Aerodrone Robotics Private Limited
(formely Fulcrum Manpower Private Limied)
Notes Forming part of Stanalone Financial Statements
(Amount in ₹ in Hundreds , except for share data or as otherwise stated)
CIN No.:U26515DL2021PTC379090

1 Company background

Aerodrone Robotics Private Limited formerly known as Fulcrum Manpower Private Limited is a private limited company incorporated in 23.03.2021, having its registered office at 1/209 First Floor, Delhi Cantt, Sadar Bazar,New Delhi-110010 .
The company is carrying on a business of manufacture , import , export etc. ,in appliances and systems including but not limited to drones, equipment, software and hardware ,silicon chips or any other equipment, communication equipment, display devices etc. and allied equipment,and to act as drones specialist, counselor ,advisor, programmmers, skill development training .

Aerodrone Robotics Private Limited is a subsidiary of Innovision Limited .

2 Basis of prepration of financial statements and significant policies

2.1 Statement of compliance

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards(referred to as "Ind AS") notified under section 133 of the Companies Act, 2013 read with rule 3 of the companies (Indian Accounting standards) Rules 2015 as amended from time to time and other relevant provisions of the Act.

Upto the period ended March 31, 2023 the company prepared the standalone financial Statements in accordance with the requirements of the Standard notified under the companies (Accounting standards rules 2006("Previous GAAP"). These are the Company First IND AS financial Satements. The case of transition to IND AS is April 1,2022.

2.2 Basis of Prepration of presentation

The stanalone Financial staements have been prepared on historical cost basis. No financial Assets and Liability has been measured at Fair Value. There are no such financial Assets and Liability to measure at Fair Value.

The company is a Subsidiary company of Innovision Limited, unlisted company . Innovision Limited holds 51% of Equity Shares of the Company

Ministry of Corporate Affairs ("MCA") through the notification dated March 2021, amended Division II of Schedule III of the Companies Act,2013. These amendments are applicable for the reporting year beginning from on after April 1,2021. Pursuant to these amendment the comparative figures as disclosed in these standalone financial statements have been regrouped /reclassified ,wherever necessary , to make them compareable to current year figures.

The Ministry of corporate Affiars has vide notification date March 23,2022 notified Companies (Indian Accounting standards) Amended Rules ,2022 which amends certain accounting standards and are effective from April 1,2022.Below is a summary of such amendments.

Title	Key Requirements
Ind AS 16, Property, Plant and Equipment	Proceeds before intended use of property, plant and equipment: The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).
Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts – Cost of fulfilling a contract: The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.
Ind AS 103, Business combinations	References to the conceptual framework: The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
Ind AS 109, Financial Instruments	Fees included in the 10% test for derecognition of financial liabilities: The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Ind AS 101, First time adoption	Subsidiary as a first-time adopter: Simplifies the application of Ind AS 101 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
Ind AS 41, Agriculture	Taxation in the fair value measurements: The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurements.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Ind AS 101, first time adoption : Subsidiary as a first-time adopter:
Aerodrone Robotics Private Limited is a subsidiary of Innovison Limited , unlisted company,which is adopting Ind As first time.

All the amounts Included in the standalone financial statements are presented in Indian Rupees(₹) which is also the functional currency of the Company, and are rounded to the nearest ₹ in Hundreds, except per share data and unless stated otherwise.

The standalone financial statements have been prepared on going concern basis.

2.3 Use of estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those orginally assessed. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
Detailed information about each of these estimates and judgements is provided below.

(i) Estimation of Defined Benefit Obligation
The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post-employment plans include the discount rate, attrition rate, mortality rates. Any changes in these assumptions will impact the carrying amount of such obligations. The group estimates the appropriate rates at the end of each year.

(ii) Income taxes
Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

(iii) Deferred taxes
Deferred tax is recorded on temporary differences between the tax basis of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

(iv) Expected credit loss
The impairment provisions of financial assets are based on the assumptions about risk of default and expected timing of collection The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's history of collections. customer's creditworthiness. extsting market conditions as well as forward looking estimates at the end of each reporting period.

