Place : New Delhi  
Date : 25 May 2023

**Amit Jain**  
Director  
DIN-06802414

UDIN : 23505788GVKPK6179

**Neosky India Limited**  
**Statement of profit and loss for the year ended 31 March 2023**  
(All amount in Rs. Thousands, unless otherwise stated)

	Note	For the year ended 31 March 2023	For the period from 20 September 2021 to 31 March 2022
<b>Revenue</b>			
Revenue from operations	20	957.50	-
Other income	21	3,382.50	5.44
		<b>4,340.00</b>	<b>5.44</b>
<b>Expenses</b>			
Cost of material consumed	22	13.57	20.00
Employee benefits expenses	23	18,719.25	1,998.23
Finance costs	24	2,046.19	8.55
Depreciation and amortisation expense	25	592.39	15.41
Other expenses	26	5,780.38	2,375.48
		<b>27,151.78</b>	<b>4,417.67</b>
<b>Loss before tax</b>		<b>(22,811.78)</b>	<b>(4,412.23)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Loss for the period</b>		<b>(22,811.78)</b>	<b>(4,412.23)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss		(186.06)	-
Items that may be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the period</b>		<b>(186.06)</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>(22,997.84)</b>	<b>(4,412.23)</b>
<b>Earnings per equity share (Face Value Rs. 10)</b>			
Basic (Rs.)		(252.31)	(88.24)
Diluted (Rs.)		(252.31)	(88.24)

Significant accounting policies and accompanying notes are integral part of the standalone financial statements

This is the statement of profit and loss referred to in our report of even date.

For MRKS and Associates  
Chartered Accountants  
FRN No. 023711N



**Kamal Ahuja**  
Partner  
Membership No. 505788

Place : New Delhi  
Date : 25 May 2023

For and on behalf of the Board of Directors

**Surinder Kumar Aery**  
Director  
DIN-02430754

Place : New Delhi  
Date : 25 May 2023

**Amit Jain**  
Director  
DIN-06802414

Neosky India Limited

Statement of cash flow for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

	For the year ended 31 March 2023	For the period from 20 September 2021 to 31 March 2022
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(22,997.84)	(4,412.23)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	592.39	15.41
Provision for gratuity / leave encashment	747.63	-
Interest income	(23.09)	(5.44)
<b>Operating loss before working capital changes</b>	<b>(21,680.91)</b>	<b>(4,402.26)</b>
<b>Movement in working capital</b>		
Movement in other financial assets	(2,154.00)	-
Movement in other assets	(5,896.57)	(183.28)
Movement in other financial liabilities	15,647.60	2,512.06
Movement in other liabilities	631.98	1,325.01
Movement in trade and other payables	31.11	183.98
<b>Cash flow used in operating activities post working capital changes</b>	<b>(13,420.79)</b>	<b>(564.49)</b>
Income tax refund/ (paid) (net)	-	-
<b>Net cash used in operating activities (A)</b>	<b>(13,420.79)</b>	<b>(564.49)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital intangible assets under development & capital work-in-progress)	(31,138.20)	(432.60)
Investment in subsidiary	(2,00,000.00)	-
Investment in Mutual Funds (net)	(1,003.94)	-
Movement in fixed deposits (net)	(252.78)	(305.44)
Interest received	23.09	5.44
<b>Net cash used in investing activities (B)</b>	<b>(2,32,371.83)</b>	<b>(732.60)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	2,00,000.00	500.00
Proceeds from current borrowings	49,000.00	1,500.00
<b>Net cash generated in financing activities (C)</b>	<b>2,49,000.00</b>	<b>2,000.00</b>
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>3,207.38</b>	<b>702.91</b>
Cash and cash equivalents at the beginning of the period	702.91	-
<b>Cash and cash equivalents at the end of the period (refer note 9)</b>	<b>3,910.29</b>	<b>702.91</b>

The accompanying notes are integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

For MRKS and Associates

Chartered Accountants

FRN No. 023711N



Kamal Ahuja

Partner

Membership No. 505788

Place : New Delhi

Date : 25 May 2023

For and on behalf of the Board of Directors

Surinder Kumar Aery

Director

DIN-02430754

Place : New Delhi

Date : 25 May 2023

Amit Jain

Director

DIN-06802414

Neosky India Limited

Statement of changes in equity for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

A Equity share capital (refer note 13)

Particulars	Balance as at 1 April 2022	Movement during the year	Balance as at 31 March 2022	Movement during the period	Balance as at 31 March 2023
Equity share capital	500.00	49,500.00	50,000.00	1,00,000.00	1,50,000.00

B Other equity (refer note 14)

Particulars	Reserves and surplus				Total
	Securities premium	Securities premium reserve	Employee's stock options outstanding	Retained earnings	
Balance as at 1 April 2022	-	-	-	(4,412.23)	(4,412.23)
Loss for the period	-	-	-	(22,811.78)	(22,811.78)
Other comprehensive income	-	-	-	(186.06)	(186.06)
Movement during the year	1,99,000.00	-	-	-	1,99,000.00
Balance as at 31 March 2023	1,99,000.00	-	-	(27,410.07)	1,71,589.93

Significant accounting policies and accompanying notes are integral part of the standalone financial statements

This is the statement of changes in equity referred to in our report of even date.

