Aerostructures Assemblies India Private Limited

CIN - U29253KA2013PTC067804

Registered Office	Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belgaum, Belgaum, Karnataka, India, 591243
Directors	**Shirish Dundappa Ganamukhi** *(DIN: 09246883)* **Dinesh Iyer** *(DIN: 09515485)*
Company Secretary	Chandana Patil
Statutory Auditors	**K. G. Acharya & Co.,** Chartered Accountants, No. 14, Girls School Street, Kumarapark West, Seshadripuram, Bangalore-20 Karnataka, India

INDEPENDENT AUDITOR'S REPORT

To The Members of Aerostructures Assemblies India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Aerostructures Assemblies India Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statement including a summary of the material 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 ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss, total comprehensive income, changes in equity 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 U/s 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

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. The Board's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Board's report along with annexure, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Aerostructures Assemblies India Pvt. Ltd. *

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Responsibilities of Management for the Financial Statements.

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards specified under Section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 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.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) Planning the scope of our audit work and in evaluating the results of our work; and
(ii) To evaluate the effect of any identified misstatements in the financial statements.

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

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.

Other Matter

Corresponding figures for the year ended March 31, 2023 have been audited by another auditor who expressed an unmodified opinion dated July 18, 2023 on the financial statements of the Company for the year ended March 31, 2023.

Our opinion on the financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**<u>Annexure – A</u>**' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Sec. 164(2) of the Act.

   f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**<u>Annexure - B</u>**'.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position

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ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

iv.

a. The management has represented that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, 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;

b. The management has represented, that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds (which are material either individually or in the aggregate) 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

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.

vi. Based on our examination carried out in accordance with the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, (Revised 2024 Edition) issued by ICAI, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For M/s. K G Acharya & Co.,

Chartered Accountants

FRN 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Bangalore

Chirag Aggarwal

Partner

M. No. 243971

UDIN:

Aerostructures Assemblies India Pvt. Ltd.

'Annexure – A' to the Independent Auditor's Report of even date on the Financial Statements of Aerostructures Assemblies India Private Limited

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

i.

(a) (A) The company has maintained reasonable records showing full particulars including quantitative details and situation of Property, plant & Equipment.

(B) The company has maintained reasonable records showing full particulars of Intangible Assets.

(b) The Property, Plant & Equipment are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies has been noticed on such verification.

(c) The company has no immovable properties shown under the Property, Plant & Equipment schedule and therefore Paragraph 3(i)(c) of the order is not applicable.

(d) The company has not revalued its Property, Plant and Equipment and intangible assets during the year and therefore Paragraph 3(i)(d) of the order is not applicable.

(e) Based on our audit procedures, we report that 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 inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed at the time of verification.

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(b) The Company has been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate during the year from banks / financial institutions on the basis of security of current assets. However, the quarterly returns / statements filed by the company with such banks and financial institutions are not in agreement with the books of account of the Company and details of discrepancies are as under

(Amount in Lakhs)

Quarter	*Name of the Bank*	*Particulars of Securities provided*	*Amount as per books of account*	*Amount as reported in the quarterly return/ statement*	*Amount of differences*	*Reason for material discrepancies*
Qtr-1	*HDFC Bank*	*Trade Receivables*	*1,231*	*1,184*	*47*	*Note 1*
Qtr-2	*HDFC Bank*	*Stock*	*2,334*	*2,333*	*1*	
Qtr-2	*HDFC Bank*	*Trade Receivables*	*1,312*	*1,324*	*(12)*	*Note 2*
Qtr-3	*HDFC Bank*	*Trade Receivables*	*1,500*	*1,554*	*(54)*	*Note 2*
Qtr-4	*HDFC Bank*	*Stock*	*2,126*	*2,006*	*120*	*Note 3*
Qtr-4	*HDFC Bank*	*Trade Receivables*	*1,203*	*1,220*	*(17)*	*Note 2*

Note 1 : Intercompany balances excluded while reporting quarterly to the bank and exchange reinstatement adjustment made post submission of information to the bank.

Note 2 : Exchange reinstatement adjustment made post submission of information to the bank.

Note 3 : Goods in transit have not been included in the stock statements submitted to the bank.

iii.

During the year, the Company has not made any investments in, 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, and therefore Paragraph 3(iii) of the order is not applicable to the company.

iv.

