



**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF THROTTLE AEROSPACE SYSTEMS PRIVATE LIMITED

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

**Opinion**

We have audited the accompanying financial statements of **THROTTLE AEROSPACE SYSTEMS PRIVATE 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 27, 2023

UDIN: 23505788BGVKAL3945

**ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THROTTLE AEROSPACE SYSTEMS PRIVATE 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 have recorded intangible assets and intangible assets under development in the financial statement.
- (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 inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory. and inventory is verified on a periodical basis.
- (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 given loan to fellow subsidiary, Directors and their relative of the Company in respect of which requisite information is as below. The Company has not made investments in, provided any guarantee and security to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has not 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.
- (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	
-Fellow Subsidiary	6,00,00,000
-Director	43,22,000
-Relative of Director	2,13,167
Balance outstanding at the balance sheet date	
-Fellow Subsidiary(including interest)	5,04,00,849
-Director	43,22,000
-Relative of Director	2,13,167

(b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year. Hence, reporting under clause 3(iii)(e) is not applicable.

(f) The company has granted loans to fellow subsidiary, , if so, specify the aggregate amount of INR 6,00,00,000 and 92.97% amount of total advances granted to subsidiary.

iv) The company has granted loans to fellow subsidiary, Director and relative of director during the audit period. In our opinion, 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 outstanding term loans at the beginning of the year, which has been fully paid during the year.
- (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 does not have any subsidiary, 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 not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 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 3,25,10,000 during the financial year covered by our audit and has not incurred any cash losses in the immediately financial year.
- xviii) There has been resignation of the statutory auditor during the year and we have taken into consideration the issues, objections or concern raised by the outgoing auditor.
- 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 27, 2023

UDIN: 235057888GVKAL3945

**ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF THROTTLE AEROSPACE SYSTEMS PRIVATE 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 **THROTTLE AEROSPACE SYSTEMS PRIVATE 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 27, 2023**

**UDIN: 23505788GVKRL3945**

Throttle Aerospace Systems Private Limited  
(CIN: U74900KA2016PTC085161)  
Balance Sheet as at 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

	Notes	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	14,176	5,021
Other intangible assets	6	3,494	1,716
Intangible asset under development	6	26,120	-
<b>Financial assets</b>			
Other financial assets	8	2,712	963
Deferred tax asset (net)	28	4,857	1,809
<b>Total non-current assets</b>		<b>51,360</b>	<b>9,509</b>
<b>Current assets</b>			
Inventories	9	5,383	986
<b>Financial assets</b>			
Trade receivables	7	25,411	19,448
Cash and cash equivalents	10	5,172	8
Loans	11	55,567	-
Other current assets	12	16,454	1,352
<b>Total current assets</b>		<b>107,987</b>	<b>21,793</b>
<b>Total assets</b>		<b>159,347</b>	<b>31,302</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity share capital</b>			
Equity share capital	13	1,563	625
Other equity	14	145,631	(9,093)
<b>Total equity</b>		<b>147,194</b>	<b>(8,468)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
<b>Borrowings</b>			
Provisions	15	-	6,586
<b>Total non-current liabilities</b>	16	<b>2,025</b>	<b>1,263</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
<b>Borrowings</b>			
Trade payables	17	-	16,556
i) total outstanding dues of micro enterprises and small enterprises	18	-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		1,539	49
Other financial liabilities	19	178	296
Other current liabilities	20	6,844	-
Provisions	16	1,387	14,785
<b>Total current liabilities</b>		<b>180</b>	<b>234</b>
<b>Total liabilities</b>		<b>10,129</b>	<b>31,921</b>
<b>Total equity and liabilities</b>		<b>12,154</b>	<b>39,770</b>
<b>Total equity and liabilities</b>		<b>159,347</b>	<b>31,302</b>

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements.  
As per our report of even date  
For MRKS and Associates  
Chartered Accountants  
FRN No. 023711N

Kamal Ahuja  
Partner  
Membership No. 505788



For and on behalf of the Board of Directors  
Throttle Aerospace Systems Private Limited

*U. N. Das*  
Nagendran Kandasamy  
Director  
DIN: 06700657

*Sarath*  
Sarath Gudlavalleti  
Director  
DIN: 09306434

*Girish GM Reddy*  
Girish GM Reddy  
Chief Financial Officer  
Place: Bangalore  
Date: 27/5/2023

Place: Bangalore  
Date: 27/5/2023



Throttle Aerospace Systems Private Limited  
(CIN: U74900KA2016PTC085161)  
Statement of Profit and Loss for the year ended 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>Income</b>			
Revenue from operations	21	37,259	27,220
Other income	22	7,240	20
<b>Total income</b>		<u>44,499</u>	<u>27,240</u>
<b>Expenses</b>			
Cost of material consumed	23	18,244	4,503
Employee benefits expense	24	35,615	16,763
Finance costs	25	929	1,756
Depreciation and amortization expense	26	1,778	756
Other expenses	27	35,138	10,603
<b>Total expenses</b>		<u>91,703</u>	<u>34,381</u>
<b>Profit/(Loss) before tax</b>			
Tax expense		(47,204)	(7,141)
Current tax			
Deferred tax	28	-	-
<b>Total income tax expense</b>	28	<u>3,001</u>	<u>1,768</u>
		<u>3,001</u>	<u>1,768</u>
<b>Profit/(Loss) for the year</b>		<u>(44,203)</u>	<u>(5,373)</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		(183)	(158)
Income tax relating to items that will not be reclassified to profit or loss		48	41
<b>Other comprehensive income for the year, net of tax</b>		<u>(135)</u>	<u>(117)</u>
		<u>(135)</u>	<u>(117)</u>
<b>Total comprehensive income for the year</b>		<u>(44,338)</u>	<u>(5,490)</u>
<b>Earnings / (Loss) per share for profit attributable to the Equity holders</b>	31		
Basic earnings / (loss) per share (INR)		(311.02)	(85.97)
Diluted earnings / (loss) per share (INR)		(311.02)	(85.97)

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MRKS and Associates

Chartered Accountants

FRN No. 023711N

For and on behalf of the Board of Directors of  
Throttle Aerospace Systems Private Limited

Kamal Ahuja  
Partner

Membership No. 505788



*N. Naes*  
Nagendran Kandasamy  
Director  
DIN:06700657

*G. GM Reddy*  
Girish GM Reddy  
Chief Financial Officer  
Place: Bangalore  
Date:

*Sarath Gudlavalleti*  
Sarath Gudlavalleti  
Director  
DIN:09306434

Place: Bangalore  
Date: 27/5/23



Throttle Aerospace Systems Private Limited  
(CIN: U74900KA2016PTC085161)  
Statement of cash flows for the year ended 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash flow from operating activities		
Profit/(Loss) before tax	(47,204)	(7,141)
Adjustments for:		
Depreciation and amortization expenses	1,778	756
Finance cost	929	1,756
Interest income	(2,220)	-
Forex Gain	(58)	-
Gain on sale of investment	(1,873)	-
Operating loss before working capital changes	(48,649)	(4,629)
Changes in working capital		
Movement in trade payables	1,430	223
Movement in inventories	(4,397)	1,165
Movement in trade receivables	(5,963)	(8,121)
Movement in other current liabilities	(13,398)	5,606
Movement in provisions	525	517
Movement in other financial liabilities	(9,712)	9,957
Movement in other financial assets	(1,749)	1,254
Movement in other current assets	(15,102)	(450)
Cash (used in) / generated from operations	(97,016)	5,522
Income tax (paid) / refund (net)	-	-
Net cash flow (used in) / generated from operating activities (A)	(97,016)	5,522
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(12,711)	(755)
Intangible asset under development	(26,120)	-
Loans given	(55,567)	-
Proceeds from sale of Mutual Funds	1,873	-
Interest received	2,220	-
Net cash flow used in investing activities (B)	(90,305)	(755)
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	200,000	-
Proceeds from borrowings	2,500	(3,201)
Repayment of borrowings	(9,086)	-
Interest paid	(929)	(1,756)
Net cash flow generated/ (used in) from financing activities (C)	192,485	(4,956)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,164	(189)
Cash and cash equivalents at the beginning of the year	8	197
Cash and cash equivalents at the end of the year	5,172	8
Cash and cash equivalents comprise (Refer note 10)		
Balances with banks		
On current accounts	2,672	6
Fixed deposits with maturity of less than 3 months	2,500	-
Cash on hand	-	2
Total cash and bank balances at end of the year	5,172	8

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MRKS and Associates  
Chartered Accountants  
FRN No. 023711N

For and on behalf of the Board of Directors of  
Throttle Aerospace Systems Private Limited

Kamal Ahuja  
Partner  
Membership No. 505788

*K. Naresh*  
Nagendran Kandasamy  
Director  
DIN:06700657

*Sarath*  
Sarath Gudivalletti  
Director  
DIN:09306434



*Girish GM Reddy*  
Girish GM Reddy  
Chief Financial Officer  
Place: Bangalore  
Date: 27/5/23

Place: Bangalore  
Date: 27/5/23



Throttle Aerospace Systems Private Limited  
 (CIN: U74900KA2016PTC083161)  
 Statement of changes in equity for the year ended 31 March 2023  
 (Amount in INR thousands, unless otherwise stated)

(A) Equity share capital

For the year ended 31 March 2023

Equity shares of INR 10 each issued, subscribed and fully paid  
 Balance as at 1 April 2022  
 Changes in equity share capital during the current year  
 Balance as at 31 March 2023

31st March, 2023	
No. of shares	Amount
62,500	625
93,750	938
1,56,250	1,563

For the year ended 31 March 2022

Equity shares of INR 10 each issued, subscribed and fully paid  
 Balance as at 1 April 2021  
 Balance as at 31 March 2022

31st March, 2022	
No. of shares	Amount
62,500	625
62,500	625

(B) Other equity

Particulars	Reserve and Surplus	Other items of Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1 April 2021	(3,603)	-	(3,603)
	(3,603)	-	(3,603)
Loss for the year	(5,373)	-	(5,373)
Other comprehensive income	(117)	-	(117)
Total Comprehensive Income	(5,490)	-	(5,490)
Balance as at 31 March 2022	(9,093)	-	(9,093)

Particulars	Reserve and Surplus	Other items of Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1 April 2022	(9,093)	-	(9,093)
	(9,093)	-	(9,093)
Loss for the year	(44,203)	-	(44,203)
Other comprehensive income	(135)	-	(135)
Total Comprehensive Income	(44,338)	-	(44,338)
Securities premium	1,99,063	-	1,99,063
Balance as at 31 March 2023	1,45,631	-	1,45,631

See accompanying notes to the financial statements

The accompanying notes are an integral part of the financial statements

As per our report of even date  
 For MRKS and Associates  
 Chartered Accountants  
 FRN No. 023711N

Kamal Ahuja  
 Partner  
 Membership No. 505788



Date: 27/5/2023

For and on behalf of the Board of Directors of  
 Throttle Aerospace Systems Private Limited

*16 weeks*

Nagendran Kandasamy  
 Director  
 DIN-06700957

*Girish GM Reddy*

Girish GM Reddy  
 Chief Financial Officer  
 Place: Bangalore  
 Date:



*Sarath*

Sarath Gudlavaheti  
 Director  
 DIN-09306434

Place: Bangalore  
 Date: 27/5/23



Throttle Aerospace Systems Private Limited  
(CIN: U74900KA2016PTC085161)  
Notes forming part of the financial statements for the year ended 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

**1 General Information**

Throttle Aerospace Systems Private Limited ("Company") is domiciled in India and was incorporated on 8th January 2016 under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at No.659, MVS Arcade, 5th Main Road, OMBR Layout, B.Channasandra, Bengaluru - 560043 . The Company is primarily engaged in the business of manufacturing & service of drones being used in applications like agriculture, defence , geo survey, medical etc.

**2 Significant accounting policies**

Significant accounting policies adopted by the company are as under:

**2.1 Basis of Preparation**

**(a) Statement of Compliance with Ind AS**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**(b) Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)

All assets and liabilities have been classified as current or non-current as per the Entity's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Entity has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The financial statements provide comparative information in respect of the previous period. In addition, the company presents an additional balance sheet at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

**(c) Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

**2.2 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.



**Transition to Ind AS**

On transition to Ind AS, the Entity has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation methods, estimated useful lives**

The Entity depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Useful life
Leasehold improvement*	5 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as desktops, laptops etc.	3 years

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

**2.3 Research & Development Costs:**

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.