For MRKS and Associates

Chartered Accountants

FRN No. 023711N



Kamal Ahuja

Partner

Membership No. 505788

Place : New Delhi

Date : 25 May 2023

For and on behalf of the Board of Directors

Surinder Kumar Aery

Director

DIN-02430754

Place : New Delhi

Date : 25 May 2023

Amit Jain

Director

DIN-06802414

Place : New Delhi

Date : 25 May 2023

## Neosky India Limited

### Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

#### 1 Corporate Information

##### Nature of Operations

Neosky India Limited ("the Company") was incorporated on 20 September 2021 as a wholly owned subsidiary of RattanIndia Enterprises Limited (formerly known as RattanIndia Infrastructure Limited).

The Company is primarily in the of manufacturing and trade of Unmanned vehicle ("UAV") Systems, which can be used for photographic, maintenance, surveillance and many other applications. The ancillary business of the company is to provide drone mapping & survey services and drone pilot training services which evolve around the main business of manufacturing and marketing of the UAV systems.

#### 2 General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the period ended 31 March 2023 were approved by the Board of Directors on 25 May 2023

#### 3 Summary of significant accounting policies

##### a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

##### Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis, unless and otherwise indicated.

##### b) Revenue recognition

###### *Sale of Drone/Sale of Drone Mapping & Survey Services*

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Revenue is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

###### *Interest Income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

###### *Dividend Income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

##### c) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

##### d) Property, plant and equipment

###### *Recognition and initial measurement*

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

###### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

Properties plant and equipment acquired and put to use for the purpose of the Project are capitalised and depreciation thereon is included in capital work-in-progress till the Project is ready for its intended use.

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

###### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.





## Neosky India Limited

### Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

#### e) Intangible Assets under development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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.

#### f) Intangible assets

##### *Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

##### *Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.

#### g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

#### h) Financial instruments

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

##### **Financial assets**

##### *Subsequent measurement*

**Financial assets at amortised cost** – The financial assets are 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model. All investments in mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

##### *De-recognition of financial assets*

A financial asset is primarily de-recognised 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.

##### **Financial liabilities**

##### *Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised 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 de-recognition 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 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.



**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**i) Investments in subsidiaries, joint ventures and associates**

The Company has accounted for its subsidiaries and associates, joint ventures at cost in its financial statements in accordance with Ind AS 27, Separate Financial Statements.

Profit/ loss on sale of investments are recognised on the date of the transaction of sale and are computed with reference to the original cost of the investment sold.

**j) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided otherwise provides for 12 months expected credit losses.

**k) Inventories**

Inventories are valued at the lower of cost derived on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, including octroi and other levies, transit insurance and receiving charges.

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

**l) Income Taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ("OCI") or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. 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 and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**n) Post-employment, long term and short term employee benefits**

*Defined contribution plans*

The Company makes contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

*Defined benefit plans*

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit actuarial method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

*Other long-term employee benefits*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

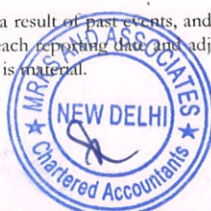
Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

*Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**o) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.



## Neosky India Limited

### Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

#### p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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

#### q) Lease

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

##### Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

##### Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

##### Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

#### Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

##### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Provisions** – At each balance sheet date on the basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.



Neosky India Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

4. Property, plant and equipment

Details of the company's property, plant and equipment and their carrying amounts are as follows:

	Plant and Machinery	Furniture and Fixtures	Computers	Total
<b>Gross carrying amount</b>				
Balance as at 1 April 2021	-	-	-	-
Additions	-	-	432.60	432.60
Disposals/Adjustments	-	-	-	-
<b>Balance as at 31 March 2022</b>	-	-	432.60	432.60
Additions	1,229.69	7.04	2,216.06	3,452.79
Disposals/Adjustments	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>1,229.69</b>	<b>7.04</b>	<b>2,648.66</b>	<b>3,885.39</b>
<b>Accumulated depreciation</b>				
Balance as at 1 April 2021	-	-	-	-
Charge for the year	-	-	15.41	15.41
Disposals/Adjustments	-	-	-	-
<b>Balance as at 31 March 2022</b>	-	-	15.41	15.41
Charge for the year	18.30	0.39	573.70	592.39
Disposals/Adjustments	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>18.30</b>	<b>0.39</b>	<b>589.11</b>	<b>607.80</b>
<b>Net carrying amount</b>				
Balance as at 31 March 2023	1,211.39	6.65	2,059.55	3,277.59
Balance as at 31 March 2022	-	-	417.19	417.19

