

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Ideaforge Technology Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ideaforge Technology Private Limited (the "Company") which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making

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Independent Auditor's Report (Continued)

Ideaforge Technology Private Limited

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Independent Auditor's Report (Continued)

Ideaforge Technology Private Limited

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. 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 and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 30.1 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 32(iv) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - 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.
 - (ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 32(v) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate

Independent Auditor's Report (Continued)

Ideaforge Technology Private Limited

in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Mansi Pardiwalla

Partner

Place: Mumbai

Date: 04 September 2022

Membership No.: 108511

ICAI UDIN:22108511AQWGTD6084

Annexure A to the Independent Auditor's Report on the Financial Statements of Ideaforge Technology Private Limited for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. 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>
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, no working capital loans were availed against such sanctioned limits and no returns or statements were required to be filed by the Company with such banks or financial institutions during the year.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Accordingly, clause (iii)(a), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Financial Statements of Ideaforge Technology Private Limited for the year ended 31 March 2022 (Continued)

of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 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 on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks , if any
Income Tax Act, 1961	Income Tax	33,064,942	AY 2017-18	Commissioner of Income tax (Appeals)	(Rs. 2,160,000 is paid under protest)
VAT Act, 2005	VAT	9,388,972	FY 2016-17	Deputy Commissioner (Appeals)	
VAT Act, 2005	VAT	84,505	FY 2017-18	Deputy Commissioner (Appeals)	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions,

Annexure A to the Independent Auditor's Report on the Financial Statements of Ideaforge Technology Private Limited for the year ended 31 March 2022 (Continued)

previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures subsidiary, associates or joint ventures (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year. Further, the Company has made private placement of fully convertible debentures during the year in compliance with the requirements of Section 42 of the Act. The total monies aggregating Rs 124,986,800 raised during the year have been utilised by the Company for the purpose for which it was raised. Further, during the year ended 31 March 2021, the Company had made private placement of fully convertible debentures in compliance with the requirements of Section 42 of the Act. Of the total monies aggregating Rs 297,953,400 raised in the year ended 31 March 2021, a sum of Rs 168,827,866 was utilised by the Company for the purpose for which it was raised till the previous year and the balance funds aggregating Rs 129,125,534 have been utilised by the Company for the purpose for which it was raised in the current the year. Further, during the year ended 31 March 2018, the Company had made a private placement of compulsory convertible preference shares in compliance with the requirements of Section 42 of the Act. Of the total monies aggregating Rs 695,993,670 raised in the year ended 31 March 2018, a sum of Rs 649,843,294 was utilised by the Company for the purpose for which it was raised till previous year, a sum of Rs 46,150,376 has been utilised by the Company for the purpose for which it was raised in the current year.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Ideaforge Technology Private Limited for the year ended 31 March 2022 (Continued)

- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has incurred cash losses of Rs 53,341,079 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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 requirements as stipulated by the provisions of Section 135 are not applicable to the

B S R & Co. LLP

**Annexure A to the Independent Auditor's Report on the Financial Statements
of Ideaforge Technology Private Limited for the year ended 31 March 2022
(Continued)**

Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Mansi Pardiwalla

Partner

Place: Mumbai

Membership No.: 108511

Date: 04 September 2022

ICAI UDIN:22108511AQWGTD6084

Annexure B to the Independent Auditor's Report on the financial statements of Ideaforge Technology Private Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Ideaforge Technology Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Ideaforge Technology Private Limited for the year ended 31 March 2022 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Mansi Pardiwalla

Partner

Place: Mumbai

Membership No.: 108511

Date: 04 September 2022

ICAI UDIN:22108511AQWGTD6084

Ideaforge Technology Private Limited

Balance Sheet

as at 31 March 2022

(INR in Lakhs)

	<i>Note</i>	31 March 2022	31 March 2021
Equity and liabilities			
Shareholder's funds			
Share capital	<i>3</i>	12.76	12.72
Reserves and surplus	<i>4</i>	12,176.84	6,026.75
Money received against share warrant	<i>3 (a)</i>	0.33	-
		<u>12,189.93</u>	<u>6,039.47</u>
Non-current liabilities			
Long-term borrowings	<i>5</i>	-	3,731.91
Other long-term liabilities	<i>6</i>	2.75	3.71
Long-term provisions	<i>7</i>	239.54	190.28
		<u>242.29</u>	<u>3,925.90</u>
Current liabilities			
Short-term borrowings	<i>8</i>	4,797.01	526.01
Trade payables	<i>9</i>	-	-
- total outstanding dues of micro enterprises and small enterprises; and		236.62	187.14
- total outstanding dues of creditors other than micro enterprises and small enterprises		512.58	287.64
Other current liabilities	<i>10</i>	2,632.58	1,312.22
Short-term provisions	<i>11</i>	554.96	71.80
		<u>8,733.75</u>	<u>2,384.81</u>
TOTAL		<u><u>21,165.97</u></u>	<u><u>12,350.18</u></u>
Assets			
Non-current assets			
Property, plant and equipment	<i>12</i>	234.81	104.60
Intangible assets	<i>12 (A)</i>	1,318.56	1,158.26
Intangible assets under development	<i>12 (A)</i>	1,908.82	1,422.19
Deferred tax assets (net)	<i>13</i>	163.68	-
Long-term loans and advances	<i>14</i>	64.31	142.29
Other non-current assets	<i>15</i>	2,950.65	1,359.16
		<u>6,640.83</u>	<u>4,186.50</u>
Current assets			
Current investments	<i>16</i>	1,065.04	-
Inventories	<i>17</i>	4,891.45	2,341.96
Trade receivables	<i>18</i>	2,033.80	2,353.00
Cash and bank balances	<i>19</i>	3,944.98	2,072.08
Short-term loans and advances	<i>20</i>	2,400.79	1,262.60
Other current assets	<i>21</i>	189.08	134.04
		<u>14,525.14</u>	<u>8,163.68</u>
TOTAL		<u><u>21,165.97</u></u>	<u><u>12,350.18</u></u>

Significant accounting policies

1-2

Notes to the financial statements

3-32

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Ideaforge Technology Private Limited

CIN : U31401MH2007PTC167669

Mansi Pardiwalla

Partner

Membership No: 108511

Mumbai

Date: 04-09-2022

Rahul Singh

Whole Time Director

DIN: 02106568

Mumbai

Date: 04-09-2022

Ankit Mehta

Whole Time Director

DIN: 02108289

Mumbai

Date: 04-09-2022

Ideaforge Technology Private Limited

Statement of Profit and Loss

for year ended 31 March 2022

(INR in Lakhs)

	<i>Note</i>	31 March 2022	31 March 2021
Income			
Revenue from operations	22	16,255.82	3,493.17
Other income	23	200.08	133.38
Total income		16,455.90	3,626.55
Expenses			
Cost of materials consumed	24	5,138.90	2,209.92
Changes in inventory of finished goods and work-in-progress	25	(1,016.95)	(379.58)
Employee benefits expense	26	2,683.37	1,923.46
Finance costs	27	719.33	94.65
Depreciation and amortisation expenses	28	639.60	313.58
Other expenses	29	2,173.34	893.13
Total expenses		10,337.59	5,055.16
Profit / (Loss) before tax		6,118.31	(1,428.61)
Tax expense			
Current tax		796.76	-
Deferred tax charge/(credit)		(163.68)	-
		633.08	-
Profit / (Loss) for the year		5,485.23	(1,428.61)
Earnings per equity share (nominal value of INR 10 each, fully paid-up)			
Basic	30.4	6,072.37	(1,608.62)
Diluted	30.4	3,922.00	(1,608.62)

Significant accounting policies

1-2

Notes to the financial statements

3-32

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Ideaforge Technology Private Limited