**2.4 Other Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization.

**Transition to Ind AS**

On transition to Ind AS, the Entity has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2021 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Entity amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Computer Software	10 Years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.



## 2.5 Foreign Currency Transactions

- (a) **Functional and presentation currency**  
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is also the parent company's functional and presentation currency.
- (b) **Transactions and balances**  
On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 2.6 Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Entity.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Entity's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2.7 Revenue Recognition

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 Entity expects to be entitled in exchange for those goods or services. The Entity 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.

### Sale of goods

Revenue from the sale of goods is recognised at the point in time when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowances, trade discounts and volume rebates, goods and service tax (GST) and amounts collected on behalf of third parties.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and 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.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Revenue received in advance".

### Other Income

The company recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured. Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.



**2.8 Taxes**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

**(a) Current income tax**

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

**(b) Deferred tax**

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

The entity offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.9 Leases**

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.



#### 2.10 Inventories

Inventories are valued at the lower of cost and net realisable value.

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

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Entity from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

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

The comparison of cost and net realizable value is made on item by item basis.

#### 2.11 Impairment of non-financial assets

The Entity assesses at each year end whether there is any objective evidence that a non financial asset or a Entity of non financial assets is impaired. If any such indication exists, the Entity estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Entity considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are Entity together into the smallest Entity of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or Entities of assets (the "cash-generating unit").

#### 2.12 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

The Entity records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### 2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.



2.14 Financial instruments

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

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Entity makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Entity decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Entity may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Entity applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Entity determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.



ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense/income in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Entity does not reduce impairment allowance from the gross carrying amount.

(iv) **Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(v) **Allowance for doubtful debts:**

When determining the lifetime expected credit losses for trade receivables, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information.

(b) **Financial liabilities**

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Entity or the counterparty.



**2.15 Employee Benefits**

**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other long-term employee benefit obligations**

**(i) Defined contribution plan**

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the Entity has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Entity does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Entity does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**(ii) Defined benefit plans**

**Gratuity:** The Entity provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Entity's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Entity's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

**2.16 Earnings Per Share**

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

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

**2.17 Government Grants:**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The Company accounts for its entitlement in the Statement of Profit and Loss on accrual basis in the period in which the matching costs are incurred.





**2.18 Corporate Social Responsibility:**

CSR Provisions is not applicable as per section 135 of the companies Act 2013, since the company is not falling under the below threshold limit of a) Net worth not more than five hundred crore rupees or b) Turnover is not more than one thousand crore rupees or c) Net profit is not more than five crore rupees in the current assessment year

**2.19 Internal Audit:-**

As per section 138 of the companies Act 2013, the threshold limit for applicability of Internal Audit (IA) are a) Turnover is not more than two hundred crore rupees or b) Outstanding loans is not more than one hundred crore rupees. Both conditions are not fulfilled by the company. Hence, IA is not applicable to the company.

**2.2 Internal Financial Control:-**

As per section 143(3)(i) of the companies Act 2013, the threshold limit for applicability of Internal Financial control(IFC) are a) Turnover is not more than Fifty crore rupees or b) Outstanding loans is not more than Twenty Five crore rupees. Both conditions are not fulfilled by the company. Hence, IFC is not applicable to the company.

**2.21 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

**3 Significant accounting judgments, estimates and assumptions**

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

**3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

**(a) Taxes**

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

The Entity neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Entity has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation (Refer Note 28).

**(b) Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.



#### 4 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the company. Accordingly, the company has prepared financial statements which comply with Ind AS applicable for period ending on 24 May 2022, together with the comparative year data as at and for the year ended 31 March 2022, as described in the significant accounting policies. In preparing these financial statements, the Entity's opening balance sheet was prepared as at 1 April 2021, being the Entity's date of transition to Ind AS. This note explains the principal adjustments made by the Entity in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2021 and the financial statements as at and for the year ended 31 March 2022.

##### 4.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Entity has accordingly applied the following exemptions.

###### Deemed Cost

Since there is no change in the functional currency, the Entity has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

##### 4.2 Mandatory Exemption on first-time adoption of Ind AS

###### Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2021 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Entity made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Effective interest rate used in calculation of security deposit.



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Notes forming part of the Financial Statements for the period ended 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

5 Property, Plant and Equipment

	Gross block		Depreciation		Net block	
	As at 1 April 2022	Additions/ Adjustments	As at 31 March 2023	For the year	As at 31 March 2023	As at 31 March 2022
				31 March 2023		
<b>Owned assets</b>						
Leasehold Improvement	-	2,201	2,201	224	1,977	-
Electrical Fittings	-	533	533	48	486	-
Plant and Machinery	4,442	3,873	8,315	377	7,426	3,930
Furniture and Fixtures	294	868	1,162	89	965	186
Office Equipment	125	816	941	123	768	74
Computers	385	2,306	2,691	533	1,916	143
Motor Vehicles	913	-	913	108	579	688
Tools and Equipment	-	63	63	2	60	-
<b>Total</b>	<b>6,159</b>	<b>10,659</b>	<b>16,818</b>	<b>1,504</b>	<b>14,176</b>	<b>5,021</b>
<b>Owned assets</b>						
Leasehold Improvement	-	-	-	-	-	-
Electrical Fittings	-	-	-	-	-	-
Plant and Machinery	3,687	755	4,442	276	3,930	3,451
Furniture and Fixtures	294	-	294	28	186	214
Office Equipment	125	-	125	24	74	98
Computers	385	-	385	94	143	236
Motor Vehicles	913	-	913	108	688	796
Tools and Equipment	-	-	-	-	-	-
<b>Total</b>	<b>5,404</b>	<b>755</b>	<b>6,159</b>	<b>530</b>	<b>5,021</b>	<b>4,796</b>