5. Intangible Assets Under Development

	Amount
<b>Gross carrying amount</b>	
Balance as at 1 April 2021	-
Additions	-
Disposals/Adjustments	-
<b>Balance as at 31 March 2022</b>	-
Additions	27,685.42
Disposals/Adjustments	-
<b>Balance as at 31 March 2023</b>	<b>27,685.42</b>
<b>Accumulated depreciation</b>	
Balance as at 1 April 2021	-
Charge for the year	-
Disposals/Adjustments	-
<b>Balance as at 31 March 2022</b>	-
Charge for the year	-
Disposals/Adjustments	-
<b>Balance as at 31 March 2023</b>	<b>-</b>
<b>Net carrying amount</b>	
Balance as at 31 March 2023	27,685.42
Balance as at 31 March 2022	-



Neosky India Limited  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2023  
 (All amount in Rs. Thousands, unless otherwise stated)

6. Investments- Non Current

	31 March 2023	31 March 2022
Investments in Throttle Aerospace Systems Private Limited	200,000.00	-
	<b>200,000.00</b>	<b>-</b>

7. Other financial assets

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Non-current	Non-current	Current	Current
Security Deposits				
Premises	1,000.00	-	-	-
Others	20.00	-	-	-
Amount recoverable from Related parties	-	-	1,134.00	-
	<b>1,020.00</b>	<b>-</b>	<b>1,134.00</b>	<b>-</b>
Less: provision for doubtful receivables	-	-	-	-
	<b>1,020.00</b>	<b>-</b>	<b>1,134.00</b>	<b>-</b>

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Non-current	Non-current	Current	Current
8. Other assets				
Advances recoverable	-	-	3,287.91	-
Balances with statutory authorities	-	-	-	-
GST recoverable	-	-	2,363.16	183.28
	<b>-</b>	<b>-</b>	<b>5,651.07</b>	<b>183.28</b>

	31 March 2023	31 March 2022
9. Cash and cash equivalents		
Cash on hand	900.00	-
Balances with banks		
Current accounts	3,010.29	702.91
	<b>3,910.29</b>	<b>702.91</b>

	31 March 2023	31 March 2022
10. Other bank balances		
Fixed deposits original maturity for more than 3 months but less than 12 months	558.22	305.44
	<b>558.22</b>	<b>305.44</b>

	31 March 2023	31 March 2022
11. Investments		
Investments in Mutual Fund		
3,013.147 (31 March 2022 : Nil) units in ICICI Prudential Liquid Fund-Direct Plan Growth	1,003.94	-
	<b>1,003.94</b>	<b>-</b>

	31 March 2023	31 March 2022
12. Current tax assets (net)		
Advance income tax (net of provision)	428.78	-
	<b>428.78</b>	<b>-</b>

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Neosky India Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

	31 March 2023	31 March 2022
<b>13. Equity share capital</b>		
<b>Authorised capital</b>		
150,000 (FY 2022 : 50,000) equity shares of Rs.10 each	1,500.00	500.00
	<b>1,500.00</b>	<b>500.00</b>

<b>Issued, subscribed and fully paid up capital</b>		
150,000 (FY 2022 : 50,000) equity shares of Rs.10 each fully paid up	1,500.00	500.00
	<b>1,500.00</b>	<b>500.00</b>

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.

	31 March 2023		31 March 2022	
	No. of shares	Amounts	No. of shares	Amounts
Equity shares at the beginning of the year	50,000	500	-	-
Add : Issued during the year	1,00,000	1,000	50,000	500
<b>Equity shares at the end of the year</b>	<b>1,50,000</b>	<b>1,500.00</b>	<b>50,000</b>	<b>500.00</b>

b) Rights/ restrictions attached to equity shares

The Company has only one class of equity shares with voting rights, having a par value of Rs. 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian Rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. 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.

c) Details of shareholders holding more than 5% shares in the Company

	31 March 2023		31 March 2022	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10 each fully paid up</b>				
RattanIndia Enterprises Limited and its nominees	1,50,000	100%	50,000	100%

d) Shares held by promoters at 31 March 2023

Promoter name	No. of shares	% of total shares	%
			Change during the year
RattanIndia Enterprises Limited and its nominees	1,50,000	100%	300%

