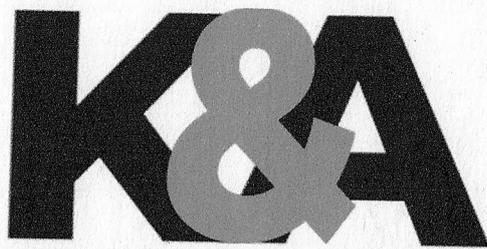


ATMASTCO

DEFENCE SYSTEMS PVT. LTD.

Audit Report : FY 2022-23



TAX : ACCOUNTING : AUDIT : GST

KHAKHARIA & ASSOCIATES

CHARTERED ACCOUNTANTS

641-642, 6th Floor, Magneto Offizo, Magneto The Mall ,G E Road, Raipur (C.G.), 492001

E: at@khakharia.org T: 0771-4009509

INDEPENDENT AUDITOR'S REPORT



To the Members of Atmastco Defence Systems Pvt. Ltd.

Report on the audit of financial statements

Opinion

We have audited the standalone financial statements of **Atmastco Defence Systems Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023 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 standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules made 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.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether 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.

Annual Report 2022-23 Atmastco Defence Systems Pvt. Ltd.
UDIN: 23440330BGSLSB9922 dt. 01/08/2023

KHAKHARIA & ASSOCIATES

Chartered Accountants

642, 6th Floor, Magneto Offizo, Magneto the Mall,
G.E. Road, Raipur (C.G.) 492 001 E : at@khakharia.org



Opp Chief Minister's Bungalow,
Civil Lines, Raipur (C.G.) -492001
T : +91-771-4009509
M : +91-99930-46600



TAX : ACCOUNTING : AUDIT : GST

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

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

Materiality is relevant for us in determining the nature, timing and extent of evidence-gathering procedures, and when assessing whether the subject matter information is free of misstatement. When considering materiality, we have to understand and assesses what factors might influence the decisions of the intended users. Materiality is considered in the context of quantitative and qualitative factors, such as relative magnitude, the nature and extent of the effect of these factors on the evaluation or measurement of the subject matter, and the interests of the intended users.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143 (3) of the Act, we report that:
 1. 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.
 2. 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.
 3. The Balance Sheet dealt with by this Report is in agreement with the books of account.
 4. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 5. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, our reporting is not applicable in this case.
 7. 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 does not have any pending litigations which would impact its financial position.
 - 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 its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding,



whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- E. No dividend has been declared or paid during the year by the company.

For, KHAKHARIA & ASSOCIATES
Chartered Accountants
FRN. 119191W



CA RISHIKESH RAGHUBANSHI
PARTNER
M.No 440330

Place: Raipur
Date: 01/08/2023
UDIN: 23440330BGSLSB9922

Annexure 'A' to the Independent Auditors Report

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

(i)

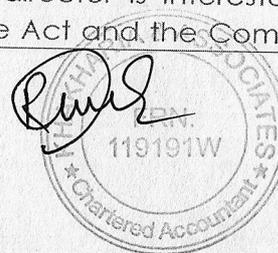
- (a) The company does not possess any property, plant or equipment, whether tangible or intangible. Hence, the requirements under paragraph 3(i) of the Order are not applicable to the Company during the year under audit.
- (b) The company does not possess any property, plant or equipment, whether tangible or intangible. Hence no physical verification required. Accordingly, the reporting under this clause is not applicable.
- (c) 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 immovable properties. Hence the reporting under this clause is not applicable.
- (d) According to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii)

- (a) The company is engaged in the business of production of defense equipment. The Company has not started its commercial production/yet to commence its main business and does not possess any inventory. Accordingly, the provisions stated in paragraph (ii) (a) for physical verification of inventory by the management and paragraph (b) of the order for reporting mismatch in book inventory and quarterly returns or statements filed by the company with any banks or financial institutions on the basis of security of current assets are not applicable to the company during the year under audit.

- (iii) According to the information and explanations given to us, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company during the year under audit.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company



has not made investments through more than two layers of investment companies in accordance with provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the company during the year under audit.