The company has not given any loans / investments / guarantees to which the provisions of section 185 and section 186 of the Act apply.

v.

The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of the order is not applicable to the company.

vi.

The central government has not prescribed maintenance of cost records u/s 148(1) of the Act for any of the products / services of the company. Thus paragraph 3(vi) of the order is not applicable to the company

vii.

(a) Undisputed statutory dues including Goods and Services Tax, PF, ESI, income-tax, sales-tax, service tax, duty of custom, duty of excise, VAT, Cess have been regularly deposited with the appropriate authorities.

Also, refer note 28(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) There are no statutory dues referred to in (a) above which have not been deposited on account of any dispute.

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viii.

Based on our audit procedures, there were no instances of transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix.

(a) We are of the opinion that the company has not defaulted in repayment of loans or other borrowings and in payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The company has not availed any term loans and therefore paragraph 3(ix)(c) of the order is not applicable to the company.

(d) On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) On an overall examination of the financial statements of the company, we report that 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) The company has not raised loans any during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore paragraph 3(ix)(f) of the order is not applicable to the company.

x.

(a) The Company is a Private Limited company, and the provisions of Initial Public Offer or Further Public Offer are not applicable to it. Paragraph 3(x)(a) of the order is therefore not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or Convertible Debentures during the year and therefore Paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

(a) Based upon the audit procedures performed, we report that no fraud by the company or no fraud on the Company has been noticed or reported during the course of our audit and therefore Paragraph 3(xi)(a) of the Order is not applicable to the Company.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.

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xii.

The company is not a Nidhi Co. and therefore Paragraph 3(xii) of CARO is not applicable to the company.

xiii.

All the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Section 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Indian Accounting standard 24 "Related party disclosures". Further, in our opinion, the provisions of section. 177 of the Act are not Applicable as the Company is a Private Limited Company.

xiv.

In our opinion and based on our examination, the company does not have an internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013.

xv.

The Company has not entered into any non-cash transactions with directors or persons connected with him as stipulated u/s. 192 of the Act. Paragraph 3(xv) of the Order is therefore not applicable to the Company.

xvi.

(a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.

(b) The company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the Company.

(c) Based on our audit procedures, we are of the opinion that company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Paragraph 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions,2016) has one CIC as part of the group as detailed in Note 36(xii) to the financial statements.

xvii.

The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year. Hence, paragraph 3 (xvii) of CARO is not applicable to the company.

xviii.

There was no resignation of the statutory auditors during the year under Audit. Hence, paragraph 3(xviii) of CARO is not applicable to the company.

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xix.

According to the information and explanations given to us 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, 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 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.

(a) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For **M/s. K G Acharya & Co.,**
Chartered Accountants
FRN 008019S

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Date ______
Place: Bangalore

Chirag Aggarwal
Partner
M. No. 243971

Aerostructures Assemblies India Pvt. Ltd. *

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF **Aerostructures Assemblies India Private Limited ("THE COMPANY")** AS AT **31ST MARCH, 2024.**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

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 March 31, 2024, based on the internal financial control 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.

We have audited the Internal Financial Controls over financial reporting of **Aerostructures Assemblies India Private Limited** ("the Company") as of March 31, 2024, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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. 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 Companies Act, 2013 of ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Over Financial Reporting was 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 Controls Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, 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.

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K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

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 statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 **M/s. K G Acharya & Co.,**
Chartered Accountants
FRN 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Bangalore

Chirag Aggarwal
Partner
M. No 243971

Aerostructures Assemblies India Pvt. Ltd.