Shares held by promoters at 31 March 2022

Promoter name	No. of shares	% of total shares	%
			Change during the year
RattanIndia Enterprises Limited and its nominees	50,000	100%	-

	31 March 2023	31 March 2022
<b>14. Other equity</b>		
<b>Retained earnings</b>		
Opening balance	(4,412.23)	-
Add : Loss for the year	(22,811.78)	(4,412.23)
Add: Other Comprehensive Income	(186.06)	-
<b>Closing balance</b>	<b>(27,410.07)</b>	<b>(4,412.23)</b>
<b>Security Premium</b>		
Security Premium on Equity Shares	1,99,000.00	-
	<b>1,99,000.00</b>	<b>0.00</b>
	<b>1,71,589.93</b>	<b>(4,412.23)</b>

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Neosky India Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Non-current	Non-current	Current	Current
<b>15. Provisions</b>				
<b>Provision for employee benefits</b>				
Provision for compensated absences (unfunded)	197.70	20.06	5.20	0.30
Provision for gratuity (unfunded)	587.00	23.76	1.98	0.13
	<b>784.70</b>	<b>43.82</b>	<b>7.18</b>	<b>0.43</b>
			<b>31 March 2023</b>	<b>31 March 2022</b>
			<b>Current</b>	<b>Current</b>
<b>16. Borrowings</b>				
<b>Unsecured</b>				
Inter-corporate deposit from holding company			50,500.00	1,500.00
			<b>50,500.00</b>	<b>1,500.00</b>
			<b>31 March 2023</b>	<b>31 March 2022</b>
<b>17. Trade payables</b>				
Total outstanding dues of micro enterprises and small enterprises			-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises			215.09	183.98
			<b>215.09</b>	<b>183.98</b>
			<b>31 March 2023</b>	<b>31 March 2022</b>
<b>18. Other current financial liabilities</b>				
Interest on intercorporate deposit payable			1,824.00	7.69
Audit fee payable			36.00	40.00
Due to employees			50.52	15.17
Others payables			16,249.14	2,449.20
			<b>18,159.66</b>	<b>2,512.06</b>
			<b>31 March 2023</b>	<b>31 March 2022</b>
<b>19. Other current liabilities</b>				
Statutory dues			1,874.75	278.36
Other current liabilities			38.00	1,002.40
			<b>1,912.75</b>	<b>1,280.76</b>

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Neosky India Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

(All amount in Rs. Thousands, unless otherwise stated)

	31 March 2023	31 March 2022
<b>20. Revenue from operations</b>		
Income from Drone Survey & Mapping Services	957.50	-
	<b>957.50</b>	<b>-</b>
<b>21. Other income</b>		
Interest on fixed deposit accounts	17.75	5.44
Profit on sale of investments	24.12	-
Interest on Inter Corporate Deposits	5.34	-
<b>Other income</b>		
Business Support Services	3,325.00	-
Miscellaneous Income	10.28	-
	<b>3,382.50</b>	<b>5.44</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>22. Cost of material consumed</b>		
Consumable stores and spares	13.57	20.00
	<b>13.57</b>	<b>20.00</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>23. Employee benefits expenses</b>		
Salaries and wages	17,418.88	1,940.44
Contribution to provident and other funds	659.88	12.34
Provision for gratuity	379.03	23.89
Provision for compensated absences	182.54	20.36
Staff welfare expenses	78.92	1.20
	<b>18,719.25</b>	<b>1,998.23</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>24. Finance costs</b>		
<b>Interest on</b>		
Inter corporate deposits	2,026.66	8.55
<b>Other finance costs</b>		
Interest on TDS	5.40	-
Interest on Other Taxes	14.13	-
	<b>2,046.19</b>	<b>8.55</b>
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>25. Depreciation and amortisation expense</b>		
<b>Depreciation on</b>		
Property, plant and equipment (refer note 4 & 5)	592.39	15.41
	<b>592.39</b>	<b>15.41</b>





	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>26. Other expenses</b>		
Rent	420.00	-
Rates and taxes	71.15	4.80
Legal and professional charges	4,148.20	2,125.00
Printing and stationery	26.64	8.50
Postage and Courier Charges	22.94	-
Research expenses	529.36	117.46
Traveling and conveyance expenses	428.92	40.65
Advertisement expenses	25.92	8.00
Software expenses	-	10.30
Repairs and maintenance - office	-	19.00
Repairs and maintenance - others	34.52	0.89
Repairs and maintenance - vehicle	4.42	-
Payments to the auditors	40.00	40.00
Bank charges	29.33	0.88
Miscellaneous expenses	(1.02)	-
	<u>5,780.38</u>	<u>2,375.48</u>

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**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**27. (i) Defined benefits:**

Provision for unfunded gratuity payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at 31 March 2023. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the other comprehensive income/ Capital work-in-progress, as applicable and as identified by the management of the Company.