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Mansi Pardiwalla

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Ankit Mehta

Whole Time Director

DIN: 02108289

Mumbai

Date: 04-09-2022

Ideaforge Technology Private Limited

Statement of Cash Flows

for year ended 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
Cash Flow From Operating Activities		
Profit / (Loss) before tax	6,118.31	(1,428.61)
Adjustments for:		
Profit on sale of PPE	(1.94)	-
Gain on sale of investments	(30.46)	0.29
Interest income on fixed deposits	(164.99)	(112.46)
Dividend received on mutual funds	-	(13.76)
Sundry balances written off	0.57	-
Bad debts written off	10.88	-
Provision for lease rent equalisation	(0.96)	(7.19)
Employee stock option expense	627.77	588.81
Depreciation and amortisation expenses	639.60	313.58
Interest expenses	719.33	94.65
Operating profit before working capital changes	7,918.11	(564.69)
Changes in working capital:		
(Increase) in long term loans and advances	(55.09)	(22.94)
Decrease/(Increase) in trade and other receivables	307.76	(1,310.31)
(Increase) in inventories	(2,549.49)	(1,256.48)
(Increase) in short-term loans and advances	(1,230.27)	(812.42)
Increase in long-term provisions	49.27	43.99
Increase in trade payables	274.42	392.46
Increase in other current liabilities	2,073.64	329.04
Increase in short-term provisions	483.15	23.84
	7,271.49	(3,177.51)
Taxes paid (Net)	(714.21)	4.57
Net cash flows generated from/(used in) operating activities	6,557.28	(3,172.94)
B. Cash Flow From Investing Activities		
Acquisition of property, plant and equipment, intangible assets and expenditure on intangible assets under development	(1,379.95)	(914.28)
Proceeds from sale of PPE	2.30	-
Dividend received	-	13.76
Proceeds from sale of investment in mutual funds	30.46	1,190.09
Investment in mutual funds	(1,065.04)	-
Investments in fixed deposits (net)	(2,030.66)	(1,527.79)
Interest income	232.51	143.53
Net Cash flows (used in) investing activities (B)	(4,210.38)	(1,094.69)
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Share Capital	0.05	0.03
Proceeds from issue of unsecured debentures	1,249.87	2,979.53
Proceeds from issue of share warrants	0.32	-
Proceeds from issue of secured debentures	-	1,500.00
Repayment of long term secured debentures	(1,500.00)	-
Proceeds from unsecured loan	711.66	700.00
Repayment of unsecured loan	(146.42)	(700.00)
Proceeds from long term secured bank loan	2,400.00	-
Repayment of long term secured bank loan	(2,400.00)	-
Proceeds from short term secured bank loan	775.00	-
Repayment of short term secured bank loan	(778.33)	(3.06)
Proceeds from long term NBFC borrowings	1,500.00	-
Repayment of long term NBFC borrowings	(1,500.00)	-
Proceeds from overdraft facility from bank	(526.01)	4.72
Interest paid on borrowings	(719.36)	(94.67)
Cash (used in)/generated from financing activities (C)	(933.22)	4,386.55
Net Increase in cash and cash equivalents [(A)+(B)+(C)]	1,413.68	118.92
Cash and cash equivalents at the beginning of the year	127.90	8.98
Cash and cash equivalents at the end of the year* (Refer Note 19)	1,541.58	127.90

Ideaforge Technology Private Limited

Cash flow statement (Continued)

for year ended 31 March 2022

(Currency: Indian rupees)

	31 March 2022	31 March 2021
* Components of Cash and Cash Equivalents		
Cash on hand	1.81	1.89
Balances with banks	-	-
- in current accounts	1,539.77	126.01
- in deposit accounts (with original maturity of 3 months or less)	-	-
	1,541.58	127.90

Notes:

(a) The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 (AS-3) prescribed as per section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014 as amended.

(b) Reconciliation of Cash and Cash Equivalents as per the Cash Flow Statement. Cash and Cash Equivalents as per the above comprise of the following :

Particulars	31 March 2022	31 March 2021
Cash and bank balances (Refer Note 19)	3,944.98	2,072.08
Less: Balance with banks - in fixed deposit accounts (with original maturity of more than 3 months but less than 12 months)	2,403.40	1,944.18
Cash and Cash Equivalents as per Cash Flow Statement	1,541.58	127.90

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

Ideaforge Technology Private Limited

CIN : U31401MH2007PTC167669

Mansi Pardiwalla

Partner

Membership No: 108511

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Date: 04-09-2022

Rahul Singh

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Mumbai

Date: 04-09-2022

Ankit Mehta

Whole Time Director

DIN: 02108289

Mumbai

Date: 04-09-2022

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
3 Share capital		
Authorised		
2,25,000 (previous year: 2,25,000) Equity Shares of INR 10 each	22.50	22.50
75,000 (previous year: 75,000) Preference Shares of INR 10 each	7.50	7.50
	30.00	30.00
Issued, subscribed and paid-up		
89,400 (previous year: 88,930) equity shares of INR 10 each, fully paid up	8.94	8.89
1,100 (previous year: 1,100) equity shares of INR 1 each, partly paid up	0.01	0.01
328 (previous year: 328) Series A1 0.01% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, 1 fully paid-up.	0.00 *	0.00
38,145 (previous year: 38,145) Series A 0.001% Compulsorily Convertible Cumulative Preference Shares of INR 10 each, fully paid-up.	3.81	3.81
	12.76	12.71
(a) Warrants		
Warrants Application money [Refer Note (g) below]	0.33	-

*Denotes amount less than Rs 1000

(b) Reconciliation of the number of shares outstanding at the beginning and end of the reporting year (fully paid)

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity Shares				
Number of equity shares outstanding at the beginning of the year	0.89	8.89	0.89	8.86
Add: Issued under ESOP during the year	0.00 *	0.05	0.00	0.03
Number of equity shares outstanding at the end of the year	0.89	8.94	0.89	8.89

Reconciliation of the number of shares outstanding at the beginning and end of the reporting year (partly paid)

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity Shares				
Number of equity shares outstanding at the beginning of the year	0.01	0.01	0.01	0.01
Issued during the year (partly paid up)	-	-	-	-
Number of equity shares outstanding at the end of the year	0.01	0.01	0.01	0.01

	Amount in INR		Amount in INR	
	31 March 2022	31 March 2021	Number	Amount
Series A1 0.01% Compulsorily convertible cumulative preference shares (CCPS-A1)				
Number of CCPS shares outstanding at the beginning of the year	328	328	328	328
Add: Issued during the year	-	-	-	-
Number of CCPS shares outstanding at the end of the year	328	328	328	328
Series A 0.001% Compulsorily convertible cumulative preference shares (CCPS-A)				
Number of CCPS shares outstanding at the beginning of the year	38,145	3,81,450	38,145	3,81,450
Add: Issued during the year	-	-	-	-
Number of CCPS shares outstanding at the end of the year	38,145	3,81,450	38,145	3,81,450

(c) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. All equity shares carry one vote per share without restrictions and are entitled to dividend after preference dividend, as and when declared. In event of liquidation of the Company, the holders of equity shares would 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.

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.

Rights, preferences and restrictions attached to preference shares:

Series A1

Compulsorily convertible cumulative preference shares were issued at par in December, 2016. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares with in 6 years from the date of allotment. The preference shares are entitled to cumulative dividend @ 0.01% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement.

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

3 Share capital (Continued)

Series A

Compulsorily convertible cumulative preference shares were issued at par in December, 2017. All preference shares carry voting rights as per the provision of the Companies Act, 2013. These preference shares are convertible in to equity shares with in 20 years from the date of allotment. The preference shares are entitled to cumulative dividend @ 0.001% in preference to equity shares, as and when declared. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. Each Preference share is convertible in to 1 Equity Share of INR 10 each in accordance with the Securities Subscription Agreement.

(d) Details of shareholders holding more than 5% of share capital

Equity shares

Name	31 March 2022		31 March 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Ankit Mehta	16,314	18.03%	16,174	17.97%
Ashish Bhat	15,695	17.34%	15,695	17.43%
Rahul Singh	15,855	17.52%	15,695	17.43%
Sujata Vemuri	9,395	10.38%	9,995	11.10%
Vipul Joshi	6,360	7.03%	6,260	6.95%

Preference shares series A1

Name	31 March 2022		31 March 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Trifecta Venture Debt Fund I	328	100%	328	100%

Preference shares series A

Name	31 March 2022		31 March 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
WRV II Mauritius	16,323	42.79%	16,323	42.79%
Indusage Technology Venture Fund I	9,075	23.79%	9,075	23.79%
Infosys Limited	5,402	14.16%	5,402	14.16%
Qualcomm Asia Pacific PTE Limited	5,402	14.16%	5,402	14.16%
WRV B-II Mauritius	1,943	5.09%	1,943	5.09%

(e) Employee stock options

Shares reserved for issue under options granted to employees are described in note 30.11 regarding employee share based payments.