CIN : U29253KA2013PTC067804

Aerostructures Assemblies India Private Limited
Balance Sheet
(All amounts are in INR Lakh, except share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4(i)	208	239
Right-of-use assets	4(ii)	372	457
Intangible assets	5	50	60
Income tax asset	7	-	14
Financial assets			-
Other financial assets	6 (iv)	81	79
Other non-current assets	8	129	0
Total non-current assets		**840**	**848**
Current assets			
Inventories	9	2,010	1,939
Financial assets			-
Trade receivables	6 (i)	1,174	746
Cash and cash equivalents	6 (ii)	569	5
Bank balances other than cash and cash equivalents	6 (iii)	602	23
Other financial assets	6 (iv)	2	1
Other current assets	8	96	63
Total current assets		**4,453**	**2,776**
Total assets		**5,293**	**3,623**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	2,886	2,886
Other Equity			-
Reserves and surplus	11 (i)	(672)	(1,802)
Other reserves	11 (ii)	80	49
Total equity		**2,294**	**1,133**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4 (iii)	443	531
Employee benefit obligations	12	37	29
Total non current liabilities		**480**	**560**
Current liabilities			
Financial liabilities			
Borrowings	13 (i)	108	243
Lease liabilities	4 (iii)	88	72
Trade payables	13 (ii)		-
(a) total outstanding dues of micro and small enterprises		1	14
(b) total outstanding dues other than (a) above		2,122	1,449
Other financial liabilities	13 (iii)	35	122
Current tax liabilities	15	130	-
Employee benefit obligations	12	24	21
Other current liabilities	14	11	9
Total current liabilities		**2,519**	**1,930**
Total liabilities		**2,999**	**2,490**
Total equity and liabilities		**5,293**	**3,623**

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

This is the Balance Sheet referred to in our report of even date.

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date :

For and on behalf of the Board of Directors
Aerostructures Assemblies India Private Limited

Dinesh Iyer
Director
DIN: 09515485
Place: Belagavi
Date :

Shirish Ganamukhi
Director
DIN: 09246883
Place: Belagavi
Date :

Chandana Patil
Company Secretary
M.No: A34129
Place:
Date :

Aerostructures Assemblies India Private Limited CIN : U29253KA2013PTC067804

Statement of Profit and Loss

(All amounts are in INR Lakh, except share data, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	16	10,514	6,394
Other income	17 (a)	(2)	-
Other gains/(losses) - net	17 (b)	47	(12)
Total income (A)		**10,559**	**6,382**
Expenses			
Cost of materials consumed	19	7,735	4,787
Changes in inventories of work-in-progress and finished goods	20	118	(33)
Employee benefit expense	21	565	643
Other expenses	23	713	662
Total direct cost (B)		**9,131**	**6,059**
Earnings before interest, tax, depreciation and amortisation (A-B)		**1,428**	**323**
Depreciation and amortisation expense	22	206	214
Finance income	18	(8)	(8)
Finance costs	24	104	98
Total		**302**	**304**
Profit before tax		**1,126**	**19**
Income tax expense			
- Current tax	15	125	-
- Deferred tax	15	-	-
- MAT Credit	15	(125)	-
Total tax expense		-	-
Profit for the year		**1,126**	**19**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	12	2	3
Other comprehensive income for the year		**2**	**3**
Total comprehensive income for the year		**1,128**	**22**
Earnings per equity share: – Basic and Diluted (in Rs.) [Nominal value per share: INR 10 (March 31, 2023: INR 10)]	32	3.90	0.07

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

This is the Statement of Profit and Loss referred to in our report of even date.

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971

Place: Bengaluru
Date :

For and on behalf of the Board of Directors
Aerostructures Assemblies India Private Limited

Dinesh Iyer
Director
DIN: 09515485

Place: Belagavi
Date :

Shirish Ganamukhi
Director
DIN: 09246883

Place: Belagavi
Date :

Chandana Patil
Company Secretary
M.No: A34129

Place:
Date :

CIN : U29253KA2013PTC067804

Acrostructures Assemblies India Private Limited
Statement of Changes in Equity
(All amounts are in INR Lakh, except share data, unless otherwise stated)

A. Equity share capital

	Note	Amount
Balance as at April 01, 2022		2,886
Changes during the year	10	-
Balance at March 31, 2023		2,886
Changes during the year	10	-
Balance at March 31, 2024		2,886

B. Other equity

Particulars	Reserves and Surplus			Other reserves	Total other equity
	Retained earnings	Securities premium	Share option outstanding account		
Balance as at April 01, 2022	-1878	44	4	39	(1,792)
Profit for the year	19	-	-	-	19
Other comprehensive income for the year	3	-	-	-	3
Total comprehensive income for the year	22	-	-	-	22
Financial guarantee adjustment	-	-	-	10	10
Employee stock option expense	-	-	7	-	7
Balance as at March 31, 2023	(1,856)	44	11	49	(1,753)
Profit for the year	1,126	-	-	-	1,126
Other comprehensive income for the year	2	-	-	-	2
Total comprehensive income for the year	1,128	-	-	-	1,128
Financial guarantee adjustment	-	-	-	31	31
Employee stock option expense	-	-	1	-	1
Balance as at March 31, 2024	(728)	44	12	80	(592)

The accompanying notes are an integral part of these financial statements.
This is the Statement of Changes in Equity referred to our report of even date.