6 Other intangible assets

	Gross block		Amortisation		Net block	
	As at 1 April 2022	Additions/ Adjustments	As at 31 March 2023	For the year	As at 31 March 2023	As at 31 March 2022
Computer Software	2,374	2,052	4,426	274	932	1,716
<b>Total</b>	<b>2,374</b>	<b>2,052</b>	<b>4,426</b>	<b>274</b>	<b>932</b>	<b>1,716</b>
	Gross block		Amortisation		Net block	
	As at 1 April 2022	Additions/ Adjustments	As at 31 March 2023	For the year	As at 31 March 2023	As at 31 March 2022
Intangible asset under development	-	26,120	26,120	-	-	-
<b>Total</b>	<b>-</b>	<b>26,120</b>	<b>26,120</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Gross block		Amortisation		Net block	
	As at 1 April 2021	Additions/ Adjustments	As at 31 March 2022	For the year	As at 31 March 2022	As at 31 March 2021
Computer Software	2,374	-	2,374	226	658	1,942
<b>Total</b>	<b>2,374</b>	<b>-</b>	<b>2,374</b>	<b>226</b>	<b>658</b>	<b>1,942</b>
	Gross block		Amortisation		Net block	
	As at 1 April 2021	Additions/ Adjustments	As at 31 March 2022	For the year	As at 31 March 2022	As at 31 March 2021
Intangible asset under development	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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7 Trade receivables

	31st March, 2023	31st March, 2022
Secured, considered good		
Unsecured		
-Considered good	25,411	19,448
-Considered doubtful	19,810	6,893
Less-Provision for Allowance for bad and doubtful debts	(19,810)	(6,893)
i) Receivables which have significant increase in Credit Risk		
ii) Less : Provision for Allowance for bad and doubtful debts		
Credit Impaired		
Less : Allowance for bad and doubtful debts	25,411	19,448
Further classified as:		
Receivable from related parties (Refer footnote 1 & Refer Note 33)	1,134	
Receivable from others	25,389	19,448
	26,523	19,448



Footnote:- The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Ageing of Trade Receivables

31st March, 2023	31st March, 2023	Particulars	Unbilled Dues	Not Due	Current					Total
					Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	(i) Undisputed Trade receivables - considered good				19,719	5,692				25,411
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	(ii) Undisputed Trade Receivables - which have significant increase in credit risk					5,692	8,437	5,431	251	19,810
(iii) Undisputed Trade Receivables - credit impaired	(iii) Undisputed Trade Receivables - credit impaired									
(iv) Disputed Trade Receivables-considered good	(iv) Disputed Trade Receivables-considered good									
(v) Disputed Trade Receivables - which have significant increase in credit risk	(v) Disputed Trade Receivables - which have significant increase in credit risk									
(vi) Disputed Trade Receivables - credit impaired	(vi) Disputed Trade Receivables - credit impaired									
Less: Provision for bad and doubtful debts (Disputed + Undisputed)	Less: Provision for bad and doubtful debts (Disputed + Undisputed)				19,719	(5,692)	(8,437)	(5,431)	(251)	(19,810)
						5,692				25,411

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31st March, 2022	31st March, 2022		Current						
	Particulars	Particulars	Unbilled Dues	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade receivables - considered good	(i) Undisputed Trade receivables - considered good	18,374	1,074	-	-	-	-	-	19,448
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	1,074	5,611	209	-	6,893
(iii) Undisputed Trade Receivables - credit impaired	(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Provision for Allowance for bad and doubtful debts (Disputed + Undisputed)	Less: Provision for Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(1,074)	(5,611)	(209)	-	(6,893)
				18,374	1,074	-	-	-	19,448



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8 Other financial assets	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Security Deposits	2,638	963
Deposits with Banks with maturity period more than 12 months(* - Includes 70.00 thousand kept as Fixed Deposits against Bank Guarantee)	70	-
Interest accrued on fixed deposits	4	-
	<u>2,712</u>	<u>963</u>

9 Inventories	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Raw material in stock (At cost)	5,383	986
	<u>5,383</u>	<u>986</u>



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	31st March, 2023	31st March, 2022
<b>10 Cash and cash equivalents</b>		
Balances with banks:		
in current accounts	2,672	6
Fixed deposits with original maturity of less than 3 months	2,500	-
Cash on hand	-	2
	<b>5,172</b>	<b>8</b>

Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	31st March, 2023	31st March, 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	2,672	6
Fixed deposits with original maturity of less than 3 months	2,500	-
Cash on hand	-	2
	<b>5,172</b>	<b>8</b>
	<b>5,172</b>	<b>8</b>
<b>11 Loans (Refer Note 33)</b>		
<u>Unsecured, considered good</u>		
Loans to related party	50,401	-
Loan to relative of director	213	-
Loan to director	4,322	-
	<b>54,936</b>	<b>-</b>
<b>Other loans</b>		
Loans to Employee	631	-
	<b>631</b>	<b>-</b>
<b>Total</b>	<b>55,567</b>	<b>-</b>
<b>12 Other current assets</b>		
Advance recoverable	3,196	1,148
Prepaid Expenses	543	87
Balance with Government authorities	9,408	49
TDS Receivable	222	68
PLI Incentive Receivable	3,086	-
	<b>16,454</b>	<b>1,352</b>





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13 Equity share capital

Equity shares

Authorized

160,000 Equity Shares of Rs.10 each

Issued, subscribed and paid up

156,250 Equity Shares of Rs.10 each

Total

31st March, 2023 31st March, 2022

1,600 1,000

1,600 1,000

1,563 625

1,563 625

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31st March, 2023		31st March, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	62,500	625	62,500	625
Add: Issued during the year	93,750	938	-	-
Outstanding at the end of the year	156,250	1,563	62,500	625

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. They entitle the holders to participate in dividends and dividend, if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(iii) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

Neosky India Ltd, the holding Company

93750 equity shares of Rs.10 each on 24th May 2022

31st March, 2023

93,750

31st March, 2022

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31st March, 2023		31st March, 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR Rs.10 each fully paid				
Neosky India Ltd	93,750	60	-	-
Nagendran Kandasamy	25,000	16	25,000	40
Nischitha Madhu	12,500	8	12,500	20
Pinkin Consultancy Pvt Ltd	15,625	10	15,625	25
Shashikumar R	9,375	6	9,375	15
	156,250	100	62,500	100

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



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(v) Details of Shares held by Promoters at the end of the year

S. No	Promoter name	31st March, 2023			31st March, 2022		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Nagendran Kandasamy	25,000	16	(24)	25,000	40	0%
2	Nischitha Madhu	12,500	8	(12)	12,500	20	0%
3	Pinkin Consultancy Pvt Ltd	15,625	10	(15)	15,625	25	0%
4	Shashikumar R	9,375	6	(9)	9,375	15	0%
<b>Total</b>		<b>62,500</b>	<b>40</b>	<b>(60)</b>	<b>62,500</b>	<b>100</b>	<b>0%</b>