**(ii) Other long-term benefits:**

Provision for unfunded compensated absences payable to eligible employees on avilment/ retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2023. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the Statement of profit and loss/ Capital work-in-progress, as applicable and as identified by the management of the Company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of gratuity and compensated absences and the amounts recognised in the financial statements for the year 31 March 2023:

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Liability recognised in the Balance sheet:</b>				
Present value of obligation as at the beginning of the year	23.89	-	20.36	-
Current service cost	369.61	23.89	122.71	20.36
Interest cost	9.42	-	2.68	-
Benefits paid	-	-	-	-
Actuarial (gains) / losses	186.06	-	57.16	-
<b>Present Value of obligation at the end of the year (as per Actuarial valuation)</b>	<b>588.98</b>	<b>23.89</b>	<b>202.90</b>	<b>20.36</b>
<b>Expenses during the year</b>				
Current service cost	369.61	23.89	122.71	20.36
Interest Cost	9.42	-	2.68	-
Actuarial (gains) / losses	-	-	57.16	-
<b>Component of defined benefit cost charged to statement of profit and loss / Capital work-in-progress</b>	<b>402.92</b>	<b>23.89</b>	<b>202.90</b>	<b>20.36</b>
Re-measurement of post-employment benefit obligations:				
Actuarial (gains) / losses	-	-	-	-
<b>Component of defined benefit cost recognised in other comprehensive income/ Capital work-in-progress</b>	<b>186.06</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Actuarial (gains)/losses on obligation**

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Actuarial (gain)/loss on arising from change in demographic assumptions	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumptions	133.75	-	51.97	(0.12)
Actuarial (gain)/loss on arising from change in experience adjustments	52.30	-	5.19	0.76



**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

The actuarial valuation in respect of commitments and expenses relating to unfunded gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

**(a) Economic Assumptions**

Particulars	31 March 2023	31 March 2022
Discount rate	7.36%	7.18%
Expected return on plan assets	NA	NA
Expected rate of salary increase	7.00%	5.00%

**(b) Demographic Assumptions**

Particulars	31 March 2023	31 March 2022
Retirement Age	60 Years	60 Years
Mortality Table	100% IALM (2012 - 14)	100% IALM (2012 - 14)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
- Upto 30 Years	3	3
- From 31 to 44 Years	2	2
- Above 44 Years	1	1

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards gratuity and compensated absences is Rs. 764.34 thousands and Rs. 233.50 thousands respectively.

**(c) Sensitivity analysis of defined benefit obligation**

Particulars	31 March 2022	31 March 2022
<b>a) Impact of the change in discount rate</b>		
i) Impact due to increase of 0.50%	(53.45)	(2.21)
ii) Impact due to decrease of 0.50%	58.77	2.36
<b>b) Impact of the change in salary increase</b>		
i) Impact due to increase of 0.50%	58.68	2.42
ii) Impact due to decrease of 0.50%	(53.80)	2.25

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**(d) Maturity profile of defined benefit obligation**

Particulars	31 March 2023	31 March 2022
Less than 1 year	7.18	0.43
Year 1 to 5	29.73	1.97
More than 5 years	754.97	41.86
<b>Total</b>	<b>791.88</b>	<b>44.26</b>



**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**(iii) Stock Option Schemes of RattanIndia Enterprises Limited ("REL ESOP 2022"):**

RattanIndia Enterprises Limited Employee Stock Option Plan 2022 ("REL ESOP 2022) has been formulated by Board of Directors of the **Holding Company** pursuant to the authority vested in it by the shareholders by the resolution passed through postal ballot of the company result which was declared on August 3, 2022, which will be administered through REL Employee Welfare trust (hereinafter "trust"). The Trust was formed with the objects of welfare, retain/ motivate employee of the company, its associates, subsidiaries, and group companies (as per SEBI SBEB Regulations) through appropriate rewards and incentives. The trust shall make secondary market acquisition for the purpose of the Scheme in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The pool options proposed to be offered under the Scheme shall be up to a maximum of 5% of the paid-up capital of the company.

During the quarter ended March 31, 2023, the Trust has acquired 1,381,988 equity shares of the company from the open market at an average price of Rs 35.77 per share against the loan taken from the company amounting to Rs 500 lacs which is payable on demand. As of March 31, 2023, Trust holds 1,381,988 equity shares (Face value of Rs. 2 each) of the company. There are NIL grants to the employees during the year ended March 31, 2023. The un-appropriated inventory of shares which are not backed by grants, acquired through secondary acquisition by the Trust, shall be appropriated latest by the end of subsequent financial year or the second subsequent financial year subject to approval of the compensation committee/nomination and remuneration committee for such extension to the second subsequent financial year.