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Chirag Aggarwal
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Company Secretary
M.No: A34129

Place:
Date :

Aerostructures Assemblies India Private Limited CIN : U29253KA2013PTC067804

Statement of Cash Flows

(All amounts are in INR Lakh, except share data, unless otherwise stated)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Cash flow from operating activities		
Profit before tax	1,126	19
Adjustments for:		-
Depreciation and amortisation expense	206	214
Other income	-	-
Impairment losses on financial assets	3	12
Provision for slow moving inventory	37	30
Provision for balances with statutory/government	-	(13)
Employee stock option scheme expense	1	7
Finance income	(8)	(8)
Finance costs	104	98
Unrealized foreign exchange (gain)/loss - net	(1)	(3)
Change in operating assets and liabilities		-
(Increase)/decrease in		-
- trade receivables	(426)	386
- inventories	(108)	(801)
- other financial assets	(1)	(0)
- other non-current assets	(130)	54
- contract assets	-	-
- other current assets	(33)	(13)
- Non-current tax assets	-	-
Increase/(decrease) in		-
- trade payables	656	350
- employee benefit obligations	13	(2)
- other current financial liabilities	(88)	(124)
- other current liabilities	2	2
- contract liabilities	-	-
- Current Tax lability	130	-
Cash generated from operations	1,482	208
Income taxes paid (net of refunds received)	14	12
Net cash inflow from/(used) operating activities (A)	**1,496**	**219**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(75)	(76)
Investments in fixed deposits	-	(0)
Proceeds from maturity of fixed deposits	-	29
Interest received	4	4
Net cash outflow from investing activities (B)	**(71)**	**(43)**
Cash flows from financing activities:		
Principal repayment of lease liabilities (including	(138)	(132)
Proceeds / (repayment) from short-term borrowings (net)	(122)	(7)
Interest paid	(20)	(14)
Net cash outflow from financing activities (C)	**(280)**	**(152)**

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

Aerostructures Assemblies India Pvt. Ltd. *

Aerostructures Assemblies India Private Limited CIN : U29253KA2013PTC067804
Statement of Cash Flows
(All amounts are in INR Lakh, except share data, unless otherwise stated)

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,145	24
Cash and cash equivalents at the beginning of the financial year	26	2
Effects of exchange rate changes on cash and cash equivalents	-	0
Cash and cash equivalents at end of the year	**1,171**	**26**
	(0)	-
Reconciliation of cash and cash equivalents as per the statement of cash flows		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents [Refer note 6(ii)]		
Balances with banks:		
- in current accounts	3	2
- in EEFC accounts	566	2
Deposit with maturity of more than three months and less than twelve months	602	21
Cash on hand	0	0
Balances per statement of cash flows	**1,171**	**26**

The accompanying notes are an integral part of these financial statements.
This is statement of cash flows referred to in our report of even date.

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971

Place: Bengaluru
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For and on behalf of the Board of Directors
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Director
DIN: 09246883

Place: Belagavi
Date :

Chandana Patil
Company Secretary
M.No: A34129

Place:
Date :

Note: 1
Background
Aerostructures Assemblies India Private Limited (the 'Company') is incorporated on February 8, 2013. The Company was formed pursuant to an agreement between Aerospace Manufacturing Holdings Private Limited, Aequs Private Limited, Aequs Inc. and Saab AB (publ). The Company has its registered office in Aequs SEZ, Hattargi Village, Taluka Hukkeri, Belgaum, Karnataka and engaged in the business of manufacturing of aerostructure assemblies.
On April 05, 2019, the Company obtained approval from Assistant Commissioner, LVO Belgaum, Government of India to carry on the operations relating to manufacture manufacturing of aerostructure assemblies from its new unit ('Honaga Unit') located 30/1, Honaga Industrial Area, Belagavi.