- (v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits or amounts deemed to be deposits as per the provisions of sections 73, 74, 75 and 76 of the Act, the rules framed thereunder and the Circulars, notifications issued from time to time with regard to the deposits accepted. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect. Accordingly, provisions stated in paragraph clause 3 (v) of the Order are not applicable to the Company during the year under audit.
- (vi) The company is engaged in the business of production, trade processing of defense equipment. The Company has not started its commercial production/yet to commence its main business. In our opinion, the maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act is not applicable on the company and hence the provisions of paragraph clause 3 (vi) of the Order also become inapplicable to the Company during the year under audit.
- (vii)
- (a) According to the information and explanations given to us there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-Tax, Sales-Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues and arrears as at 31 March 2023 for a period more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Goods and Service Tax, Income-Tax, Sales-Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues and arrears except for the following:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending	Remarks, if Any
Nil					

- (viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has now been recorded in the books of account. Hence, the provision stated in



paragraph 3 (viii) of the Order is not applicable to the Company during the period under audit.

(ix)

- (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

Nature of borrowing, including debt securities	Name of lender *	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Nil					

- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;

- (c) In our opinion and according to the information and explanations given by the management, the Company has not obtained any term loans. Accordingly, the reporting stated in paragraph 3 (ix) (c) of the Order is not applicable to the Company during the period under audit.

Nature of the fund raised	Name of the lender	Amount diverted (Rs.)	Purpose for which amount was sanctioned	Purpose for which amount was utilized	Remarks
Nil					

- (d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.



(x)

- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company during the period under audit.
- (b) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company during the period under audit.

(xi)

- (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we neither came across any instance of material fraud by the Company or on the Company during the period under audit;
- (b) We have not encountered any instance of material fraud by the Company or on the Company during the course of our audit of the standalone financial statement for the year ended March 31, 2023. Accordingly, the provisions stated in paragraph 3 clause (xi)(b) of the Order is not applicable to the Company during the period under audit;
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company during the period under audit.

(xii)

- (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph (xii) (a) to (c) of the Order are not applicable to the Company during the period under audit.

(xiii)

According to the information and explanations given to us and based on our examination of the records of the Company, the transactions entered into with the related parties are in compliance with the provisions of the sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

(xiv)

- (a) In our opinion and based on our examination, the company does not require to have an internal audit system. Accordingly, the provisions stated in paragraph 3 (xiv)(a) and (b) of the Order are not applicable to the Company during the period under audit.



- (xv) According to the information and explanations given to us we are of the opinion that during the year the Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company during the period under audit.
- (xvi)
- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company during the period under audit.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) and (d) of the Order is not applicable to the Company.
- (xvii) According to the information explanation provided to us, the Company has not incurred started its operations Hence the reporting under clause (xvii) is not applicable.

S. No.	Particulars	FY: 2022-23 (INR in hundred)	FY 2021-22 (INR in hundred)
1	Profit after Tax (PAT)	NA	NA
2	Add: Depreciation and Amortization	NA	NA
3	Cash Accruals	NA	NA

- (xviii) There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company



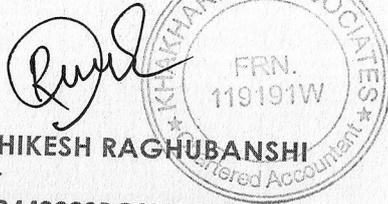
is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

(xx) According to the information and explanations given to us, the provisions of section 135 of the Act ("Corporate Social Responsibility") are not applicable to the Company. Hence, the provisions of paragraph clause 3 (xx) (a) to (b) of the Order are not applicable to the Company during the period under audit.

(xxi) The company is not a holding / associate / Joint venture company and is not required to prepare consolidated financial statements. Hence, the provisions of paragraph clause 3 (xxi) of the Order are not applicable to the Company during the period under audit.

For Khakharia and Associates
Chartered Accountants

Firm Regn No. 119191W



CA RISHIKESH RAGHUBANSHI

Partner

UDIN: 23440330BGSLSB9922

Date: 01/08/2023

Place: Raipur (C.G.)