(f) Shares reserved for issue under options

	31 March 2022		31 March 2021	
	Number of Shares	Amount in INR	Number of Shares	Amount in INR
For compulsorily convertible cumulative preference shares (CCPS-A1): 328 equity shares of INR 10 each (also refer to rights, preferences and restrictions attached to preference shares)	328	3,280	328	3,280
For compulsorily convertible cumulative preference shares (CCPS-A): 38,145 equity shares of INR 10 each (also refer to rights, preferences and restrictions attached to preference shares)	38,145	3,81,450	38,145	3,81,450
Under employee stock option scheme, 2022: 11,034 (previous year: 9,709) equity shares of INR 10, at an excise price of INR 10 each	11,034	1,10,340	9,709	95,000

g) Share Warrant Application Money

In FY 20-21 the Company had Issued Non Convertible Debentures (NCD) of INR 500.00 each to Blue Ashva Sampada Fund, Blacksoil India Credit Fund, Blacksoil Capital Private Ltd. These NCD gave right to invest (Warrants) in the equity shares of the company of total upto Rs 135.00 (Rs 45.00 each). These warrants were issued on 12-May-2021. The exercise period for these rights are of based on earlier of these events i.e. with in 7 years from the date of issue or IPO / strategic sale event at pre-money valuation at which compulsory convertible Debenture were to be converted into Compulsory Convertible Preference Shares.

h) Promoters Shareholding

Name	31 March 2022			31 March 2021		
	Number of Shares	Percentage of Holding	% increase/(decrease) during the period	Number of Shares	Percentage of Holding	% increase/(decrease) during the period
Ankit Mehta	16,314	18.03%	0.9%	16,174	17.97%	0%
Ashish Bhat	15,695	17.34%	0.0%	15,695	17.43%	0%
Rahul Singh	15,855	17.52%	1.0%	15,695	17.43%	0%
Vipul Joshi	6,360	7.03%	1.6%	6,260	6.95%	0%

Ideaforge Technology Private Limited

Notes to the financial statements

for year ended 31 March 2022

(INR in Lakhs)

1 Background

IdeaForge Technology Private Limited ('the Company') is a company incorporated in India on 8 February 2007. The Company is primarily engaged in the business of manufacture and marketing of UAV systems which are used for security and surveillance. The ancillary business of providing training and maintenance service evolve around the main business of manufacture and marketing of UAV systems.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed under Section 133 of the Companies Act, 2013 ('The Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, read with companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April 2016 and other relevant provisions of the Companies Act, 2013, to the extent notified and applicable.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. and the reported amounts of revenues and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current-non current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
 - b. it is held primarily for the purpose of being traded;
 - c. it is due to be settled within 12 months after the reporting date; or
 - d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Ideaforge Technology Private Limited

Notes to the financial statements (*Continued*)

for year ended 31 March 2022

(INR in Lakhs)

2 Significant accounting policies (*Continued*)

2.4 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non-current classification of assets and liabilities.

2.5 Property, plant and equipment and depreciation

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes inward freight, duties, taxes and incidental expenses related to the acquisition of the tangible assets.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on fixed assets is provided on pro-rata basis under the Written Down Value method, in the manner and as per life specified in Part C of Schedule II to the Act, except in case of leasehold improvements which are depreciated over primary lease period, which in management's opinion is reflective of economic useful lives of these fixed assets. Useful life and residual values are reviewed by management at every balance sheet date and adjusted, if appropriate.

2.6 Intangible assets and amortisation

Intangible assets comprise primarily of computer software and product development. Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible asset is amortized over an expected benefit period of three years using straight line method.

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Intangible assets under development

Intangible assets under development includes the cost of patent, trademark and product development costs that are not ready to use at the balance sheet date. Product development costs includes employee benefits expenses including employee stock option expense incurred towards research and development team, raw material consumed, testing charges, other expenses like rent, electricity and other administration and office expenses. Intangible assets under development are not depreciated as these assets are not yet available for use.

2.7 Impairment of assets

In accordance with Accounting Standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.8 Revenue recognition

Revenue from sale of products is recognised when all significant risks and rewards of ownership of products are passed on to the customers. Sales are stated net of trade discounts and sales returns and exclude sales tax.

Sale of services income includes the revenue from annual maintenance contract and repairs and maintenance and training and it is recognized as and when services are rendered and related cost incurred, in accordance with terms of contract/order. Income from services are recognized net of tax.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on the time proportion basis.

2.9 Inventories

Inventories comprises of raw material, work in progress and finished goods. Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost and net realisable value; cost is determined on FIFO basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Ideaforge Technology Private Limited

Notes to the financial statements (*Continued*)

for year ended 31 March 2022

(INR in Lakhs)

2.10 Operating lease

Leases, where the lessor effectively retains substantially all the risk and benefits of ownership, of the leased assets during the lease term are classified, as operating leases. Operating lease expenditure is recognized in Statement of Profit and Loss on straight line basis over the leased term.

2.11 Employee benefits

(a) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as privilege leave and sickness leave. Compensated absences are recognized when the employee render service that increases their entitlement to future compensated absence. Employee can carry forward and avail leave as per the policy of the Company. Compensated absences have been provided for, based on outstanding leave balance and the employee's basic pay.

(b) Post-employment benefits

(i) Defined contribution plan

The Company's contributions towards provident fund is defined contribution scheme. The Company's contribution paid/payable under the schemes is recognised as expense in the statement of profit and loss account during the period in which the employee renders the related service.

(ii) Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

(iii) Compensated absence

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using project unit credit method.

(iv) Employee stock option schemes

Compensation cost is measured as the excess, if any, of the fair value of the underlying stock over the exercise price at the grant date and amortised over the vesting period over which the employees would become unconditionally entitled to apply for the shares.

2.12 Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

2.13 Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in statement of profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.14 Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

Ideaforge Technology Private Limited

Notes to the financial statements (Continued)

for year ended 31 March 2022

(INR in Lakhs)

2.15 Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognized in the period in which the change occurs.

2.16 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises cash at banks, cash on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.17 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current/non-current classification scheme of schedule III. Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares, convertible debentures etc. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed of.

2.18 Warranty

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

Ideaforge Technology Private Limited

Notes to financial statements (*Continued*)

as at 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
4 Reserve and surplus		
Securities premium (refer note a)		
Balance as at the beginning of the year	8,955.96	8,901.23
Add: Received during the year	71.14	54.73
Closing balance as at the end of the year	<u>9,027.10</u>	<u>8,955.96</u>
Debenture redemption reserve (refer note b)		
Balance as at the beginning of the year	50.00	50.00
Less: Amount transferred to surplus	<u>(50.00)</u>	-
Closing balance as at the end of the year	<u>-</u>	<u>50.00</u>
Share options outstanding account (refer note c)		
Balance as at the beginning of the year	860.12	294.22
Employee compensation expense for the year	664.87	620.63
Transferred to securities premium account/share capital on exercise of stock option	<u>(71.14)</u>	<u>(54.73)</u>
Closing balance as at the end of the year	<u>1,453.86</u>	<u>860.12</u>
Surplus / deficit (refer note d)		
Balance as at the beginning of the year	<u>(3,839.34)</u>	<u>(2,410.73)</u>
Add: Profit / (Loss) for the year	5,485.23	(1,428.61)
Add: Transferred from debenture redemption reserve (refer note b)	50.00	
Closing balance as at the end of the year	<u>1,695.89</u>	<u>(3,839.34)</u>
Total	<u><u>12,176.84</u></u>	<u><u>6,026.74</u></u>

(a) Securities premium

Securities premium account represents securities premium received on issue of shares and has been utilised for writing of share issue expenses in accordance with the provisions of Section 52 of Companies Act, 2013.

(b) Debenture redemption reserve

The company had issued redeemable non-convertible debentures. Accordingly, the companies (Share capital and Debentures) Rules, 2014 (as amended), required the company to create a debenture redemption reserve (DRR) out of profits of the company available for payment of dividends. These NCDs have been repaid during the year, hence DRR has been transferred to surplus.

(c) Share options outstanding account

The Company's Board of Directors had passed a resolution in the board meeting dated 27 February 2017 authorising the Company for implementation of Employees Stock Option Scheme. This scheme has been implemented on 2 May 2018.

(d) Surplus

Surplus are the profits / losses that the Company has earned / incurred till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

5 Long-term borrowings

Secured debentures

Nil (Previous year: 300) 17.5% Redeemable Non Convertible Debentures of INR 5,00,000 each [Refer Note (a) below] - 750.00

Term loans (Secured)

ICICI Banks [Refer Note (b) below] - 2.37

Unsecured Debentures

21,914 (Previous year: 15,438) compulsorily convertible debentures of INR 19,300 each [Refer Note (c) below] - 2,979.53

	<u>-</u>	<u>3,731.91</u>
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Ideaforge Technology Private Limited

Notes to financial statements (*Continued*)

as at 31 March 2022

(INR in Lakhs)

Note (a)

Unlisted and secured 17.5% secured redeemable non convertible debentures were issued to Blacksoil India Credit Limited, the same are repayable within 24 months from the date of allotment as per the Debentures deed agreement. There is a moratorium period of 4 months for principal repayment. These debentures are secured against the personal guarantee of the promoters and a pari passu first charge over book debts, inventories, movable assets, others assets acquired by the Company. This NCD is fully repaid during the current financial year 21-22. Unlisted secured debentures were secured against the personal guarantee of the promoters. Outstanding amount of debentures as on 31 March 2022 is INR: NIL (previous year: INR 15.00)

Note (b)

Vehicle loan from ICICI Bank is secured against vehicle, carrying interest rate of 8.25% per annum. The loan is repayable in 59 equal installments commencing from January 2018.

Note (c)

Unlisted and unsecured compulsorily convertible debentures are issued to IndusAge, WRV II B and WVR II, Qualcomm, Infosys Ltd, Infina, EXIM Bank the same are to be converted in equity share within 24 months from the date of allotment as per the debentures subscription agreement. Subsequent to the balance sheet date on 28th April 2022 CCD's have been converted into 0.10 lakh CCPS of the company.