During the year ended March 31, 2022, pursuant to share purchase agreement dated July 14, 2021, Aequs Private Limited had purchased shares of the Company held by SAAB AB (Publ). Further, pursuant to agreement dated November 24, 2021, Aequs Private Limited had purchased shares of the Company held by Aerospace Manufacturing Holdings Private Limited. Consequently, the Company had become a wholly owned subsidiary of Aequs Private Limited.

Note: 2
Summary of Material accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Going Concern Assumption
The Company has made net profit of INR 1,126 (March 31, 2023: INR 19) for the year ended March 31, 2024. The Company's accumulated loss and net worth are 728 (March 31, 2023: 1,856) and 2,294 (March 31, 2022: 1,133) respectively as of March 31, 2024. The financial statements have been prepared on the assumption that the Company will continue as a going concern based on business plans approved by the Board of Directors for the year ended March 31, 2024 and the letter of continuing financial support received from the holding company.

2.2 Basis of preparation
(i) Compliance with Ind AS
The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
- certain financial assets and liabilities are measured at fair value;
- share-based payments; and
- defined benefit obligations

(iii) New and amended standards adopted by the Company:
The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

(iv) New and amended standards issued but not effective:
During the year, there no new or amended standards notified u/s 133 of the Act by the Minstry of Corporate Affairs.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Aerostructures Assemblies India Pvt. Ltd.

(v) Operating cycle
Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.
The Company's Chief Operating Decision Maker (CODM) is identified to be Managing Director and Chief Operating Officer of the holding company, who plans the allocation of resources and assess the performance of the segments. The Company has only one reportable segment 'Contract Manufacturing' to be reported in its financial statements. Refer Note 30 for segment information presented.

(c) Foreign currency transactions
(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.
(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

(d) Revenue recognition
Revenue from sale of goods (measured at the amount of transaction price, net of variable consieration) is recognised when the product is delivered as per the International Commercial Terms (INCO terms) mentioned in the customer purchase order.
The Company does not expect to have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

Revenue from sale of services is recognized when assembling of goods (materials received from customers, assembled and sent back to the customers) is completed based on contractual terms and control is transferred to the customer, which coincides with the dispatch of goods.
The Company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.
A contract asset is recognised when the Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time.
When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

(e) Other income
Interest income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income from financial assets at amortized cost is calculated using effective interest method and is recognized in the statement of profit and loss using the effective interest rate method.

(f) Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate applicable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Aerostructures Assemblies India Pvt. Ltd. *

K.G. ACHARYA & CO. * BANGALORE * CHARTERED ACCOUNTANTS

(f) Income Tax (Continued.)
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

(g) Leases
Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extensions options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, as in the case of lease of buildings, the Company's incremental borrowing rate is used, being the rate that the individual lessee Company would have to pay to borrow the funds necessary to obtain the asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability
- Any lease payments made on or before the commencement date less any lease incentives received
- Any initial direct cost
- Restoration cost

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term lease and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

(h) Impairment of assets
The Company does not have goodwill or any other intangible assets with indefinite useful life. Other assets are amortised over estimated useful life and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(i) Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within the borrowings in current liabilities in the balance sheet.

(j) Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can reliably estimated. Provisions are not recognised for future operating losses. Provisions measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an expense.
Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(k) Trade receivables:
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised (at transaction price) initially at the amount of consideration that is unconditional unless they contain significant financial components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Aerostructures Assemblies India Pvt. Ltd.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

(l) Inventories
Inventories include raw materials (including packing materials), stores and spares, work in progress and finished goods. Inventories are stated at the lower of cost and net realisable value. Cost of raw materials comprises of cost of purchases, freight and other expenses incurred in bringing the raw materials to the manufacturing location, excluding rebates and discounts.
Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
Costs are assigned to individual items on weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Other financial assets
(i) Classification
The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Initial Recognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial assets.

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

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

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

(iv) Impairment of financial asset
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets
A financial asset is derecognised only when
- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition
Interest income from financial assets at amortized cost is calculated using the effective interest method and is recognised in the statement of profit and loss using the effective interest rate method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Aerostructures Assemblies India Pvt. Ltd.

(n) Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives:

The estimated useful lives of assets are as follows:

Asset	Useful life (in years)	Schedule II useful life (in years)
Plant and machinery	2-10 years	8-15 years
Computer equipment	3 years	3-6 years
Furniture and fittings	2-5 years	10 years
Office equipment	2-5 years	5 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined based on technical evaluation done by the management which are equal to or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction and freehold land are not depreciated.