(vi) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately

(vii) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

14 Other equity

	31st March, 2023	31st March, 2022
Surplus/(deficit) in the Statement of Profit and Loss	(53,431)	(9,093)
	<b>(53,431)</b>	<b>(9,093)</b>
Surplus/(deficit) in the Statement of Profit and Loss	31st March, 2023	31st March, 2022
Opening balance	(9,093)	(3,603)
Add: Net loss for the current year	(44,203)	(5,373)
Less: Re-measurement loss on post employment benefit obligation (net of tax)	135	117
Closing balance	<b>(53,431)</b>	<b>(9,093)</b>
Securities premium	1,99,063	-
Total other equity	<b>1,45,631</b>	<b>(9,093)</b>



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Notes forming part of the financial statements for the year ended 31 March 2023  
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15 Non-current borrowings

<u>Unsecured</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
(a) Term loan		
From Bank		
INR bank loans		
HDFC Bank	-	1,229
ICICI Bank	-	619
RBL Bank	-	989
Yes Bank	-	1,304
From other parties		
Fintreee Finance Pvt Ltd	-	512
Aditya Birla Finance Ltd	-	780
Ashv Finance Ltd (Intelle Grow)	-	424
Bajaj Finance Ltd	-	730
<b>Total non current maturities of long term borrowings</b>	<b>-</b>	<b>6,586</b>

16 Provisions

	<u>Non-current</u>		<u>Current</u>	
	<u>31st March, 2023</u>	<u>31st March, 2022</u>	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Provision for employee benefits (Refer note 33)				
Provision for gratuity (unfunded)	2,025	1,263	91	62
Provision for bonus	-	-	73	103
Provision for leave encashment (unfunded)	-	-	17	68
<b>Total Provisions</b>	<b>2,025</b>	<b>1,263</b>	<b>180</b>	<b>234</b>

17 Short -term borrowings

	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Unsecured, Loans from related parties		
Pinkin Consultancy Pvt Ltd	-	4,190
Girish Reddy- Director	-	7,847
Nagendran - Director	-	4,469
Nischitha - Director	-	50
<b>Total short-term borrowings</b>	<b>-</b>	<b>16,556</b>



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18 Trade payables

	Current	
	31st March, 2023	31st March, 2022
Total outstanding dues of micro enterprises and small enterprises	1,539	49
Total outstanding dues of creditors other than micro enterprises and small enterprises*	178	296
<b>Total trade payables</b>	<b>1,717</b>	<b>345</b>

\*Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31st March, 2023	31st March, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1,539	49
Interest	9	-
<b>Total</b>	<b>-</b>	<b>-</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Trade Payables ageing schedule

31st March, 2023	Particulars	Unbilled Dues	Payables Not Due	Current				Total
				Outstanding for following periods from due date of Payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	1,539	-	-	-	1,539	
(ii) Disputed dues - MSME	-	-	-	-	-	-	-	
(iii) Others	-	-	178	-	-	-	178	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
<b>Total</b>	-	-	<b>1,717</b>	-	-	-	<b>1,717</b>	

31st March, 2022	Particulars	Unbilled Dues	Payables Not Due	Current				Total
				Outstanding for following periods from due date of Payment				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	49	-	-	-	49	
(ii) Disputed dues - MSME	-	-	-	-	-	-	-	
(iii) Others	-	-	296	-	-	-	296	
(iv) Disputed dues - Others	-	-	-	-	-	-	-	
<b>Total</b>	-	-	<b>345</b>	-	-	-	<b>345</b>	



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19 Other financial liabilities	31st March, 2023	31st March, 2022
Other financial liabilities at amortised cost		
Provision for expenses	6,844	-
<b>Total other financial liabilities</b>	<b>6,844</b>	<b>-</b>
20 Other current liabilities	31st March, 2023	31st March, 2022
Revenue received in advance	-	67
Statutory due payable	622	3,406
Employees Salary Payable	203	9,694
Rent Payable	181	1,174
Reimbursement to KMP	94	119
Reimbursement to Others	38	48
Advance from customer	248	277
<b>Total other current liabilities</b>	<b>1,387</b>	<b>14,785</b>



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	31st March, 2023	31st March, 2022
<b>21 Revenue from operations</b>		
Revenue from contracts with customers (Refer Note 37)		
-Sale of goods	37,259	25,591
-Sale of services	-	1,629
<b>Total revenue from operations</b>	<b>37,259</b>	<b>27,220</b>
<b>22 Other income</b>		
Forex gain/loss	58	-
Gain on sale of investment	1,873	-
Interest on fixed deposits	108	-
Interest on income tax refund	3	20
Interest on inter-corporate deposits	2,112	-
PLI received from MOCA for FY 2021-22	3,086	-
<b>Total other income</b>	<b>7,240</b>	<b>20</b>
<b>23 Cost of material consumed</b>		
Inventory at the beginning of the year	986	2,151
Add: Purchases	48,953	3,338
Less: Transferred to Research & Development (Intangible asset under development)	(23,137)	-
Less: Transferred to Demo Drones(Capitalised)	(3,176)	-
Less: Inventory at the end of the year	(5,383)	(986)
<b>Cost of material consumed</b>	<b>18,244</b>	<b>4,503</b>
<b>24 Employee benefits expenses</b>		
Salaries, wages, bonus and other allowances	31,438	15,562
Staff welfare expenses	2,346	685
Contribution to provident fund	989	-
Gratuity expenses	608	345
Recruitment expenses	156	-
Contribution to ESIC	75	-
Employee labour welfare fund	3	-
Leave encashment & Bonus	-	172
<b>Total employee benefits expense</b>	<b>35,615</b>	<b>16,763</b>
<b>25 Finance costs</b>		
Interest on borrowing	305	1,664
Interest on corporate loan borrowed	5	-
Loan prepayment charges	256	-
<b>Other Finance Cost</b>		
Interest on delay in payment of taxes	229	91
MSME interest expense	9	-
TDS - late filing fee	124	-
<b>Total finance costs</b>	<b>929</b>	<b>1,756</b>
<b>26 Depreciation and amortization expense</b>		
Depreciation (Refer Note 05)	1,504	530
Amortization (Refer Note 06)	274	226
<b>Total depreciation and amortization expense</b>	<b>1,778</b>	<b>756</b>