6 Other long-term liabilities

	31 March 2022	31 March 2021
Liability towards lease rent equalisation	2.75	3.71
	<u>2.75</u>	<u>3.71</u>

7 Long term-provisions

Provision for employee benefits

Provision for gratuity (Refer note 30.3)	158.19	136.09
Provision for compensated absences (Refer note 30.3)	81.35	54.19
	<u>239.54</u>	<u>190.28</u>

8 Short term-borrowings

Overdraft facilities from bank	-	526.01
Secured debentures		
Nil (Previous year: 300) 17.5% Redeemable Non Convertible Debentures of INR 5,00,000 each [Refer Note (a) below]	-	750.00
Unsecured debentures		
21,914 (Previous year: 15,438) Compulsorily Convertible Debentures of INR 19,300 each [Refer Note (d) below]	4,229.40	-
Term loans (Secured)		
ICICI Bank vehicle loan [Refer Note (b) below]	2.37	3.33
Unsecured loans		
Ganapathy Subramaniam [Refer Note (c) below]	565.24	-
	<u>4,797.01</u>	<u>1,279.34</u>

Note (a)

Unlisted 17.5% p.a secured redeemable non convertible debentures were issued to Blacksoil India Credit Limited, the same are repayable within 24 months from the date of allotment as per the Debentures deed agreement. There is a moratorium period of 4 months for principal repayment. These debentures are secured against the personal guarantee of the promoters and a pari passu first charge over book debts, inventories, movable assets, others assets acquired by the Company. This NCD is fully repaid during the current financial year 21-22.

Note (b)

Vehicle loan from ICICI Bank is secured by vehicle, carrying interest rate of 8.25% per annum. The loan is repayable in 59 equal instalments commencing from January 2018.

Note (c)

During the year company has taken unsecured working capital loan from one of the Director of the company @ 16% p.a. interest to meet working capital requirement. The same has been repaid subsequent to balance sheet date on 5 April 2022.

Ideaforge Technology Private Limited

Notes to financial statements (*Continued*)

as at 31 March 2022

(INR in Lakhs)

Note (d)

Unlisted and unsecured compulsorily convertible debentures are issued to IndusAge, WRV II B and WVR II, Qualcomm, Infosys Ltd, Infina, EXIM Bank the same are to be converted in equity share within 24 months from the date of allotment as per the debentures subscription agreement. Subsequent to the balance sheet date on 28 April 2022 CCD's have been converted into 0.10 lakh CCPS of the company.

Note (e)

No quarterly returns/statements were required to be filed by the company as no fund based bank limit were availed.

9 Trade payables	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note 30.10)	236.62	187.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	512.58	287.64
Additional disclosure pursuant to amendment of revised schedule III are in note 31.	749.20	474.78

10 Other current liabilities	31 March 2022	31 March 2021
Interest accrued but not due on borrowings	0.02	0.04
Employee benefits payable	547.55	495.19
Statutory dues payables	70.19	29.90
Advance from customers	1,978.50	28.25
Other payables	36.32	5.54
	2,632.58	558.92

11 Short-term provisions	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer note 30.3)	15.82	11.75
Provision for compensated absences (Refer note 30.3)	19.01	12.39
Others		
Provision for liquidated damages	279.00	19.85
Provision for warranty	241.13	27.82
	554.96	71.81

Liquidated damages

Liquidated damages are contractual obligations affecting the revenue in case of the UAV systems delivery arising as a result of penalties arising from delays caused in the completion of a delivery. For delivery delayed beyond the stipulated delivery completion periods, management has estimated the liability that could arise on these contracts.

Additional disclosure relating to provision for liquidated damages

	31 March 2022	31 March 2021
At the commencement of the year	19.85	9.58
Provision made during the year	279.00	21.34
Provision utilised during the year	(19.85)	(11.07)
Provision reversed	-	-
At the end of the year	279.00	19.85

Warranty

The Company records provision towards warranty for products wherein it has obligation for two years. Accordingly, provision had been recognised on the basis of management's expectation of warranty claims on such products.

Additional disclosure relating to provision for warranty

	31 March 2022	31 March 2021
At the commencement of the year	27.82	17.50
Provision made during the year	241.13	24.83
Provision utilised during the year	(27.82)	(14.51)
Provision reversed	-	-
At the end of the year	241.13	27.82

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

12 Property, Plant and Equipment

	Gross Block			As at 31 March 2022	Depreciation as at 1 April 2021	Depreciation		As at 31 March 2022	Net Block	
	As at 1 April 2021	Additions during the year	Deletions during the year			Depreciation for the year	Accumulated depreciation on disposals		As at 31 March 2022	As at 31 March 2021
Tangible assets										
Plant and Machinery	60.74	93.70	-	154.44	23.68	16.92	-	40.60	113.85	37.07
Vehicles	26.84	17.32	5.83	38.33	21.60	4.46	5.46	20.60	17.74	5.24
Computer	119.37	72.39	-	191.76	106.76	27.34	-	134.10	57.66	12.61
Office Equipments	20.16	3.71	-	23.87	16.16	2.60	-	18.77	5.10	3.99
Electrical Equipments	14.41	0.60	-	15.01	8.83	1.49	-	10.31	4.70	5.58
Furniture and Fixtures	80.39	6.32	-	86.71	56.75	6.87	-	63.62	23.09	23.63
Leasehold Improvements	121.35	6.70	-	128.05	104.87	10.51	-	115.38	12.67	16.48
Total	443.26	200.74	5.83	638.17	338.65	70.19	5.46	403.38	234.81	104.60

	Gross Block			As at 31 March 2021	Depreciation as at 1 April 2020	Depreciation		Depreciation as at 31 March 2021	Net Block	
	As at 1 April 2020	Additions during the year	Deletions during the year			Depreciation for the year	Accumulated depreciation on disposals		As at 31 March 2021	As at 31 March 2020
Tangible assets										
Plant and Machinery	39.74	21.01	-	60.74	19.39	4.28	-	23.68	37.07	20.35
Vehicles	26.84	-	-	26.84	19.22	2.38	-	21.60	5.24	7.62
Computer	114.68	4.69	-	119.37	96.42	10.34	-	106.76	12.61	18.26
Office Equipments	19.52	0.63	-	20.16	13.24	2.93	-	16.16	3.99	6.29
Electrical Equipments	13.96	0.45	-	14.41	6.91	1.92	-	8.83	5.58	7.05
Furniture and Fixtures	78.49	1.90	-	80.39	49.10	7.65	-	56.75	23.63	29.39
Leasehold Improvements	120.28	1.07	-	121.35	74.47	30.40	-	104.87	16.48	45.81
Total	413.51	29.75	-	443.26	278.75	59.90	-	338.65	104.60	134.77

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

12A Intangible assets

	Gross Block			Amortisation			Net Block		
	As at 1 April 2021	Additions during the year	Deletions during the year	As at 31 March 2022	Amortisation as at 1 April 2021	Amortisation for the year	Accumulated Amortisation on disposals	As at 31 March 2022	As at 31 March 2021
Intangible Assets									
Software	96.25	30.76	-	127.01	67.66	26.19	-	93.86	28.59
Patent	10.20	6.57	-	16.77	1.30	0.68	-	1.98	8.90
Product development	2,294.80	692.38	-	2,987.18	1,174.03	542.54	-	1,716.57	1,121.00
Total	2,401.25	729.71	-	3,130.96	1,242.99	569.41	-	1,812.41	1,158.49
Intangible Assets under development									
Software under development	-	6.94	-	6.94	-	-	-	6.94	-
Patents under development	97.59	38.88	6.57	129.91	-	-	-	129.91	-
Product under development	1,324.60	1,139.75	692.38	1,771.97	-	-	-	1,771.97	-
Intangible Assets under development	1,422.19	1,185.57	698.95	1,908.82	-	-	-	1,908.82	-
Additional disclosure pursuant to amendment of revised schedule III are in note 31.									

	Gross Block			Amortisation			Net Block		
	As at 1 April 2020	Additions during the year	Deletions during the year	As at 31 March 2021	Amortisation as at 1 April 2020	Amortisation for the year	Accumulated Amortisation on disposals	As at 31 March 2021	As at 31 March 2020
Intangible Assets									
Software	93.05	3.20	-	96.25	43.37	24.30	-	67.66	49.68
Patent	6.27	3.93	-	10.20	0.92	0.38	-	1.30	5.35
Product development	1,114.65	1,180.15	-	2,294.80	945.02	229.01	-	1,174.03	169.63
Total	1,213.97	1,187.28	-	2,401.25	989.31	253.69	-	1,242.99	224.66
Intangible Assets under development									
Patents under development	70.90	30.63	3.93	97.59	-	-	-	97.59	-
Product under development	1,612.66	892.09	1,180.15	1,324.60	-	-	-	1,324.60	-
Intangible Assets under development	1,683.56	922.72	1,184.08	1,422.19	-	-	-	1,422.19	-
Additional disclosure pursuant to amendment of revised schedule III are in note 31.									