Depreciation commences when the assets are ready for their intended use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/losses. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(o) Intangible assets

Intangible assets include Computer software.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The Company amortises intangible assets with finite useful life using the straight-line method over a period of 10 years.

(p) Accounting policy on EBITDA

As permitted by the Guidance Note on Division II -Ind AS Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Aerostructures Assemblies India Pvt. Ltd.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(s) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

(t) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised 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.

(ii) Other long-term employee benefit obligations

The liabilities recognised in the balance sheet in respect of leave obligations is the the present value of the obligation at the end of the reporting period. The liability is calculated annually by actuaries using the projected unit credit method. Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund and ESI.

(a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined Contribution Plans:

The Company pays provident fund contributions to Employees' Provident Fund Organisation and ESI contributions to Employees' State Insurance Corporation as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payments

Share-based compensation benefits ("Option") are provided to employees through the Aequs Private Limited Employee Stock Option Plan ("plan"). This plan is assessed, managed and administered by Aequs Private Limited.

The fair value of the options granted under the Plan given to the employees of the Company are recognised under employee benefits expense with a corresponding credit to share option outstanding reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price), and
- including the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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(u) Bonus
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Financial Guarantee contracts
Financial guarantees provided for no compensation by the joint venturers/holding company to banks on behalf of the company against the credit facilities availed are recognised at fair value akin to a prepaid asset when such guarantees are issued to the bank, with a corresponding increase in equity. The asset is amortized in the statement of profit and loss, within finance costs, over the term of the underlying credit facility starting from the date when amounts from such facility are first drawn. The unamortised balance of the asset at the end of the financial year is set off against the respective outstanding credit facilities.

(w) Contributed equity
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from securities premium.

(x) Earnings per share
(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(y) Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded to nearest lakhs as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated.

Note 3:
Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates are as below :
- Estimation of defined benefit obligation - Note 12
- Estimation of expected credit loss - Note 6(i)
- Estimation of inventory obsolescence - Note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. There are no critical estimates / judgements, other than disclosed above, made by the Management while preparing these financial statements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities including estimated useful life of intangibles, estimation of loss allowance on trade receivables and deferred tax asset assessment within the next financial year.

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CIN : U29253KA2013PTC067804

Notes forming part of the financial statements for the year ended March 31, 2024

(All amounts are in INR Lakh, except share data, unless otherwise stated)

4(i) Property, Plant and Equipment

	Leasehold improvements	Plant and machinery	Computer equipment	Office equipment	Furniture and fittings	Total
Year ended March 31, 2023						
Gross carrying amount						
As at April 01, 2022	25	582	34	16	9	667
Additions	2	70	6	1	2	81
Closing gross carrying amount	**27**	**651**	**40**	**17**	**12**	**748**
Accumulated depreciation						
Opening accumulated depreciation	8	345	20	12	7	393
Depreciation charge during the year	5	99	9	2	2	117
Closing accumulated depreciation	**14**	**443**	**29**	**15**	**8**	**509**
Net carrying amount	**14**	**208**	**11**	**3**	**4**	**239**
Year ended March 31, 2024						
Gross carrying amount						
As at April 01, 2023	27	651	40	17	12	748
Additions	1	88	0	2	0	90
Deletions	(9)	(97)	(31)	(6)	(2)	(144)
Closing gross carrying amount	**19**	**642**	**10**	**13**	**10**	**694**
Accumulated depreciation						
Opening accumulated depreciation	14	443	29	15	8	509
Depreciation charge during the year	4	98	6	1	2	112
Deletions	(8)	(88)	(31)	(5)	(1)	(134)
Closing accumulated depreciation	**10**	**453**	**5**	**10**	**8**	**486**
Net carrying amount	9	189	5	2	2	208

a. Refer to Note 34 for information on property, plant and equipment (excluding leasehold improvements) pledged as security.
b. Refer to Note 29 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c. The Company did not have any capital-work-in-progress as at March 31, 2024 and March 31, 2023.