The Committee has prescribed the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

<b>Vesting Dates</b>	<b>Vesting Percentage</b>
1st Anniversary from date of Grant	20% of Options granted
2nd Anniversary from date of Grant	20% of Options granted
3rd Anniversary from date of Grant	20% of Options granted
4th Anniversary from date of Grant	20% of Options granted
5th Anniversary from date of Grant	20% of Options granted

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**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**28. Financial Instrument:**

**(i) Fair Value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial instruments by category**

All Financial Instruments i.e. Cash & cash equivalents and financial liabilities are measured at amortised cost, except mutual funds which are measured at fair value.

**29. Financial risk management**

**(i) Financial instruments by category**

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial Assets</b>						
Investment in equity share of subsidiary	-	-	2,00,000.00	-	-	-
Investments in mutual funds	1,003.94	-	-	-	-	-
Cash and cash equivalents	-	-	3,910.29	-	-	702.91
Other bank balances	-	-	558.22	-	-	305.44
Loans	-	-	1,020.00	-	-	-
Other financial assets	-	-	1,134.00	-	-	-
<b>Total</b>	<b>1,003.94</b>	<b>-</b>	<b>206,622.51</b>	<b>-</b>	<b>-</b>	<b>1,008.35</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	50,500.00	-	-	1,500.00
Trade Payables	-	-	215.09	-	-	183.98
Other financial liabilities	-	-	18,159.66	-	-	2,512.06
<b>Total</b>	<b>-</b>	<b>-</b>	<b>68,874.75</b>	<b>-</b>	<b>-</b>	<b>4,196.04</b>

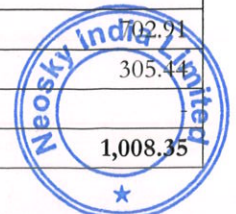
**(ii) Risk Management**

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk. The most significant financial risks to which the Company is exposed are described below:

**Credit risk**

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. Credit risk arises from cash and cash equivalents & loans. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	31 March 2023	31 March 2022
Investment in equity share	2,00,000.00	-
Investments	1,003.94	-
Cash and cash equivalents	3,910.29	702.91
Other bank balances	558.22	305.44
Other financial assets	2,154.00	-
<b>Total</b>	<b>207,626.45</b>	<b>1,008.35</b>



**Neosky India Limited****Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company's management considers that all of the above financial assets that are not impaired and/ or past due for each of the above assets reporting dates under review are of good credit quality

**Liquidity Risk**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2023	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	50,500.00	-	-	50,500.00
Trade Payables	215.09	-	-	215.09
Other financial liabilities	18,159.66	-	-	18,159.66
<b>Total</b>	<b>68,874.75</b>	-	-	<b>68,874.75</b>

31 March 2022	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	1,500.00	-	-	1,500.00
Trade Payables	183.98	-	-	183.98
Other financial liabilities	2,512.06	-	-	2,512.06
<b>Total</b>	<b>4,196.04</b>	-	-	<b>4,196.04</b>

**30. Capital management**

The Company's capital management objectives are :

- To ensure the Company's ability to continue as a going concern
- To provide an adequate return to shareholders

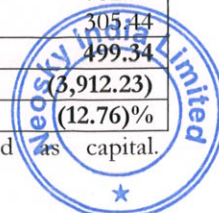
The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amount managed as capital by the Company for the reporting periods under review are summarized as follows:

Particulars	31 March 2023	31 March 2022
Short-term borrowings	50,500.00	1,500.00
Interest accrued on borrowings	1,824.00	7.69
<b>Total borrowings</b>	<b>52,324.00</b>	<b>1,507.69</b>
Less:		
Cash and cash equivalents	3,910.29	702.91
Other bank balances	558.22	305.44
<b>Net debts</b>	<b>47,855.49</b>	<b>499.34</b>
<b>Total equity <sup>(i)</sup></b>	<b>173,089.93</b>	<b>(3,912.23)</b>
<b>Net debts to equity ratio</b>	<b>27.65%</b>	<b>(12.76)%</b>

(i) Total equity includes capital and all reserves of the Company that are managed as capital.