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27 Other expenses	31st March, 2023	31st March, 2022
Advertisement expenses	222	98
Bank charges	356	33
Books and periodicals expenses	-	0
Business promotion expenses	1,274	-
Business support services	3,325	-
Communication, broadband and internet expenses	105	63
Computer repairs & maintenance	102	4
Discount allowed	-	3
Donation	50	-
Electrical & fitting charges	107	-
Electricity and water charges	271	100
Freight & transportation - selling and distribution expenses	123	153
Insurance - drones	24	63
Insurance - vehicle	9	8
Interest paid on PF	1	-
Legal and professional charges*	3,959	141
Meeting expenses	-	23
Membership,online subscription fees & software fees	715	57
Office expenses	1,108	238
Other administrative Expenses	12	-
Pooja expenses	32	-
Postage and courier	403	5
Printing & stationery	245	64
Provision for bad & doubtful debts	12,917	6,893
Rates & taxes	218	30
Rent expenses	2,413	1,650
Round off	(0)	0
Security charges	270	-
Tender participation fee	12	-
Testing charges R & D	196	-
Travel with lodging & accomodation	6,129	804
Vehicle maintenance	184	38
Vendor liquidated damages	-	77
Website development charges	7	6.97
<b>Total other expenses</b>	<b>34,788</b>	<b>10,553</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of Goods and Service tax)

As auditor:	31st March, 2023	31st March, 2022
Statutory audit	350	50
Reimbursement of expenses	-	-
<b>Total</b>	<b>350</b>	<b>50</b>

**28 Income Tax and Deferred Tax**

(A) Deferred tax relates to the following:

Deferred tax assets / (liabilities)	31st March, 2023	31st March, 2022
On provision for doubtful debts	5,151	1,792
On property, plant and equipment	(820)	(373)
On provision for employee benefits	438	348
<b>Total</b>	<b>4,769</b>	<b>1,768</b>

**Recognised in Other comprehensive income**

On provision for employee benefits	89	41
<b>Total</b>	<b>89</b>	<b>41</b>

<b>Total Deferred tax assets / (Liabilities)</b>	<b>4,857</b>	<b>1,809</b>
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Notes forming part of the standalone financial statements for the year ended 31 March 2023  
(All amounts in Thousands unless otherwise stated)

**Income Tax recognised in Statement of Profit and Loss**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Current Tax:</b>		
In respect of current year	-	-
<b>Deferred Tax:</b>		
In respect of current year	3,001	1,768
Tax relating to earlier years		
<b>Total income tax expense recognised in the Statement of Profit and Loss</b>	<b>3,001</b>	<b>1,768</b>

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit before tax</b>	(47,204)	(7,141)
Tax expense recognised in the statement of profit and loss	3,001	1,768
<b>Effective tax rate</b>	-6.36%	-24.75%
At statutory income tax rate of 25.17% (March 31, 2022: 25.17%)	(11,881)	(1,797)
<b>Adjustments</b>		
Effect on account of allowances under income tax	14,882	3,565
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>3,001</b>	<b>1,768</b>

**Deferred Tax Asset**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax asset (Net)</b>		
Property, plant and equipment: impact of difference between tax depreciation and impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis.	(820)	(373)
	5,589	2,140
<b>Net deferred tax (liability) / asset</b>	<b>4,769</b>	<b>1,768</b>

**Movement in deferred tax balances**

Particulars	For the year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Depreciation on Property, plant and equipment	(373)	-447	-	-820
Provision for leave encashment	18	(17.80)	-	-
Provision for Incentive	-	-	-	-
Provision for gratuity	345	182	-	526
Provision for bonus	27	(26.84)	-	-
Other OCI	(41)	(47.52)	-	(89)
Provision for Doubtful debts	1,792	3,358	-	5,151
<b>Net deferred tax (Asset) / Liabilities</b>	<b>1,768</b>	<b>3,001</b>	<b>-</b>	<b>4,769</b>

Particulars	For the year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Depreciation on Property, plant and equipment	-	(373)	-	(373)
Provision for leave encashment	-	18	-	18
Provision for Incentive	-	-	-	-
Provision for gratuity	-	345	-	345
Provision for bonus	-	27	-	27
Other OCI	-	(41)	-	(41)
Provision for Doubtful debts	-	1,792	-	1,792
<b>Net deferred tax (Asset) / Liabilities</b>	<b>-</b>	<b>1,768</b>	<b>-</b>	<b>1,768</b>

The Company has recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses to the extent of the corresponding deferred tax liability on The net deferred tax liabilities / assets should always be classified as non-current and disclosed on the face of the Balance Sheet.





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29 Value of imports calculated on CIF basis:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023(INR)	For the year ended 31 March 2022(INR)
Raw materials				
USD	153	11	12,654	861
EURO	-	2	-	189

30 Expenditure in foreign currency:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023(INR)	For the year ended 31 March 2022(INR)
Online-Subscription				
USD	2	-	160	-



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**31 Earnings/ (Loss) per share**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

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

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

	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Loss attributable to equity holders of the parent	(44,203)	(5,373)
Weighted average number of equity shares for EPS	1,42,123	62,500
Basic earning per share (INR)	(311.02)	(85.97)
Diluted earning per share (INR)	(311.02)	(85.97)