ATMASTCO DEFENCE SYSTEMS PVT. LTD

Balance Sheet as at 31st March 2023

₹ in hundred

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	8,000.00	8,000.00
Reserves and surplus		-	-
Money received against share warrants		-	-
		8,000.00	8,000.00
Share application money pending allotment			
		-	-
Non-current liabilities			
Long-term borrowings	2	1,15,161.58	73,125.30
Deferred tax liabilities (Net)		-	-
Other long term liabilities		-	-
Long-term provisions	3	-	-
		1,15,161.58	73,125.30
Current liabilities			
Short-term borrowings		-	-
Trade payables	4	-	-
(A) Micro enterprises and small enterprises		-	-
(B) Others		-	270.00
Other current liabilities	5	-	644.63
Short-term provisions	3	2,829.49	3,916.95
		2,829.49	4,831.58
TOTAL		1,25,991.07	85,956.88
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
Property, Plant and Equipment		-	-
Intangible assets		-	-
Capital work-in-Progress		-	-
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	6	-	-
Other non-current assets	7	87,967.67	51,045.80
		87,967.67	51,045.80
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	8	4,865.50	4,393.58
Short-term loans and advances	6	-	1,000.00
Other current assets	9	33,157.90	29,517.50
		38,023.40	34,911.08
TOTAL		1,25,991.07	85,956.88
Significant accounting policies and notes to accounts			

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

As per our report of even date

For KHAKHARIA & ASSOCIATES

Chartered Accountant

(FRN: 0119191W)

RISHIKESH RAGHUBANSHI

Partner

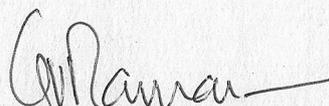
Membership No.: 440330

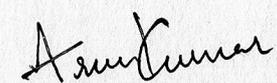
Place: Raipur

Date: 01/08/2023

UDIN: 23440330BGSLSB9922

For and on behalf of the Board of Directors


VENKATARAMAN GANESAN
Director
DIN: 00892697


ARUNKUMAR SOWRIRAJAN
Director
DIN: 08804913

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note No. 1 Share Capital

Particulars	₹ in hundred	
	As at 31st March 2023	As at 31st March 2022
Authorized : 1,00,000 (31/03/2022:1,00,000) Equity shares of Rs. 10.00/- par value	10,000.00	10,000.00
Issued : 80,000 (31/03/2022:80,000) Equity shares of Rs. 10.00/- par value	8,000.00	8,000.00
Subscribed and paid-up : 80,000 (31/03/2022:80,000) Equity shares of Rs. 10.00/- par value	8,000.00	8,000.00
Total	8,000.00	8,000.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

₹ in hundred

	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	80,000	8,000.00	80,000	8,000.00
Issued during the Period	-	-	-	-
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	80,000	8,000.00	80,000	8,000.00

Right, Preferences and Restriction attached to shares

Equity shares

Class of shares	One class of Equity
Par value per share	Rs. 10/-
Voting Right	Each shareholder is eligible for one vote per share held
On Liquidation	Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Shares held by Holding/Ultimate holding company and/or their subsidiaries/associates

Type of Share	Name of Company	Relation	As at 31st March 2023	As at 31st March 2022
Equity	Atmastco Limited	Holding Company	-	79,200
		Aggregate No. of Shares :	-	79,200

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

Type of Share	Name of Shareholders	As at 31st March 2023		As at 31st March 2022	
Type of Share	Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Atmastco Limited	79,200	99.00	79,200	99.00
	Total :	79,200	99.00	79,200	99.00



Atmastco Defence Systems Pvt. Ltd.
Notes to Financial statements for the year ended 31st March 2023

Details of shares held by Promoters

		Current Year					Previous Year				
		Shares at beginning		Shares at end		% Change	Shares at beginning		Shares at end		% Change
		Number	%	Number	%		Number	%	Number	%	
Promoter name	Particulars										
Atmastco Limited	Equity [NV: 10.00]	79,200	99.00	79,200	99.00	0.00	79,200	99.00	79,200	99.00	0.00
Total							79200		79200		

Note No. 2 Long-term borrowings

₹ in hundred

Particulars	As at 31st March 2023			As at 31st March 2022		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Loans and advances from related parties						
Inter corporate borrowings unsecured	1,15,161.58	-	1,15,161.58	73,125.30	-	73,125.30
	1,15,161.58	-	1,15,161.58	73,125.30	-	73,125.30
The Above Amount Includes						
Unsecured Borrowings	1,15,161.58	-	1,15,161.58	73,125.30	-	73,125.30
Net Amount	1,15,161.58	0	1,15,161.58	73,125.30	0	73,125.30