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
13 Deferred tax assets		
Deferred tax assets/ (liabilities)		
Excess of depreciation as per books over Income-tax Act, 1961	(44.38)	300.05
Carried forward business loss	-	615.67
Provision for employee benefits	71.34	55.75
Expenses disallowed under Income-tax Act, 1961	0.78	0.47
Provision for warranty	62.69	7.23
Rent equalisation reserve	0.71	0.96
Provision for liquidated Damages	72.54	
Deferred tax assets	<u>163.68</u>	<u>980.13</u>
Deferred tax assets/ (liabilities) recognised (Net)	<u>163.68</u>	<u>-</u>
<p>Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from fiscal year 2019-20, allows any domestic company to pay income tax at the rate of 22% plus surcharge and cess subject to condition they will not avail any incentive or exemptions and that the accumulated MAT credit would lapse. The Company has opted for Section 115BAA from FY 2021-22.</p>		
14 Long-term loans and advances		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Advance tax (net of provision)	23.87	106.42
Earnest money deposit with customers	13.08	12.88
Prepaid expenses	27.36	2.94
	<u>64.31</u>	<u>122.24</u>
15 Other non current assets		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Deposit with original maturity period of more than 12 months	2,930.60	1,359.16
Security deposits	20.05	20.05
	<u>2,950.65</u>	<u>1,379.21</u>
16 Current investments		
Quoted		
Investment in mutual funds		
Axis Corporate Debt Fund	1.38	-
IDFC Corporate Bond Fund	1.55	-
Axis Money Market Fund	201.52	-
IDFC Low Duration Reg-Growth	0.88	-
SBI Overnight Fund Growth	154.06	-
HDFC Overnight Fund Growth	705.65	-
	<u>1,065.04</u>	<u>-</u>
Market value of quoted investments		
Aggregate book value of quoted investments	1,065.04	-
Aggregate market value of quoted investments	1,065.04	-
17 Inventories (Valued at lower of cost and net realisable value)		
Raw materials	2,937.10	1,404.56
Work-in-progress	204.82	67.18
Finished goods	1,749.53	870.22
	<u>4,891.45</u>	<u>2,341.96</u>

On 6 April 2022 mid-night an unfortunate incident of fire occurred in a partial area of the 1st floor of manufacturing premises at Mahape. The only damage was of a portion of inventories of about Rs 8.75 Cr. Management has taken relevant steps to inform the insurance company about this incident. Insurance claim process has been initiated and is under process. Management is confident the damages are recoverable as it was fully insured. There was no impact on the continuity of the Company's operations, and committed contracts were delivered in full.

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

as at 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
18 Trade receivables		
Receivables others		
Unsecured, considered good	2,033.80	2,353.00
Total	<u>2,033.80</u>	<u>2,353.00</u>
Additional disclosure pursuant to amendment of revised schedule III are in note 31.		
19 Cash and cash equivalents		
Balance with banks		
- in Current accounts*	1,539.77	126.01
Other bank balance**		
Balance with banks - in fixed deposit accounts (with original maturity of more than 3 months but less than 12 months)	2,403.40	1,944.18
Cash on hand	1.81	1.89
	<u>3,944.98</u>	<u>2,072.08</u>
*The Company has availed the cash credit facility of INR 800.00 (Previous year: INR 800.00) from RBL bearing interest rate of 13% p.a. The same is secured by hypothecation of the entire stock of raw materials, packing materials, semi finished and finished goods and entire book debts.		
**Long term deposit referred in Note 15 and short term deposits as above are pledged with RBL Bank Limited, Union Bank of India, EXIM Bank and HDFC Bank Ltd as collateral for issue of performance bank guarantee and advance bank guarantee to the customers. The amount sanctioned by RBL bank Limited is INR NIL (previous year: INR 800.00), HDFC Bank Ltd INR 4,027.52 (previous year: NIL), Union Bank of India INR NIL (previous year: 1,344.54), EXIM Bank INR 4,283.00 (previous year: NIL)		
20 Short-term loans and advances		
<i>(Unsecured, considered good)</i>		
To other than related parties		
Advances to employees	9.94	8.02
Advance for supply of goods and services	608.78	373.64
Balance with government authorities	1,719.44	826.73
Prepaid expenses	62.63	53.52
Other loans and advances	-	0.69
	<u>2,400.79</u>	<u>1,262.60</u>
21 Other current assets		
<i>(Unsecured, considered good)</i>		
Accrued interest on deposits	7.89	75.40
Accrued revenue	72.98	42.51
Security deposits	108.21	16.13
	<u>189.08</u>	<u>134.04</u>

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

for year ended 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
22 Revenue from operations		
Sale of products	15,705.98	3,122.75
Sale of services	549.84	370.42
	<u>16,255.82</u>	<u>3,493.17</u>
Sale of Products Particulars		
UAVs	15,470.85	2,895.51
Spare items	235.13	227.24
	<u>15,705.98</u>	<u>3,122.75</u>
Sale of Services Particulars		
Maintenance services	327.63	370.42
Training services	217.13	-
Others	5.08	-
	<u>549.84</u>	<u>370.42</u>
23 Other income		
Interest Income		
-on fixed deposits	164.99	112.46
Gain (loss) on sale of Investment	30.46	-
Dividend received on Mutual fund	-	13.76
Profit on Sale of Property, Plant & Equipment	1.94	-
Awards and Honours	1.00	-
Miscellaneous Income	1.69	7.16
	<u>200.08</u>	<u>133.38</u>
24 Cost of materials consumed		
Inventory of raw material at the beginning of the year	1,404.56	527.66
Add: Purchases of raw material	6,724.76	3,151.73
Less: Capitalised in intangible assets under development	53.32	64.90
Less: Inventory of raw materials at the end of the year	2,937.10	1,404.56
	<u>5,138.90</u>	<u>2,209.93</u>
25 Changes in inventories of finished goods and work-in-progress		
Inventory of finished goods at the beginning of the year	870.22	527.88
Inventory of work in progress at the beginning of the year	67.18	29.94
	<u>937.40</u>	<u>557.82</u>
Inventory of finished goods at the end of the year	1,749.53	870.22
Inventory of work in progress at the end of the year	204.82	67.18
	<u>1,954.35</u>	<u>937.40</u>
(Increase) in Inventories	<u>(1,016.95)</u>	<u>(379.58)</u>
26 Employee benefits expense		
Salaries, wages and bonus	2,761.95	1,864.75
Gratuity	37.78	31.29
Compensated absence expense	47.18	26.86
Contributions to Provident and Other Statutory Funds	43.79	44.66
Staff welfare expenses	50.65	25.75
Employee stock option expense (refer note 30.12)	627.77	588.81
	<u>3,569.12</u>	<u>2,582.12</u>
Less : Capitalised in intangible assets under development	(885.75)	(658.65)
	<u>2,683.37</u>	<u>1,923.47</u>
27 Finance costs		
Interest expenses	490.91	94.65
Other borrowing expenses	228.42	13.91
	<u>719.33</u>	<u>108.56</u>

Ideaforge Technology Private Limited

Notes to financial statements (Continued)

for year ended 31 March 2022

(INR in Lakhs)

	31 March 2022	31 March 2021
28 Depreciation and amortisation expense		
Depreciation on property, plant & equipment (Refer Note 12)	70.19	59.90
Amortisation of intangible assets (Refer Note 12A)	569.41	253.68
	<u>639.60</u>	<u>313.58</u>
29 Other expenses		
Rent expense	122.05	88.91
Less : Capitalised in intangible assets under development	(32.53)	(26.22)
Electricity charges	20.36	6.94
Less : Capitalised in intangible assets under development	(6.72)	(4.68)
Administration and office expenses	115.07	84.33
Less : Capitalised in intangible assets under development	(1.33)	(1.21)
Bank charges and commission	142.93	25.66
Marketing and advertising expenses	18.47	11.87
Logistic expenses	0.55	37.61
Repairs and maintenance expenses	42.82	14.46
Software expenses	48.76	36.79
Rates and taxes	83.50	12.25
Manpower recruitment cost	436.99	126.92
Legal and professional expenses	199.80	95.30
Travelling and conveyance expenses	238.94	120.16
Liquidated damages	312.91	21.34
Warranty Expenses	241.13	24.83
Insurance	27.60	19.91
Loss on sale of investment	-	0.29
Transport charges	113.64	77.22
Miscellaneous Expenses	40.95	39.00
Payment to auditors (Refer Note 30.2)	7.45	5.05
	<u>2,173.34</u>	<u>816.73</u>

Ideaforge Technology Private Limited

Notes to the financial statements (Continued) for year ended 31 March 2022

(INR in Lakhs)

30 Notes to accounts

30.1 Contingent liabilities and capital commitments

Particulars	31 March 2022	31 March 2021
Contingent liabilities		
Preference share dividend on convertible cumulative preference shares	3.85	0.00
Demands raised by income tax authorities*	352.25	352.25
Demands raised by indirect tax authorities**	94.73	94.73

* During the previous year the Assessing officer (AO) while finalizing the assessment for FY 2016-17 has made disallowances of share premium by rejecting the Discounted Cash Flow (DCF) method of valuation of shares and in place of the DCF method, the AO has adopted Net Asset Value (NAV) method and consequently has raised an Income tax demand of INR 352.25. Subsequently the Company has filed an appeal with Commissioner of Income Tax (Appeal) against the AO order and filed application for stay of demand. Further the Company has also paid an advance at the time of filing the appeal which is included under Balance with government authorities of INR 21.60 (previous year INR 15.30). Based on management's internal assessment given the relatively preliminary nature of the litigation, considering various favorable cases in this regards and advice from the Company's consultants, Management is of the view that they have a good case and likelihood that the litigation will go against the Company is remote. However, due to the nature of the case, the Company has disclosed the litigation as at 31 March 2022 year end financial statements as contingent liability.