(v) Lease term
Critical judgements required in the application of Ind AS 116 may include, among others, the following,
- Identifying whether acontract (or part of a contract) includes a lease;
- Determining whether it ts reasonably certain that an extension or termination option will be exercised.
- Classification of lease agreements (when the entity is a lessor):
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following
i) Estimation of the lease term.
ii) Determination of the appropriate rate to discount the lease payments
iii) Assessment of whether a nght-of-use asset ts impaired.

(vi) Revenue recognition
Application of the accounting principles under Ind AS 115 related to the measurement and recognition of revenue requires judgments and estimates. Complex arrangements with customers, Government Authorities and other partners may require significant contract interpretation to determine the appropnate accounting. Specifically, the determination of whether the Company is a principal to a transaction (gross revenue) or an agent (net revenue) may require considerable judgment.

2.4 Significant accounting policies

2.4.1 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts.
At the inception of the new contractual arrangement with the customer, the Company identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer
Revenue is recognized as follows:
(i)Revenue from services represents the amounts receivable for services rendered.
(ii) For contract-based business (Expressed or implied), revenue represents the sales value of work camed out for customers dunng the period. Such revenues are recognized in the period in which the service is rendered.
(iii) Unbilled revenue (contract assets) net of expected deductions is recognized at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
(iv) Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.

Revenue from service:
There is nil services rendered during the year.

2.4.2 Cost of Revenues

Direct costs

There is nil direct cost during the year.

Other Costs

Other costs include employees costs, depreciation and amortization, general and administrative costs

2.4.3 *Property, plant and equipment*

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of improvements to leasehold premises, if recognition criteria are met, have been capitalised and disclosed separately under leasehold improvement.

iii. Depreciation

Depreciation is provided on written down value method and charged to statement of profit and loss as per the rates prescribed under the schedule II of the Companies Act 2013 given below:

S.No.	Asset Category	Rate of Depreciation (per annum)
1.	Plant & machinery*	45.07%
2.	Furniture & fixtures	25.89%
3.	Electrical Goods	25.89%

* Plant and Machinery includes Drones , Real Flight Simulator and Propellor for which management has decided the policy for useful life for the period five years .

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimate of useful lives as given above, best represent the period over which management expects to use these assets. Depreciation on additions/(disposals) is provided on a pro-rata basis, i.e.. from/ (upto) the date on which asset is ready for use/ (disposed off).

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

2.4.3.1 *Intangible assets*

Separately acquired intangible assets, such as software are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets with finite useful lives are carried at cost and are amortised on a written down value basis over their estimated useful lives and charged to statement of profit and loss.

Website is amortized over their useful life on straight line basis, which is taken to be five years.

The amortization period and the amortization method are reviewed at financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

2.4.4 Foreign exchange transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction
At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. The net gain or loss arising on restatement settlement is recorded in Statement of Profit and Loss.
Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

2.4.5 Employee benefits

This is the first time of the company to employ in the organization.
The company has formed the policy for the retirement benfits like Gratuity to the employess ,once applicable.

2.4.6 Statement of Cash flows

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
Cash flows are reported using the indirect method, whereby profit. (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments The cash flows trom operating, Investing and financing activities of the Company are segregated based on the availabie information.
Amount received by the Company pending settlement are disclosed as amount payable to the merchants under "Other current financial liabilities"
Amount receivable from banks, wallets and cards are disclosed under the "Other current financtal assets" Changes in these balances are included in the cash flow from operating activities.

2.4.7 Earnings per share

Basic Eamings Per Share (EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic eamings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.
Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits and bonus shares for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

2.4.8 Taxation

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable for the relevant year. and any adjustment to tax payable in respect of previous years after considering tax allowance and exemptions under the Income Tax laws.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilitres are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneouslv.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it ts probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects ncither the taxable profit nor the accounting profit.

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

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

2.4.9 Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value Transaction costs that are directly attnbutable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilittes, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or Financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade dates basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace

All Recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Financial assets at amortised cost

Debt instruments are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive income

Debt Instruments are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Interest income is recognised in statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of F VTOCI financial assets are recognized in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in reserves is transferred to statement of profit and loss.