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Notes forming part of the financial statements for the year ended 31 March 2023  
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<b>32 Employee benefits</b>			
<b>(A) Defined Contribution Plans</b>			
During the year, the Group has recognized the following amounts in the Statement of Profit and Loss - Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 25)		<u>31st March, 2023</u>	<u>31st March, 2022</u>
		1,064	-
<b>(B) Defined benefit plans</b>			
a) Gratuity payable to employees		2,116	1,325
b) Compensated absences for Employees		-	-
<b>i) Actuarial assumptions</b>		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Discount rate (per annum)		7.53%	7.57%
Rate of increase in Salary		77.05%	24.14%
Attrition rate		31.11	32.28
		5	5
<b>ii) Changes in the present value of defined benefit obligation</b>			
		<u>Employee's gratuity fund</u>	
		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Present value of obligation at the beginning of the year		1,325	822
Interest cost		100	59
Past service cost		-	-
Current service cost		507	286
Curtailments		-	-
Settlements		-	-
Benefits paid		-	-
Actuarial (gain)/ loss on obligations		183	158
<b>Present value of obligation at the end of the year*</b>		<u>2,116</u>	<u>1,325</u>
*Included in provision for employee benefits (Refer note 16)			
<b>iii) Expense recognized in the Statement of Profit and Loss</b>			
		<u>Employee's gratuity fund</u>	
		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Current service cost		507	286
Past service cost		-	-
Interest cost		100	59
Expected return on plan assets		-	-
Actuarial (gain) / loss on obligations		-	-
Settlements		-	-
Curtailments		-	-
<b>Total expenses recognized in the Statement Profit and Loss*</b>		<u>608</u>	<u>345</u>
*Included in Employee benefits expense (Refer Note 25), Actuarial (gain)/loss of INR (31 March 2023: INR 183, 31 March 2022 : INR 158) is included in other comprehensive income.			
<b>iv) Assets and liabilities recognized in the Balance Sheet:</b>			
		<u>Employee's gratuity fund</u>	
		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Present value of unfunded obligation as at the end of the year		2,116	1,325
Unrecognized actuarial (gains)/losses		-	-
<b>Unfunded net asset / (liability) recognized in Balance Sheet*</b>		<u>2,116</u>	<u>1,325</u>
*Included in provision for employee benefits (Refer note 25)			
<b>v) Amounts recognised in other comprehensive income</b>			
Opening cumulative other comprehensive income		158	-
Actuarial loss/(gain) on DBO		183	158
Net increase in OCI		183	158
<b>Total recognised in other comprehensive income</b>		<u>341</u>	<u>158</u>
<b>vi) Expected contribution to the fund in the next year</b>			
Gratuity		<u>2,206</u>	<u>1,418</u>
<b>vii) A quantitative sensitivity analysis for significant assumption as at 31st March 2023 is as shown below:</b>			
		<u>Employee's gratuity fund</u>	
		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Impact on defined benefit obligation			
Discount rate			
100 basis points increase		(231)	(147)
100 basis points Decrease		276	177
Rate of increase in salary			
100 basis points increase		206	116
100 basis points Decrease		(198)	(121)
<b>viii) Maturity profile of defined benefit obligation</b>			
		<u>Employee's gratuity fund</u>	
		<u>31st March, 2023</u>	<u>31st March, 2022</u>
Year			
Year (I)		91	62
Year (II)		86	59
Year (III)		81	56
Year (IV)		77	53
Year (V)		73	50
Next 5 year pay-outs (6-10 years)		312	212
Pay-outs Above Ten Years		1,396	834
		<u>2,116</u>	<u>1,325</u>



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**33 Related Party Disclosures: 31 March 2023**

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

(A)

Nature of relationship

Related parties

I.	Ultimate Holding Company	RattanIndia Enterprises Limited
II.	Holding Company	Neosky India Limited
III.	Fellow subsidiaries	RattanIndia Investment Manages Private Limited Neotec Insurance Brokers Limited (wef 15 November 2021) Cocoblu Retail Limited (wef 03 November 2021) Neobrands Limited (wef 10 November 2022) Neorise Technologies FZCO (Foreign subsidiary wef 27 December 2021) Neotec Enterprises Limited Revolt Intellicorp Limited (Associate until 12 January 2023 & Subsidiary wef 13 January 2023) RattanIndia Enterprises Limited Employee Welfare Trust*
IV.	Enterprises over which holding company Key Management Personnel have significant influence	RattanIndia Power Limited (upto 29.10.2022)
V.	Key management personnel	

Name	Designation
Rajiv Rattan	Chairman, Non- Executive Director of the Ultimate Holding Company (w.e.f. 29.10.2022)
Vikas Kumar Adukia	CFO of the Ultimate Holding Company (upto 29.04.2021)
Amit Jain (PAN: AFKPJ7410C)	CFO of the Ultimate Holding Company (w.e.f 02.04.2022)
Amit Jain (PAN: AFKPJ7410C)	Director of the Company (Wef 26.05.2022)
Surinder Kumar Aery	Director of the Company (Wef 26.05.2022)
Sarath Chandra Gudlavalleti	Director of the Company (Wef 26.05.2022)
Nagendran Kandasamy	Director of the Company
Girish GM Reddy	CFO (Wef 26.05.2022)
Nischitha Madhu	Relative of Director



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Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Particular of Transactions with Related parties during the year</b>			
<b>Neosky India Limited</b>			
	Holding		
Equity Investment		200,000	-
Business Support Service		3,325	-
Reimbursement of expenses		18	-
Loan Borrowed		2,500	-
Repayment of loan borrowed		2,500	-
Interest on loan borrowed		5	-
Security Deposit given received back		1,000	-
<b>Neotec Enterprises Limited</b>			
	Fellow Subsidiary		
Loan Given		60,000	-
Loan Given repayment received back		11,500	-
Interest on loan Given		2,112	-
<b>Key Managerial Personnel</b>			
<b>Naandran Kandasamy</b>			
	Director		
Salary/Perquisites		3,396	3,000
Reimbursement of Expenses		1,307	-
Loan given to Director		4,322	-
Loan given by Director to Company		114	4,469
Salaries Payable		-	1,574
Repayment of Loan given by Director to Company		4,583	-
Payment of Salaries payable for the year 2021-22		1,574	-
Payment of Salaries payable for the year 2022-23		3,396	-
<b>Girish GM Reddy</b>			
	CFO Wef 26-05-2022		
Salary / Perquisites		2,582	2,200
Reimbursement of Expenses		319	-
Loan given by Director to Company		90	7,847
Salaries Payable		-	2,873
Repayment of Loan given by Director to Company		7,937	-
Payment of Salaries payable for the year 2021-22		2,873	-
Payment of Salaries payable for the year 2022-23		2,582	-
<b>Nischitha Madhu</b>			
	Relative of Director		
Salary / Perquisites		2,582	2,200
Reimbursement of Expenses		84	-
Loan given by company		213	-
Loan given by Director to Company		-	50
Salaries Payable		-	3,045
Repayment of Loan given by Director to Company		50	-
Payment of Salaries payable for the year 2021-22		3,045	-
Payment of Salaries payable for the year 2022-23		2,582	-
<b>Pinkin Consultancy Pvt Ltd</b>			
Loan Given to Company		-	4,190
Repayment of Loan given to company		4,190	-
<b>Shashi Kumar</b>			
Salary / Perquisites		-	2,200
Salaries Payable		-	1,741
Payment of Salaries payable for the year 2021-22		1,741	-