**Neosky India Limited**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**  
 (All amount in Rs. Thousands, unless otherwise stated)

25. As per Ind AS-24 "Related Party Disclosure", identified by the Management, the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

**Nature of relationship**

- I. Holding Company  
 II. Fellow subsidiaries

**Related parties**

- RattanIndia Enterprises Limited  
 RattanIndia Investment Manages Private Limited  
 Neotec Insurance Brokers Limited  
 Cocoblu Retail Limited  
 Neobrands Limited  
 Neorise Technologies FZCO (Foreign subsidiary wef 27 December 2021)  
 Neotec Enterprises Limited  
 Revolt Intellicorp Limited  
 RattanIndia Enterprises Limited Employee Welfare Trust\*
- RattanIndia Power Limited (upto 29.10.2022)

III Enterprises over which holding company's Key Management Personnel have significant influence

IV. Key management personnel

Name	Designation
Rajiv Rattan	Chairman, Non- Executive Director of the Holding Company (w.e.f. 29.10.2022)
Vikas Kumar Adukia	CFO of the Holding Company (upto 29.04.2021)
Amit Jain (PAN: AEUPJ9311H)	CFO of Holding Company (w.e.f. 11.10.2021 upto 02.04.2022)
Amit Jain (PAN: AFKPJ7410C)	CFO of the Holding Company (w.e.f. 02.04.2022)
Ram Kumar Agarwal	Company Secretary (upto 13.10.2021)
Rajesh Ahora	Company Secretary (w.e.f. 14.10.2021)
Amit Jain (PAN: AEUPJ9311H)	Director of the Company
Surinder Kumar Aery	Director of the Company
Peeyush Kumar	CEO of the Company ( w.e.f. 16.02.2022 upto 25.05.2022)
Sarath Chandra Gudlavalleti	Director of the Company (w.e.f. 26.05.2022)
Sarath Chandra Gudlavalleti	CEO of the Company ( w.e.f. 26.05.2022)
Suddeep Kumar	Director of the Company (upto 06.07.2022)



**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

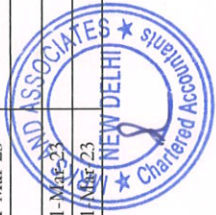
(All amount in Rs. Thousands, unless otherwise stated)

**VI. Summary of significant transactions with related parties for the year ended 31 March 2023.**

Name	Year Ended	Reimbursement of general expenses made	Short-term borrowings taken	Repayment of Short-term borrowings taken	Interest expense on borrowings taken	Business Support Services Expenses	Inter Corporate Deposits Given	Inter Corporate Deposits received back	Interest Income on ICD given	Repayment of security Deposit	Purchase of Goods	Surface Surveying & Map Making Services
<b>Holding Company</b>												
RattanIndia Enterprises Limited	31-Mar-23	-	249,000.00	-	-	-	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	-	200,000.00	-	-	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	-	-	2,026.66	-	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	181.50	-	-	-	-	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	-	-	-	3,958.20	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-22	-	1,500.00	-	-	-	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-22	-	-	-	7.69	-	-	-	-	-	-	-
<b>Subsidiary</b>												
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	-	2,500.00	-	-	-	-	-
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	-	-	2,500.00	-	-	-	-
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	-	-	-	5.34	-	-	-
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	3,325.00	-	-	-	-	-	-
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	-	-	-	1,000.00	-	-	-
<b>Fellow Subsidiary</b>												
Cocoblu Retail Limited	31-Mar-23	-	-	-	-	-	-	-	-	-	1.31	-
<b>Enterprises over which holding company's Key Management Personnel have significant influence</b>												
RattanIndia Power Limited	31-Mar-23	-	-	-	-	-	-	-	-	-	-	957.50

**VII. Summary of Outstanding Balances with Related Parties for the period ended 31 March 2023:**

Nature of transactions	Year Ended	Share Capital with premium	Short term borrowings taken	Short term loan and advances given	Interest payable on borrowings taken	Investment	Other Financial Assets	Other Financial Liabilities
<b>Holding Company</b>								
RattanIndia Enterprises Limited	31-Mar-23	200,500.00	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	50,500.00	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	-	-	2,026.66	-	-	-
RattanIndia Enterprises Limited	31-Mar-23	-	-	-	-	-	-	1,296.25
RattanIndia Enterprises Limited	31-Mar-22	500.00	-	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-22	-	1,500.00	-	-	-	-	-
RattanIndia Enterprises Limited	31-Mar-22	-	-	-	7.69	-	-	-
<b>Fellow Subsidiary</b>								
RattanIndia Power Limited	31-Mar-23	-	-	-	-	-	-	-
<b>Subsidiary</b>								
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	200,000.00	-	-
Throttle Aerospace Systems Private Limited	31-Mar-23	-	-	-	-	-	1,134.00	-





**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**KMP remuneration**

Name	Year Ended	Particulars	Amount
Sarath Chandra Gudlavalleti	31-Mar-23	Short-term employee benefits	1,0114.29
Sarath Chandra Gudlavalleti	31-Mar-23	Post-employment benefits	215.44
<b>Total</b>			<b>10,329.73</b>



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**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**32. Earnings per Share:**