Note No. 3 Provisions

₹ in hundred

Particulars	As at 31st March 2023			As at 31st March 2022		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision other employee related liabilities	-	2,234.31	2,234.31	-	3,198.53	3,198.53
	-	2,234.31	2,234.31	-	3,198.53	3,198.53
Other provisions						
Other Provision	-	595.18	595.18	-	718.42	718.42
	-	595.18	595.18	-	718.42	718.42
Total	-	2,829.49	2,829.49	-	3,916.95	3,916.95

Note No. 4 Trade payables

₹ in hundred

Particulars	As at 31st March 2023	As at 31st March 2022
(B) Others	-	270.00
Total	-	270.00

Note No. 5 Other current liabilities

₹ in hundred

Particulars	As at 31st March 2023	As at 31st March 2022
Others payables		
Other payable	-	644.63
	-	644.63
Total	-	644.63

Note No. 6 Loans and advances

₹ in hundred

Particulars	As at 31st March 2023		As at 31st March 2022	
	Long-term	Short-term	Long-term	Short-term
Loans and advances to related parties				
Unsecured, considered good	-	-	-	1,000.00
	-	-	-	1,000.00
Total	-	-	-	1,000.00



Atmastro Defence Systems Pvt. Ltd.
Notes to Financial statements for the year ended 31st March 2023

Note No. 7 Other non-current assets

₹ in hundred

Particulars	As at 31st March 2023	As at 31st March 2022
Other Assets		
Preliminary expenses to be written off	87,967.67	51,045.80
Total	87,967.67	51,045.80

Note No. 8 Cash and cash equivalents

₹ in hundred

Particulars	As at 31st March 2023	As at 31st March 2022
Balance with banks		
Cash at bank	4,865.50	4,393.58
Total	4,865.50	4,393.58

Note No. 9 Other current assets

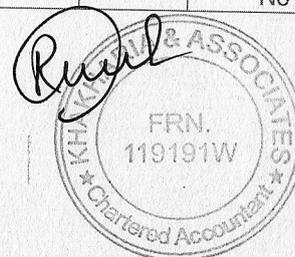
₹ in hundred

Particulars	As at 31st March 2023	As at 31st March 2022
Other Assets		
Advance to staff	3,765.00	175.00
GST Receivable	407.90	357.50
Deposit (assets)	28,985.00	28,985.00
Total	33,157.90	29,517.50

Note No 10: Additional Regulatory Information

(1) Ratios:

Particulars	items included in numerator	items included in denominator	Current Year		Previous Year	
			Ratio	change in the ratio by more than 25% as compared to the preceding year	Ratio	change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio	Current Assets	Current Liabilities	13.44	Yes	7.23	Yes
(b) Debt-Equity Ratio	Long Term Debt + Short Term Debt	Shareholder equity	14.40	Yes	9.14	Yes
(c) Debt Service Coverage Ratio	Earnings Before Interest, tax, Depreciation & Amortization	Total principal + Interest on Borrowings		No		No
(d) Return on Equity Ratio	Earning After Interest, tax, Depreciation & Amortization	Average Shareholder's Equity	0.00	No	0.00	No
(e) Inventory turnover ratio	Turnover	Average Inventory	0.00	No	0.00	No
(f) Trade Receivables turnover ratio	Net Credit Sales	Average Trade Receivable	0.00	No	0.00	No
(g) Trade payables turnover ratio	Net Credit Purchase	Average Trade Payable	0.00	No	0.00	No
(h) Net capital turnover ratio	Total Sales	Average Working Capital	0.00	No	0.00	No
(i) Net profit ratio	Net Profit	Net Sales	0.00	No	0.00	No
(j) Return on Capital employed	Earnings Before Interest & tax	Capital employed	0.00	No	0.00	No
(k) Return on investment				No		No



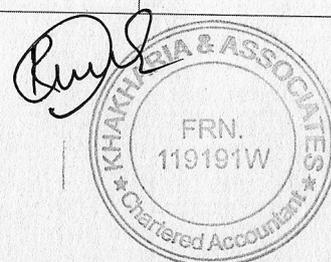
Note No 11: Related Parties, their relationships and transactions with them