**That the order under appeal is against the law and facts of the case. 2. That the Ld A.A has not been justified in creating additional demand of tax when on the facts and circumstances of the case, no additional demand could be created. 3. That the Ld Assessing Authority lacks jurisdiction to assess the case as the basic principle to assess a case is to issue/serve statutory notice to assume jurisdiction which lacks in the case of the appellant. 4. That the Ld Assessing Authority has erred in law in not providing a reasonable opportunity of being heard to the appellant, thus denying the Principles of Natural justice. 5. That the Ld Assessing Authority has erred in law in observing that the appellant through its representative attended the proceedings of assessment but no additional document was demanded from the appellant. 6. That the Ld Assessing Authority has not been justified in not giving opportunity to the appellant to rebut the alleged purchases or to justify the same which amounts to denial of justice. 7. That the appellant has declared all the sales which is accepted by the Ld Assessing Authority in the assessment order itself. However, the Authority has taxed the amount of disputed / alleged purchases without any evidence on record. 8. That under the taxing statutes, no transaction can be taxed on mere surmises, conjectures and assumptions. Thus the order is liable to be quashed. 9. That the Ld A.A also erred in demanding interest u/s 51(4) of J&K VAT Act, as the appellant is not in default in making the payment under the said section. In any case, the appellant is not liable to pay any interest as no additional tax is legally payable and no interest could be demanded for a period before assessment. 10. That the penalties imposed are also contested as no notices for the imposition of penalties have been issued/served. Moreover, the penalties imposed are not sustainable in law. 11. That the penalty imposed u/s 69(1)(f) for concealment of purchases has been wrongly imposed, more so when the appellant has not admitted the same in the proceedings even when the Ld Assessing Authority affirms that the appellant has not attended the proceedings. 12. That in any case, it is submitted that the default, if any, in not attending the case is only on account of the pandemic in the month of March 2020 where the Offices remained closed for the period.

Note: In respect of Supreme Court Judgement on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. In view of the management, the liability for the period from the date of the SC order to 31 March 2019 is not significant and has not been given effect to in the books of account.

30.2 Payment to auditor's (excluding taxes)

Particulars	31 March 2022	31 March 2021
Auditors	7.00	5.00
Reimbursement of expenses	0.45	-
	<u>7.45</u>	<u>5.00</u>

30.3 Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits'

Defined contribution plans: -

Particulars	31 March 2022	31 March 2021
Company's contribution to defined contribution funds (Provident Fund) has been charged to the statement of profit and loss	43.79	44.66

Defined benefit plan: -

General description

Gratuity (defined benefit plan)

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on death or resignation or retirement at 15 days salary (last drawn) for each completed year if service subject to maximum payment of INR 20.00 lakh

Compensated absences (Short term employment benefits)

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. Compensated absences are recognized when the employee render service that increases their entitlement to future compensated absence. Employee can carry forward and avail leave as per the policy of the Company. Compensated absences have been provided for, based on outstanding leave balance and the employee's basic pay.

Ideaforge Technology Private Limited

Notes to the financial statements (Continued) for year ended 31 March 2022

(INR in Lakhs)

30.3 Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits' (Continued)

Change in the present value of the defined benefit obligation

	31 March 2022	31 March 2021
I Changes in defined benefit obligation		
Liability at the beginning of the year	147.83	122.43
Interest Cost	11.34	9.66
Current service cost	31.19	29.17
Benefits paid	(12.39)	(5.88)
Actuarial (gain) / loss on obligations	(3.96)	(7.54)
Liability at the end of the year	174.01	147.83
IV Net liability recognised in the balance sheet		-
Liability at the year end	174.01	122.43
Amount recognised in the balance sheet	174.01	122.43
V Expense recognised in the statement of profit and loss		
Current service cost	31.19	29.17
Interest costs	11.34	9.66
Expected return on plan assets	-	0.00
Actuarial (gain)/loss	(3.96)	-7.54
Past service cost (vested benefit) incurred during the year	-	0.00
Expense recognised in the statement of profit and loss	38.57	31.29
VI Balance sheet reconciliation		
Opening net liability	147.83	122.43
Expense as above	38.57	31.29
Employers contribution paid	(12.39)	-5.88
Amount recognised in the balance sheet	174.01	147.84
VII Actuarial assumptions		
Discount rate	6.90%	6.55%
Expected rate of return on plan assets	0.00%	-
Expected salary increase rate	8.00%	8.00%
Attrition Rate :		
At all age groups	11.00%	11.00%
Mortality rate	IALM (2012-14)	IALM (2012-14)

30 Notes to accounts (Continued)

30.3 Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits' (Continued)

Change in the present value of the defined benefit obligation (Continued)

	2022	2021	2020	2019	2018
VIII Experience adjustments:					
Present value of defined benefit	174.01	147.83	122.43	88.20	55.45
Fair value of the plan assets	-	-	-	-	-
Deficit in the plan	(174.01)	(147.83)	(122.43)	(88.20)	(55.45)
Experience adjustments on:					
On plan liability	0.99	(8.76)	(0.93)	10.25	2.18
On plan asset	-	-	-	-	-

The estimate of future salary increase considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

30.4 Earnings per share

Particulars	31 March 2022	31 March 2021
Net profit/ (loss) attributable to equity shareholders (as per the statement of profit and loss)	5,485.23	(1,428.61)
Less: Preference Dividend	0.00 *	0.00
Net Profit / (loss) attributable to equity shareholders	5,485.23	(1,428.61)
Calculation of weighted average number of equity shares for basic / diluted earnings per share		
Number of equity shares at the beginning of the year	0.90	0.90
Equity shares issued during the year	0.00	0.00
Number of equity shares outstanding at the end of the year	0.91	0.90
Weighted average number of equity shares outstanding at the end of the year for computing basic earning per share (based on the date of issue of share)	0.90	0.89
Weighted average number of equity shares outstanding at the end of the year for computing diluted earning per share (based on the date of issue of share)	1.40	1.27
Basic earnings per share (in rupees) (face value of INR 10 per share)	6,072.37	(1,608.62)
Diluted earnings per share (in rupees) (face value of INR 10 per share)*	3,922.00	(1,608.62)

* The effect of potential equity shares is anti-dilutive

Ideaforge Technology Private Limited

Notes to the financial statements (Continued) for year ended 31 March 2022

(INR in Lakhs)

30.5 Value of import and indigenous purchases

Particulars	31 March 2022	%	31 March 2021	%
Imported	2,644.83	39%	1,529.25	49%
Indigenous	4,079.93	61%	1,622.48	51%
	<u>6,724.76</u>	<u>100%</u>	<u>3,151.73</u>	<u>100%</u>

30.6 Value of imports on CIF basis

Particulars	31 March 2022	31 March 2021
Raw material purchase	2,644.83	1,529.25
	<u>2,644.83</u>	<u>1,529.25</u>

30.7 Expenditure in foreign currency (on accrual basis)

Particulars	31 March 2022	31 March 2021
Professional Fees	3.05	-

30.8 Earnings in foreign currency

Particulars	31 March 2022	31 March 2021
Exports at FOB	59.60	-

30 Notes to accounts (Continued)

30.9 Operating leases obligations

The Company has recognised the rent expenses in the financial statements on straight lining basis. Rental expenses under operating leases (including cancellable and non – cancellable) aggregating INR 122.05 lakhs (2021: INR 59.92 lakhs) have been included under “Other Expenses- Rent” under the note 29 in the statement of profit and loss. The future minimum lease payments in respect of noncancellable operating lease as at 31 March 2022 are as follows -

Particulars	31 March 2022	31 March 2021
Not later than one year	124.00	45.89
Later than one year and not later than five years	448.82	-
Later than five years	-	-
	<u>572.82</u>	<u>45.89</u>

30.10 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in following disclosure.