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Particulars	Account	Relationship	As at 31 March 2023	As at 31 March 2022
<b>Balance outstanding as at Balance sheet date:</b>				
Neosky India Limited	Equity	<b>Holding</b>	200,000	-
	Trade Payable		1,134	-
	Reimbursement of Expenses			
	Receivable		22	
Neotec Enterprises Limited	Loan Receivable	<b>Fellow Subsidiary</b>	48,500	-
	Interest on Loan Receivable		1,901	-
<b>Key Managerial Personnel</b>				
Nagendran Kandasamy	Reimbursement Receivable	<b>Director</b>	226	-
	Loan given to Director			
	receivable		4,322	-
Girish GM Reddy	Reimbursement Payable	<b>CFO</b>	21	-
		Wef 26-05-2022	-	
Nischitha Madhu	Loan given by company	<b>Relative of Director</b>		
	receivable		213	
			-	

**34 Segment reporting**

The Company's operations predominantly relate to providing in the business of manufacturing & service of drones being used in applications like agriculture, defence , geo survey, medical etc. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.



**35 Fair values of financial assets and financial liabilities**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Non-current borrowing comprises liability portion on liability component of Convertible Preference Shares. The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

**36 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.

(f)

**Financial instruments by category**

(ii) 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.

Particulars	31-Mar-23			31-Mar-22		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	5,172	-	-	8
Loans	-	-	55,567	-	-	-
Trade Receivable	-	-	25,411	-	-	19,448
Other financial assets	-	-	2,712	-	-	963
<b>Total</b>	-	-	<b>88,863</b>	-	-	<b>20,419</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	-	-	-	23,143
Trade Payables	-	-	1,717	-	-	345
Other financial liabilities	-	-	6,844	-	-	-
<b>Total</b>	-	-	<b>8,561</b>	-	-	<b>23,488</b>

(iii) **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 2023, as summarised below:

Particulars	31-Mar-23	31-Mar-22
Cash and cash equivalents	5,172	8
Loans	55,567	-
Trade Receivable	25,411	19,448
Other financial assets	2,712	963
<b>Total</b>	<b>88,863</b>	<b>20,419</b>

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-Mar-23	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	-	-	-	-
Trade Payables	1,717	-	-	1,717
Other financial liabilities	6,844	-	-	6,844
<b>Total</b>	<b>8,561</b>	-	-	<b>8,561</b>
<b>31-Mar-22</b>	<b>Less than 1 year</b>	<b>1-5 year</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Non-derivatives</b>				
Borrowings	16,556	-	6,586	23,143
Trade Payables	345	-	-	345
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>16,902</b>	-	<b>6,586</b>	<b>23,488</b>



Throttle Aerospace Systems Private Limited  
(CIN: U74900KA2016PTC085161)  
Notes forming part of the financial statements for the year ended 31 March 2023  
(Amount in INR thousands, unless otherwise stated)

37 REVENUE FROM OPERATIONS

(a) Revenue recognised from Contracts

Particulars	31st March, 2023	31st March, 2022
Revenue recognised from Customer contracts	37,192	27,287
Less: -Impairment losses recognised*	67	(67)
Total Revenue	37,259	27,220





**38 Capital management**

The Company's capital management objectives are  
(i) To ensure the Company's ability to continue as a going concern  
(ii) 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:

		31st March, 2023	31st March, 2022
Equity		147,194	(8,468)
Convertible preference share		-	-
Total equity	(i)	147,194	(8,468)
Borrowings other than convertible preference shares		-	23,143
Less: cash and cash equivalents		-	(8)
Total debt (net)	(ii)	-	23,135
Overall financing	(iii) = (i) + (ii)	147,194	14,667
Gearing ratio	(ii) / (iii)	-	(2.73)

\*Since there is no borrowings in FY 2022-23, the gearing ratio is not calculated.

No changes were made in the objectives, policies or processes for managing capital during the years ended 24 May 2022, 31 March 2022, and 1 April 2021.

**39 Ratio Calculation**

Particulars	Numerator	Denominator	As at 31st March,		Variance in %
			2023	2022	
Current Ratio	Current Assets	Current Liabilities	10.66	0.68	1461.59%
Debt Equity Ratio	Total Debt	Shareholder's Equity	-	-2.73	-100.00%
Debt Service Coverage Ratio	Earnings available for debt service (1)	Debt Service (2)	-	-0.13	-100.00%
Return on Equity (ROE)	Net Profits after Taxes	Average shareholder's equity	-0.30	0.63	-147.33%
Inventory turnover ratio (refer note below)	Cost of Goods Sold	Average Inventory	3.39	4.57	-25.83%
Trade receivables turnover ratio	Revenue	Average trade receivable	1.47	1.40	4.76%
Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	48.98	40.39	21.26%
Net capital turnover ratio	Revenue (5)	Working Capital (6)	0.38	-2.69	-114.17%
Net Profit Ratio	Net Profit	Revenue (5)	-1.19	-0.20	501.03%
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital employed (7)	-0.32	-0.25	25.37%
Return on Investment (ROI)	Income generated from investments	Investments	0.01	-	0.00%

- 1 Earnings for debt service includes net profit after taxes, finance cost and non-cash operating expenses like depreciation
- 2 Net credit purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses
- 3 Net sales means total sales after deducting sales return
- 4 Working capital is calculated by deducting current liabilities from current assets
- 5 Capital employed includes total assets less total debt, current liabilities

**40 Covid-19 Impact**

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.

41 There is neither any contingent liability nor any commitments to be reported as at 31 March 2023 and 31 March 2022.

42 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

For and on behalf of the Board of Directors of  
Throttle Aerospace Systems Private Limited

*U. N. Reddy*  
Narasimhan Kandasamy  
Director  
DIN: 06790657

*Sarath Gudlavalleti*  
Sarath Gudlavalleti  
Director  
DIN: 09306434

*Virish GM Reddy*  
Virish GM Reddy  
Chief Financial Officer  
Place: Bangalore  
Date:

Place: Bangalore  
Date: *27/5/23*