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

S. No.	Name of Related Party	Relationship
1)	Atmastco Limited	Holding company.
2)	Venkataraman Ganesan	Key Managerial Personnel
3)	Subramaniam Swaminathan Iyer	
4)	Jayasudha Swaminathan	
5)	Virendra Kumar Mehta	
6)	Arun kumar Sowrirajan	
7)	Dharmendra Kumar Mishra	

Transactions with related parties during the FY 2022-23:

Nature of transactions	Relationships							Total
	Holding	Subsidiary	Fellow – subsidiaries	Associates	KMP	Relative s of KMP	Enterprises over which KMPs are able to exercise significant influence	
Purchases of goods	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale of goods	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses borne by related parties	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
On behalf expenses made	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase of fixed assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Receiving of services	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



Note No 12: Notes on Financial statements

- a) Value of imports on CIF Basis is Rs. Nil (Previous year: Rs. Nil)
- b) Earnings in foreign currency is Rs. Nil (Previous year: Rs. Nil)
- c) Expenditure in foreign currency is Rs. Nil (Previous year: Rs. Nil)
- d) Balances (loans, trade payables and security deposits) are subject to confirmation.

e) Details of Contingent Liabilities & Commitments

S No	Particulars	As at March 31, 2023	As at March 31, 2022
I	Contingent liabilities		
	(a) Claims against the company not acknowledged as debt	-	-
	(b) Guarantees;	-	-
	(c) Other money for which the company is contingently liable.	-	-
II	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
	(b) Uncalled liability on shares and other investments partly paid	-	-
	(c) Other commitments	-	-

f) Payments to Auditors:

Auditors Remuneration	2022-23	2021-22
Auditor	28,000/-	25,000/-
Taxation matters	-	-
Company law matters	-	-
Management services	-	-
Other services	-	-
Reimbursement of expenses	-	-
Total	28,000/-	25,000/-

Note No 13: Recent Accounting Developments:

Schedule III to the Companies Act, 2013 ('the Act') provides the manner in which every company registered under the Act shall prepare its Balance Sheet, Statement of Profit and Loss and notes thereto. As per the Government Notification no. S.O. 902 I dated March 26, 2014, the Schedule III is applicable for the Balance Sheet and Statement of Profit and Loss to be prepared for the financial year commencing on or after April 01, 2014.

Rudra
19191W
Chartered Accountant

Atmastco Defence Systems Pvt. Ltd.
Notes to Financial statements for the year ended 31st March 2023

Schedule III has been amended vide the Government Notification dated March 24, 2021 to include certain additional presentation and disclosures requirements and changes some existing requirements. These changes need to be applied in preparation of financial statements for the financial year commencing on or after April 01, 2021.

Note No 14: Corporate Information

Atmastco Defence Systems Private Limited ("ADPL" or "the company" or "Atmastco Defence") is a private limited company incorporated vide CIN - U74999CT2020PTC010324 under the Companies Act, 2013 with its registered office at Atmastco Ltd, Village Birebhat, Tehsil Damdha, District - Durg(C.G.) - 490024. The company was incorporated on 22-07-2020.

The Udyam registration number of company is CG-05-0000626.

The company is a wholly owned subsidiary of ATMASTCO Limited.

The company intends to set up a manufacturing unit focusing on defence, military and safety products viz.

1. Bullet Proof Jacket [End use: Defence]
2. Ballistic Helmet [End use: Defence, Industrial supply, safety]

The company is yet to commence its business operations. The pre-incorporation expenses as well as the expenditure incurred for setting up the business has been capitalized to Preliminary and Pre-operative expenditure.

Note No 15: Significant accounting policies

15.1 Going Concern Assumption

These financial statements were prepared using accounting standards that apply to an operating enterprise. This assumes that the enterprise will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

15.2 Basis of Preparation of The Financial Statement

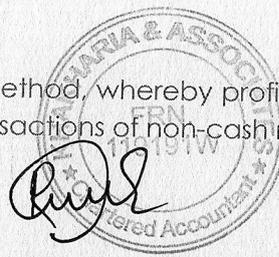
These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis in compliance with Division 1- Schedule III of the Companies Act 2013. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

15.3 Use of estimates

The preparation of the financial statements, in conformity with Indian GAAP, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialised.

15.4 Cash flow statement

Cash flows (if applicable) are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any



deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

15.5 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

15.6 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of freight, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition for intended use.

Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

15.7 Intangible Assets

Acquired intangible assets

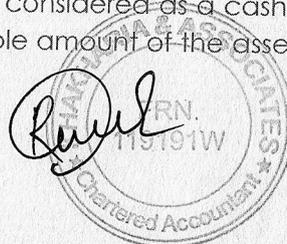
Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful life. A rebuttable presumption that the useful life of an intangible asset will not exceed ten-year period from the date when the asset is available for use is considered by the management.

The amortisation period and the amortisation method are reviewed at least at the end of each financial period. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

15.8 Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made.



Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

15.9 Depreciation

Depreciation on Fixed Assets is provided on written down value method based on useful life of assets as specified in Schedule II of the Companies Act, 2013.

Depreciation is recognized in the Statement of Profit and Loss from the date on which the asset is acquired/put to use while the depreciation on asset sold during the year is recognized in the Statement of Profit and Loss till the date of sale of asset.

15.10 Investments

i) Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such diminution is other than temporary, in the opinion of the management.

ii) Current Investments are stated at lower of cost/quoted fair value, computed category wise.

15.11 Government Grants

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognized as income over the life of a depreciable asset by way of a reduced depreciation charge.

Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

15.12 Revenue Recognition

Revenue Recognition criteria: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Goods and Service Tax (GST) are just collected by the Company on behalf of the Government and have no right to retain it. Accordingly, it is excluded from revenue.

Rendering of Services: Revenue from service transactions is recognized as the service is performed, by the **proportionate completion method**



Proportionate completion method:

Performance consists of the execution of more than one act. Revenue is recognized proportionately by reference to the performance of each act. The revenue recognized under this method is determined on the basis of contract value, associated costs, number of acts or other suitable basis.

Accordingly, the revenue from services is recognized under the following head:

S.No	Revenue heads	Remarks
1)	Revenue from Operation	For all products sold plus the services rendered and completed, duly invoiced.
2)	Unbilled revenue	For all products sold and services rendered for proportionate period pending to be invoiced as the billing cycle falls post the reporting date.
3)	Other Income	Interest income from banks is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable & interest certificate from the banks. Any other non-operating income is accounted for, as soon as it is accrued.

Revenue Measurement:

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on services such as Goods and service tax etc. & are transferred to the buyer as per the terms of the contract, which coincides with the rendering of service / dispatch of goods and are recognized net of trade discounts, rebates, Goods and service tax, price adjustments and sales returns.

15.13 Employee benefits

a) Short term obligations:

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

b) Defined Contribution Plan:

The provisions relating to Provident fund and Employee State Insurance does not apply to the company

c) Defined Benefit Plan:

The provisions relating to payment of Gratuity Act does not apply to the company



15.14 Foreign exchange transaction

a) Initial recognition

All transactions in foreign currency are recorded at the rate of exchange prevailing on the dates when the relevant transactions take place.

b) Treatment of exchange differences

Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit and Loss.

15.15 Current and deferred tax

Tax expense for the period (if any), comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is not recognised in books.

15.16 Leases

As a lessee: Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

15.17 Earnings per share

(a) Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.



Atmastco Defence Systems Pvt. Ltd.

Notes to Financial statements for the year ended 31st March 2023

(b) For computing the diluted Earnings per share, the net profit or loss attributable to the Equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of the dilutive potential equity shares.

15.18 Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

15.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

15.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalization is determined in accordance with Accounting Standard 16 (AS 16) on "Borrowing Costs".

All other borrowing costs are charged to the Statement of Profit and Loss.

15.21 Segment reporting

The Company's business fall within a single primary business and geographical segment i.e., production and trade processing of Defence products to customers within India only. Accordingly, pursuant to Accounting Standard 17 "Segment Reporting", segment information is not required to be disclosed.

As per our report of even date

For KHAKHARIA & ASSOCIATES

Chartered Accountant

(FRN: 0119191W)

RISHIKESH RAGHUBANSHI

Partner

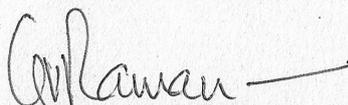
Membership No.: 440330

Place: Raipur

Date: 01/08/2023

UDIN: 23440330BGSLSB9922

For and on behalf of the Board of Directors



VENKATARAMAN GANESAN

Director

DIN: 00892697



ARUNKUMAR SOWRIRAJAN

Director

DIN: 08804913