	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year	236.62	187.14
The amount of interest paid by the buyer as per the Micro and small Enterprises Development Act, 2006 (MSMED Act, 2006)	Nil	Nil
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	Nil	Nil
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 MSMED Act, 2006	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	11.47	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

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Notes to the financial statements (Continued) for year ended 31 March 2022

(INR in Lakhs)

30.11 Related party disclosures

Key Managerial Persons (KMP's)

Mr. Ankit Mehta (Whole Time Director)
Mr. Rahul Singh (Whole Time Director)
Mr. Ashish Bhat (Whole Time Director)
Mr. Vipul Joshi (Co-Founder and VP - Operations)

Disclosure of transactions between the company and related parties and outstanding balances as at the year end:

Particulars	31 March 2022	31 March 2021
(A) Transaction during the year		
Salary, wages and bonus		
Mr. Ankit Mehta (Whole Time Director)	69.73	33.94
Mr. Ashish Bhat (Whole Time Director)	69.57	35.08
Mr. Rahul Singh (Whole Time Director)	69.17	33.94
Mr. Vipul Joshi (Co-Founder and VP - Operations)	67.24	33.94
(B) Balance as at year end	-	-
Employee Benefits Payable		
Mr. Ankit Mehta (Whole Time Director)	-	2.77
Mr. Ashish Bhat (Whole Time Director)	-	2.64
Mr. Rahul Singh (Whole Time Director)	-	2.98
Mr. Vipul Joshi (Co-Founder and VP - Operations)	-	2.97

The above table does not include expenses incurred by key managerial personnel and subsequent reimbursed by the company.

Unlisted secured debentures were secured against the personal guarantee of the promoters. Outstanding amount of debentures as on 31 March 2022 is INR: NIL (previous year: INR 15.00)

The Whole Time Directors are covered under the Company's gratuity scheme along with the other employees of the Company. The gratuity liability is determined for all the employees on the basis of actuarial valuation. Accordingly, the amount pertaining to the Whole Time Directors are not ascertainable and, therefore, not included above.

Ideaforge Technology Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees)

30 Notes to accounts (Continued)

30.12 Employee Stock Option

Description of share-based payment arrangements:

At March 31, 2022, Company had following share-based payment arrangements:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established with effect from 2 May 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised, whichever is earlier.

Grant date/ employees entitled	Number of instrument s	Grant Date	Vesting Date						Exercise date						Vesting conditions	Contractual life of options
Tranche 1 May 02, 2018	448	2-May-18	2-May-19	1-May-20	1-May-21	1-May-22	1-May-23	-	2-May-29	1-May-30	1-May-31	1-May-32	-	-	For the Options to vest, the Grantee has to be in employe nt of the Group on the date of the vesting.	The exercise period for Options vested will be ten years from date of vesting subject to the terms and conditions with regards to exercising of options laid down in the Option Grant Letter
Tranche 2 July 13, 2018	247	13-Jul-18	13-Jul-19	12-Jul-20	12-Jul-21	12-Jul-22	12-Jul-23	-	13-Jul-29	12-Jul-30	12-Jul-31	12-Jul-32	12-Jul-33	-		
Tranche 3 November 26, 2019	49	26-Nov-19	25-Nov-20	25-Nov-21	25-Nov-22	25-Nov-23	24-Nov-24	-	25-Nov-30	25-Nov-31	25-Nov-32	25-Nov-33	-	-		
Tranche 4 February 03, 2020	2,980	3-Feb-20	2-Feb-21	2-Feb-22	2-Feb-23	2-Feb-24	1-Feb-25	1-Feb-26	2-Feb-31	2-Feb-32	2-Feb-33	2-Feb-34	1-Feb-35	1-Feb-36		
Tranche 5 February 27, 2020	4,470	27-Feb-20	26-Feb-21	26-Feb-22	26-Feb-23	26-Feb-24	25-Feb-25	-	26-Feb-31	26-Feb-32	26-Feb-33	26-Feb-34	-	-		
Tranche 6 May 2, 2020	505	2-May-20	2-May-21	2-May-22	2-May-23	1-May-24	1-May-25	-	2-May-31	2-May-32	2-May-33	1-May-34	-	-		
Tranche 7 October 29, 2020	115	29-Oct-20	29-Oct-21	29-Oct-22	29-Oct-23	28-Oct-24	28-Oct-25	-	29-Oct-31	0-Jan-00	0-Jan-00	0-Jan-00	-	-		
Tranche 8 January 21, 2021	130	21-Jan-21	21-Jan-22	21-Jan-23	21-Jan-24	20-Jan-25	20-Jan-26	-	21-Jan-32	21-Jan-33	21-Jan-34	20-Jan-35	-	-		
Tranche 9 June 02, 2021	6	2-Jun-21	2-Jun-22	2-Jun-23	1-Jun-24	1-Jun-25	1-Jun-26	-	2-Jun-32	2-Jun-33	1-Jun-34	1-Jun-35	-	-		
Tranche 10 June 14, 2021	128	14-Jun-21	14-Jun-22	14-Jun-23	13-Jun-24	13-Jun-25	13-Jun-26	-	14-Jun-32	14-Jun-33	13-Jun-34	13-Jun-35	-	-		
Tranche 11 August 13, 2021	47	13-Aug-21	13-Aug-22	13-Aug-23	12-Aug-24	12-Aug-25	12-Aug-26	-	13-Aug-32	13-Aug-33	12-Aug-34	12-Aug-35	-	-		
Tranche 12 December 13, 2021	37	13-Dec-21	13-Dec-22	13-Dec-23	12-Dec-24	12-Dec-25	12-Dec-26	-	13-Dec-32	13-Dec-33	12-Dec-34	12-Dec-35	-	-		
Tranche 13 January 3, 2022	18	3-Jan-22	3-Jan-23	3-Jan-24	2-Jan-25	2-Jan-26	2-Jan-27	-	3-Jan-33	3-Jan-34	2-Jan-35	2-Jan-36	-	-		
Tranche 14 January 10, 2022	14	10-Jan-22	10-Jan-23	10-Jan-24	9-Jan-25	9-Jan-26	9-Jan-27	-	10-Jan-33	10-Jan-34	9-Jan-35	9-Jan-36	-	-		
Tranche 15 January 23, 2022	1,840	23-Jan-22	23-Jan-23	23-Jan-24	22-Jan-25	22-Jan-26	22-Jan-27	-	23-Jan-33	23-Jan-34	0-Jan-00	0-Jan-00	-	-		

Ideaforge Technology Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees)

30 Notes to accounts (Continued)

	Unit	Tranche 3- March 31, 2022					Tranche 4- March 31, 2022							
		Vesting date					Vesting date							
		25-Nov-20	25-Nov-21	25-Nov-22	25-Nov-23	24-Nov-24	2-Feb-21	2-Feb-22	2-Feb-23	2-Feb-24	1-Feb-25		1-Feb-26	
Fair value of the option at grant date	INR /share	17,324.68	17,324.68	17,324.68	17,324.68	17,324.68		17,324.68	17,324.68	17,324.68	17,324.68	17,324.68	17,324.68	As per Black Scholes Model
Exercise price	INR /share	10	10	10	10	10		10	10	10	10	10	10	As per Scheme
Expected volatility (Weighted average volatility)	% p.a.	50.27%	52.33%	55.77%	55.82%	54.77%		50.27%	52.33%	52.33%	55.77%	55.82%	54.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	11	12	13	14	15		11	12	12	13	14	15	Calculated time to maturity as a sum of the following periods: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	6.23%	6.36%	6.44%	6.50%	6.55%		6.23%	6.36%	6.36%	6.44%	6.50%	6.55%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the period which commensurate with the maturity of the option.
Attrition rate	% p.a.	10%	10%	10%	10%	10%		10%	10%	10%	10%	10%	10%	

30.12 Employee Stock Option (Continued)

Measurement of Fair value (Continued)

	Unit	Tranche 5- March 31, 2022					Tranche 6- March 31, 2022							
		Vesting date					Vesting date							
		26-Feb-21	26-Feb-22	26-Feb-23	26-Feb-24	25-Feb-25	2-May-21	2-May-22	2-May-23	1-May-24	1-May-25			
Fair value of the option at grant date	INR /share	17,324.68	17,324.68	17,324.68	17,324.68	17,324.68		17,324.68	17,324.68	17,324.68	17,324.68	17,324.68	17,324.68	As per Black Scholes Model
Exercise price	INR /share	10	10	10	10	10		10	10	10	10	10	10	As per Scheme
Expected volatility (Weighted average volatility)	% p.a.	50.27%	52.33%	55.77%	55.82%	54.77%		50.27%	52.33%	55.77%	55.82%	54.77%		Based on comparable listing companies
Expected life (expected weighted average life)	in years	11	12	13	14	15		11	12	13	14	15		Calculated time to maturity as a sum of the following periods: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.