4(ii) Leases

Right of use assets

Particulars	**Buildings**
Year ended March 31, 2023	
Gross carrying amount	
As at April 01, 2022	819
Additions	-
Closing gross carrying amount	**819**
Accumulated depreciation	
As at April 01, 2022	276
Depreciation charge during the year	85
Closing accumulated depreciation	362
Net carrying amount	**457**
Year ended March 31, 2024	
Gross carrying amount	
As at April 01, 2023	819
Additions	-
Deletions	(19)
Closing gross carrying amount	**800**
Accumulated depreciation	
As at April 01, 2023	362
Depreciation charge during the year	85
Deletions	(19)
Closing accumulated depreciation	**428**
Net carrying amount	**372**

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4 (iii) Leases

(i) Amounts recognised in Balance Sheet	As at March 31, 2024	As at March 31, 2023
Right-of-use assets		
Buildings	372	457
Total	372	457

	As at March 31, 2024	As at March 31, 2023
Lease liabilities		
Current	88	72
Non-current	443	531
Total	531	603

Note:
The above lease liabilities are recognised for the lease rentals payable on the buildings that the Company has taken on lease from Aequs SEZ Private Limited. The term of the lease is 10 years which is non-cancellable.

(ii) Amounts recognised in the Statement of Profit and Loss	Year ended March 31, 2024	Year ended March 31, 2023
Buildings	85	85
Total	85	85

	Note	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense (included in finance costs)	24	66	74
Expense relating to short-term leases (included in other expenses)	23	7	8
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other expenses)	23	1	2
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)		-	-

Note:
a. The total cash outflow for leases during the year was INR 138 (March 31, 2023: INR 132).

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5 **Intangible Assets**

Particulars	Computer Software
Year ended March 31, 2023	
Gross carrying amount	
As at April 01, 2022	100
Additions	-
Deletions	-
Closing gross carrying amount	**100**
Accumulated amortisation	
Opening accumulated amortisation	29
Amortisation charge during the year	12
Closing accumulated amortisation	**41**
Net carrying amount	60
Year ended March 31, 2024	
Gross carrying amount	
As at April 01, 2023	100
Additions	0
Deletions	(1)
Closing gross carrying amount	**99**
Accumulated amortisation	
Opening accumulated amortisation	41
Amortisation charge during the year	10
Deletions	(1)
Closing accumulated amortisation	**49**
Net carrying amount	**50**

Note:
There were no intangible assets under development during the current and previous year.

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

		As at March 31, 2024	As at March 31, 2023
6	**Financial Assets**		
(i)	**Trade receivables**		
	Trade receivables from contracts with customers - others	1,137	759
	Trade receivables from contracts with customers – related parties (refer Note 31)	66	13
	Less: Loss allowance	(29)	(26)
	Total receivables	1,174	746
	Break up of security details		
	Trade receivables considered good - unsecured	1,203	772
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	-	-
	Total	1,203	772
	Less: Loss allowance	(29)	(26)
	Total trade receivables	1,174	746

Note:
1. For lien/charge against trade receivables refer Note 34.

Aging of Trade receivables: March 31, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
considered good	933	185	37	48	-	1	1,203
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	933	185	37	48	-	1	1,203
Less: Loss allowance	-	(12)		(17)			(29)
Total trade receivables	933	173	37	31	-	1	1,174

Aging of Trade receivables: March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	387	288	96	0	1	0	772
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables	-	-	-	-	-	-	-
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	387	288	96	0	1	0	772
Less: Loss allowance	-	(5)	(19)	(0)	(1)	(0)	(26)
Total trade receivables	387	282	77	-	-	-	746

Note: There are no unbilled trade receivables as at March 31, 2024 and March 31, 2023.

		As at March 31, 2024	As at March 31, 2023
(ii)	**Cash and cash equivalents**		
	Balances with banks:		
	- in current accounts	3	2
	- in EEFC accounts	566	2
	Cash on hand	0	0
	Total cash and cash equivalents	569	5

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
6 Financial Assets(Contd.)		
(iii) Bank balances other than cash and cash equivalents		
Deposit with maturity of more than three months and less than twelve months	600	21
Margin money deposits [refer note (a) below]	2	1
Total bank balances other than cash and cash equivalents	**602**	**23**

Note:
a. Margin money deposits with a carrying amount of INR 2 (March 31, 2023: INR 1) kept with banks as lien towards guarantees extended to customers.