Equity instruments at fair value through other comprehensive income

The Company carries certain equity instruments which are not held for trading. At initial recognition, the Company may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income (FVTOCI) or through statement of profit and loss(FVTPL). For investments designated to be classified as FVTOCI, movements in fair value of investments are recognized in other comprehensive income and the gain or loss is not transferred to statement of profit and loss on disposal of investments. Dividends from these investments are recognized in the statement of profit and loss.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ("FYTPL") unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The gain or loss on disposal is recognised in statement of profit and loss.
Interest and dividend on these assets are recognized in the statement of profit and loss.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party
On derecognition of a financial asset in its entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.
For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at Fair Value Through Profit or Loss (F VTPL). Financial liabilittes that ae not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial labilities that are subsequently measured at amortised cost are determined based on the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on tnitial recognition
Contingent consideration recognized in a business combination and contracts to acquire non-controlling interests are subsequently measured at FVTPL.
Derivatives are also recognized and measured at FVTPL

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in "Other Income'.
The fair value of financial liabilities denominated in a foreign currency is determmed in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on inttial recognition.

Income is recognized on an effective interest basis tor tnstrument other than those financial assets classified as at FYTPL Interest income is recognized in profit or loss and ts included in the "Other Income' line item.

2.4.10 Impairment of financial assets

Impairment of financial assets Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income. The Company applies the expected credit loss model for recognizing impairment loss on trade receivables, unbilled receivables, lease receivables, other debt instruments and financial guarantees not designated as at FV TPL.

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables. For the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

2.4.11 Provisions & contingent liabilities

Provisions. involving substantial degree of estimation in measurement, are recognized when there is a present obligation (legal or constructive) as a result of past events and it ts probable that there will be an out flow of resources and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision ts the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the rtsks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it rs virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

2.4.12 Leases

The Company is Lessee. The lease is for 11 months.

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of (12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Ind AS 116, Leases has been applied using the modified retrospective approach, under which the difference between right-to-use asset and lease liabilities is adjusted against retained eamings as on the date of transition, also adjusted by the amount of any prepaid or accrued lease payments relating to those leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including tn-substance fixed payments), less any lease incentives receivable.
- The amount expected to be payable by the lessee under residual value guarantees.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability ts subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is presented as a separate line in the statement of financial position.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liabitity ts remeasured by discounting the revised lease payments using a revised discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the tease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any tease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciatron starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss
There is no identified Impairmernt Loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient. Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has availed this practical expedient.

2.4.13 Operating cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle. Normal operating cycle is based on the time between the acquisition of assets for processing and their realization into cash and cash equivalents The Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

2.4.14 First-time adoption - mandatory exceptions and optional exemptions

Overall principle

The company has prepared the opening Balance Sheet as per Ind AS as at date of transition April 1, 2022 by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS. and applying Ind AS in measurement of recognized assets and liabilstles. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.
The effect on reported financial position and financial performance of the Company on transition to Ind AS has been provided in note no.20, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those tor respective years under Ind AS.

Mandatory exceptions te retrospective application
The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards"

Estimates
On assessment of estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS. as there is no objective evidence of an error tn those estimates.

Classification and measurement of financial assets.

The Company has followed classification and measurement of financial assets im accordance with Ind AS 109 Financial Instruments on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Impairment of financtal assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively, however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognized in order to compare it with the credit risk as at the transition date.
However, as permitted by Ind AS 101, the Company has not undertaken an exhaustive search for information when determining at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurnng on or after date of transition.

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (F VTOCI) cniteria based on the fact and circumstances that existed as of the transition date.

Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of (Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions.

Deemed cost for property, plant and equipment and intangibles assets

The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognized as at date of transition April 1, 2022 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Deemed cost for investments in subsidiaries, associates and joint ventures

On transition, Ind AS 101 allows an entity to consider carrying values as deemed cost for investments held in subsidiaries, associates and joint ventures. Accordingly, the company has elected to measure carrying values as per previous GAAP as deemed cost for its investments held in subsidiary and assoctates. There is no investment in subsidiary,aassociates and joint venture.

Transition to Ind AS - Reconciliations

The reconciliations given in note 20 provide the explanation for the differences arising from the transition from Previous GAAP to Ind AS tn accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards"
-Reconciliation of total equity as at April 1, 2022 to March 31, 2023
- Reconciliation of total comprehensive income for the year ended March 31, 2023
-Reconciliation of statement of cash flows for the year ended March 31, 2023.
-Previous GAAP figures have been reclassified regrouped wherever necessary to conform with the standalone financial statements prepared under Ind AS