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Notes to the financial statements (Continued) for the year ended 31 March 2022

(Currency: Indian rupees)

30 Notes to accounts (Continued)

Fair value of the option at grant date	INR /share	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80		49,278.80	49,278.80	49,278.80	49,278.80	49,278.80		As per Black Scholes Model
Exercise price	INR /share	10	10	10	10	10		10	10	10	10	10		As per Scheme
Expected volatility (Weighted average volatility)	% p.a.	49.00%	50.00%	51.00%	51.00%	50.00%		49.00%	50.00%	51.00%	51.00%	50.00%		Based on comparable listing companies
Expected life (expected weighted average life)	in years	6	7	8	9	10		6	7	8	9	10		Calculated time to maturity as a sum of the following periods: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	0%	0%	0%	0%		0%	0%	0%	0%	0%		Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	6.47%	6.68%	6.85%	6.98%	7.09%		6.47%	6.68%	6.85%	6.98%	7.09%		Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the period which commensurate with the maturity of the option.
Attrition rate	% p.a.	10%	10%	10%	10%	10%		10%	10%	10%	10%	10%		

	Unit	Tranche 11- March 31, 2022					Tranche 12- March 31, 2022						
		Vesting date					Vesting date						
		13-Aug-22	13-Aug-23	12-Aug-24	12-Aug-25	12-Aug-26	13-Dec-22	13-Dec-23	12-Dec-24	12-Dec-25	12-Dec-26		
Fair value of the option at grant date	INR /share	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80		As per Black Scholes Model
Exercise price	INR /share	10	10	10	10	10	10	10	10	10	10		As per Scheme
Expected volatility (Weighted average volatility)	% p.a.	49.00%	50.00%	51.00%	51.00%	50.00%	49.00%	50.00%	51.00%	51.00%	50.00%		Based on comparable listing companies

Ideaforge Technology Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees)

30 Notes to accounts (Continued)

	Unit	Tranche 15- March 31, 2022										
		Vesting date										
		23-Jan-23	23-Jan-24	22-Jan-25	22-Jan-26	22-Jan-27						
Fair value of the option at grant date	INR /share	49,278.80	49,278.80	49,278.80	49,278.80	49,278.80						As per Black Scholes Model
Exercise price	INR /share	10	10	10	10	10						As per Scheme
Expected volatility (Weighted average volatility)	% p.a.	49.00%	50.00%	51.00%	51.00%	50.00%						Based on comparable listing companies
Expected life (expected weighted average life)	in years	6	7	8	9	10						Calculated time to maturity as a sum of the following periods: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	0%	0%	0%	0%						Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	6.47%	6.68%	6.85%	6.98%	7.09%						Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the period which commensurate with the maturity of the option.
Attrition rate	% p.a.	10%	10%	10%	10%	10%						

Scheme

The options outstanding at March 31, 2022 have an exercise price of INR 10 and a weighted average remaining contractual life of 13 years.

The total ESOP expenditure for the period ended March 31, 2022 is Rs. 6,58,31,659 However, expenditure amounting to Rs. 37,12,581 pertaining to the personnel engaged in the development of UAVs has been capitalised under R&D cost. Accordingly ESOP expenditure amounting to Rs. 6,21,19,078 has been charged to the profit and loss for the period ended March 31, 2022

30.13 Utilisation of the proceeds from issue of shares

(A) During the year, the Company raised a sum of INR 4,700 (2021: INR 3,000) through an issue of equity shares of ESOP pool for it's associates.

Particulars	31 March 2022	31 March 2021
Proceeds from share issue during the year	4,700	3,000
Utilisation during the year for working capital	4,700	3,000

Ideaforge Technology Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian rupees)

30 Notes to accounts (Continued)

(B) During the year, the Company raised a sum of INR : NIL (2021: INR NIL) through an issue of compulsorily convertible preference shares (CCPS) for investment in development, sales and marketing, capital expenditure and working capital

Particulars	31 March 2022	31 March 2021
Un-utilised amount as at previous year end (temporarily utilised for investments)	461.51	1,518.21
Utilisation during the year for		
Research and Development	461.51	590.86
Sales and Marketing	-	350.11
Capital Expenditure	-	48.99
Working Capital	-	66.74
Un-utilised amount as at year end (temporarily utilised for investments)	-	461.51

(C) During the year, the Company raised a sum of INR : 1,249.87 (2021: INR 2,979.55) through an issue of compulsorily convertible debentures (CCD) for working capital

Particulars	31 March 2022	31 March 2021
Un-utilised amount as at previous year end (temporarily utilised for investments)	1,291.27	-
Addition during the year	1,249.87	2,979.55
Utilised during the year	2,541.14	1,688.28
Un-utilised amount as at year end (temporarily utilised for investments)	-	1,291.27

Ideaforge Technology Private Limited

Notes to the financial statements

for year ended 31 March 2022

(INR in Lakhs)

31 Additional Notes Schedule III

31.1 Trade Payables

Figures For the Current Reporting Period

Particulars	Outstanding for following periods from due date of					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	(173.20)	(51.80)	(0.14)	-	-	(225.14)
Others	(143.37)	(187.95)	(0.50)	0.55	(0.78)	(332.06)
Dispute dues-MSME	-	-	-	-	-	-
Dispute dues	-	-	-	-	-	-
Others	-	-	-	-	-	(180.53)

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	(89.85)	(97.29)	-	-	-	(187.14)
Others	(70.23)	(114.41)	(1.10)	(0.55)	-	(186.29)
Dispute dues-MSME	-	-	-	-	-	-
Dispute dues	-	-	-	-	-	-
Others	-	-	-	-	-	(101.34)

31.2 Trade Receivable

Figures For the Current Reporting Period

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	718.77	605.50	18.04	685.22	3.15	3.12	2,033.80
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	597.18	1,537.92	30.25	120.25	23.22	44.18	2,353.00
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

31.3 Capital-Work-in Progress

Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD)

(a) For Capital-work-in progress / Intangible assets under development (ITAUD), following ageing schedule shall be given:

CWIP/ITAUD aging schedule:

Projects in progress

Current year FY 21-22

CWIP/ITAUD	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Software	6.94	-	-	-	6.94
Patent	34.00	25.28	38.58	32.05	129.91
Product under development	770.13	57.27	361.79	582.77	1,771.96
Projects temporarily suspended	-	-	-	-	-

Previous year FY 20-21

CWIP/ITAUD	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total*
Software	-	-	-	-	-
Patent	25.95	38.58	26.34	6.72	97.59
Product under development	380.03	361.79	542.22	40.55	1,324.59
Projects temporarily suspended	-	-	-	-	-

(b) For Capital-work-in progress / Intangible assets under development (ITAUD), whose completion is overdue or has exceeded its cost compared to its original plan, following completion schedule should be given:

CWIP/ITAUD completion schedule shall be given*:

CWIP/ITAUD	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

*Details of projects where activity has been suspended shall be given separately.

31.4 Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason For variance
Current Ratio	Current Assets	Current Liabilities	1.66	3.42	-51%	Company has leverage positions as compared last year.
Debt Equity Ratio	Total borrowings	Total Equity	0.394	0.705	-44%	The Company has improved on the leverage position over last year.
Debt Service Coverage Ratio	Net Operating Income Profit before tax+Depreciation and amortisation expense+Interest	Debt Service Payment of Interest+Repayment of borrowings	(1.061)	1.279	-183%	The reduction is mainly on account of repayment of borrowings.
Return on Equity Ratio	Profit for the period Net Profit after taxes	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	0.602	(0.222)	371%	Current year increase is attributed to higher profit because of higher sales compared to Previous year.

Inventory Turnover Ratio	Cost of Goods sold (Opening Stock + Purchases) – Closing Stock	Average Inventory (Opening Stock + Closing Stock)/2	1.154	1.106	4%	
Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	7.411	2.057	260%	Improvement in the payment terms of large contract of customer & efforts in improvement of collection cycle by the company has resulted in increase in the ratio over last year.
Trade Payables Turnover Ratio	Total Purchases Annual Net Credit Purchases	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	10.988	11.315	-3%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital	2.807	0.604	364%	The increment is on account of increase in Turnover over last year.
	Total Sales - Sales Return	Current Assets - Current Liabilities				
Net Profit Ratio	Net Profit Profit After Tax	Net Sales	0.337	(0.409)	183%	Sales of higher performance product during the year compared to last year has resulted in the higher margin for the year.
Return on Capital employed	EBIT Profit before Interest and Taxes	Capital Employed (Total equity-Intangible Assets+Borrowings+Deferred tax liabilities)	0.497	(0.173)	387%	Sales of higher performance product during the year compared to last year has resulted in the higher margin for the year.
Return on Investment	Return/Profit/Earnings	Investment	0.00	(0.00)	19.29	Surplus cash generated during the year deployed for investment purpose resulted in additional Income during the year.

32 **Other Matters**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company has reviewed the transactions to identify if there are any transactions with struck off companies. To the extent information is available, there are no such transactions.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Company has neither declared nor paid any dividend during the year.
- (viii) Information with regard to other matters specified in Schedule III to the Companies Act, 2013 is either nil or not applicable to the Company for the year."
- (ix) Consequent to the issuance of "Guidance Note on Division I - Non Ind AS Schedule III to the Companies Act, 2013", certain items of financial statements have been regrouped/reclassified. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of
Ideaforge Technology Private Limited**
CIN : U31401MH2007PTC167669

Mansi Pardiwalla
Partner
Membership No: 108511
Mumbai
Date: 04-09-2022

Rahul Singh
Whole Time Director
DIN: 02106568
Mumbai
Date: 04-09-2022

Ankit Mehta
Whole Time Director
DIN: 02108289
Mumbai
Date: 04-09-2022