Particulars	For the year ended 31 March 2023	For the period ended 31 March 2022
Loss after tax	(22,811.78)	(4,412.23)
Weighted average number of Equity Shares used in computing Basic earnings per share	90,411	50,000
Weighted average number of Equity Shares used in computing Diluted earnings per share	90,411	50,000
Nominal Value per Equity Share - (Rs.)	10.00	10.00
Basic earnings per Share - (Rs.)	(252.31)	(88.24)
Diluted earnings per Share - (Rs.)	(252.31)	(88.24)

**33. Foreign Currency Expenditure:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Goods/Material Purchased for R&D purpose	1,280.01	-
Technical Consultancy	1,706.98	-
Software Expenses	76.77	-

**34. Effective tax reconciliation**

Particulars	For the period ended 31 March 2023	For the period ended 31 March 2022
Profit/(Loss) before tax	(22,811.78)	(4,412.23)
Domestic tax rate	26.00%	26.00%
<b>Expected tax expense [A]</b>	<b>(5,931.06)</b>	<b>(1,147.18)</b>
Adjustment for deductible expenses	-	-
Deferred tax asset not recognized	5,931.06	1,147.18
Earlier years tax adjustments (net)	-	-
<b>Total adjustments [B]</b>	<b>5,931.06</b>	<b>1,147.18</b>
<b>Actual tax expense [C=A+B]</b>	<b>-</b>	<b>-</b>
Tax expense comprises		
Current tax expense	-	-
Earlier years tax adjustments (net)	-	-
<b>Tax expense recognized in Statement of profit and loss [D]</b>	<b>-</b>	<b>-</b>

35. Deferred tax assets have not been recognised in respect of unabsorbed business losses during the financial year ending 31 March 2023 & 31 March 2022 respectively. These unabsorbed business losses will expire over a period of eight years from the end of respective reporting periods.



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**Neosky India Limited**
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

**36. Ratios**

Following are analytical ratios for the year ended 31 March 2023.

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance	Reason
Current ratio (times)	Current assets	Current liabilities	0.18	0.22	(18%)	-
Debt - equity ratio*(times)	Total debt	Shareholder's equity	0.29	-	-	-
Debt service coverage ratio (times)	Earnings available for debt service	Debt service	(0.40)	(2.91)	(86%)	Increase in EBIT and Borrowings
Return on equity (ROE)*	Net profits after taxes	Average shareholder's equity	-	-	-	-
Trade receivables turnover ratio(times)	Revenue	Average trade receivables	N/A	N/A	-	-
Trade payable turnover ratio(times)	Purchase of services and other expenses	Average trade payables	29.04	26.04	12%	-
Net capital turnover ratio(times)	Revenue from operation	Working capital	(0.02)	N/A	-	-
Net Profit ratio**	Net profit	Revenue from operation	(526)%	-	-	-
Return on capital employed (ROCE)	Earnings before interest and tax	Capital employed <sup>(iv)</sup>	(12.00)%	113.84%	(111%)	Increase in losses and capital infusion
<i>Return on investment (ROI)</i>						
Unquoted	Income generated from Investment	Time weighted average investment	N/A	N/A	-	-
Quoted	Income generated from Investment	Time weighted average investment	5%	N/A	-	-

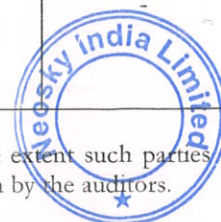
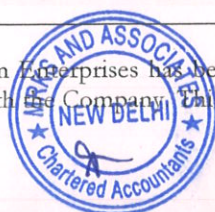
\* Since total equity is negative, ratio can't be computed

\*\* Since there is no revenue from operation ratio can't be computed

**37. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 :**

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year;	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day;	-	-
(iv) 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year;	-	-
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.



**Neosky India Limited**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

(All amount in Rs. Thousands, unless otherwise stated)

38. There is neither any contingent liability nor any commitments to be reported as at 31 March 2023 and 31 March 2022.
39. COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in financial markets and decline in economic activities. The management has estimated its future cash flows for the company which indicates no major change in the financial performance as estimated prior to COVID-19.



However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

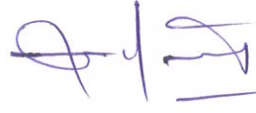
**For MRKS and Associates**

Chartered Accountants

FRN No. 023711N

**For and on behalf of the Board of Directors**

  
  
**Kamal Ahuja**  
Partner  
Membership No. 505788

  
**Surinder Kumar Aery**  
Director  
DIN-02430754

  
**Amit Jain**  
Director  
DIN-06802414

Place : New Delhi  
Date : 25 May 2023

Place : New Delhi  
Date : 25 May 2023