	As at March 31, 2024	As at March 31, 2023
(iv) Other financial assets		
Non Current		
Security Deposit [refer note (a) below]	81	78
Margin money deposits [refer note (b) below]	-	0
Total other non current financial assets	**81**	**79**

Note: a. Security deposit includes below deposits given to Aequs SEZ Private Limited
Electrical Deposit of INR 10 (March 31, 2022: INR 10).
Rent Deposit of INR 8 (March 31,2022: INR 8)
KERC/OHC Deposit of INR 5 (March 31,2022: INR 5)
Water Deposit of INR 4 (March 31,2022: INR 4)

b. Margin money deposits with a carrying amount of INR 0.10 (March 31, 2023: INR 0.10) kept with banks towards guarantees extended to customers. Margin money deposits are lien marked towards guarantee extended to customer.

	As at March 31, 2024	As at March 31, 2023
Current		
Interest accrued on deposit with bank	2	1
Total other current financial assets	**2**	**1**
7 Income tax asset		
Advance Tax [Net of provision for tax: INR Nil (March 31, 2023: INR Nil)]	-	14
Total income tax asset	**-**	**14**
8 Other assets		
Non Current		
Capital advances	3	-
Prepaid expenses	1	0
Minimum Alternative Tax [Net of provision for tax: INR 125 (March 31, 2023: INR Nil)]	125	-
Total other non current assets	**129**	**0**
Current		
Advance to suppliers	59	10
Prepaid expenses	22	22
Balances with statutory authorities	15	31
Total other current assets	**96**	**63**
9 Inventories		
Raw materials [includes goods in transit INR 120 (March 31, 2023 : INR 24)]	1,646	1,431
Work-in-progress	133	107
Finished goods	192	336
Stores and spares	156	145
	2,127	2,019
Less: Provision for slow moving stock [refer note (b) below]	(117)	(80)
Total Inventories	**2,010**	**1,939**

a. For lien/charge against inventories refer Note 34.
b. Provisions for slow moving stock includes raw material INR 28 (March 31, 2023 : INR 16) and stores and spares INR 89 (March 31, 2023 : INR 65)

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

10 Equity share capital

(i) Authorised equity share capital	Number of shares
As at April 01, 2022	2,88,61,000
Increase during the year	-
As at March 31, 2023	2,88,61,000
Increase during the year	-
As at March 31, 2024	2,88,61,000

	March 31, 2024	March 31, 2023
(ii) Issued, subscribed and fully paid up share capital		
Balance as at the beginning of the year 28,860,802 (March 31, 2023: 28,860,802) equity shares of INR 10/- each	2,886	2886
Increase during the year	-	-
Total issued, subscribed and fully paid-up share capital	**2,886**	**2,886**

(iii) Movement in Equity share capital	Number of Shares
As at April 01, 2022	**2,88,60,802**
Issue of shares during the year	-
As at March 31, 2023	**2,88,60,802**
Issue of shares during the year	-
As at March 31, 2024	**2,88,60,802**

(iv) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holder of equity shares are eligible to receive remaining assets of the Company in proportion to their shareholding.

(v) Details of share holders holding more than 5% of the aggregate shares in the company	Number of equity shares	% holding
As at March 31, 2023		
Aequs Private Limited*	2,88,60,802	100%
As at March 31, 2024		
Aequs Private Limited*	2,88,60,802	100%

*Includes 1 equity share (March 31,2023: 1 equity share) held by Ravi Hugar as nominee shareholder.

(vi) Details of Promoters' shareholding:

As on March 31, 2024

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Private Limited	2,88,60,802	100%	100%

As on March 31, 2023

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Private Limited	2,88,60,802	100%	100%

(vii) There are no shares issued for consideration other than cash during the current year and prior year.
(viii) There are no shares reserved for issue under options, contracts or commitments.
(ix) There are no bonus shares issued during the current year and prior year.
(x) There are no shares bought back and forfeited during the current year and prior year.

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

11 (i) Reserves and Surplus	As at March 31, 2024	As at March 31, 2023
(a) Retained Earnings	(728)	(1,856)
(b) Securities premium	44	44
(c) Share option outstanding account	12	11
Total reserves and surplus	**(672)**	**(1,801)**
(a) Retained Earnings		
Opening Balance	(1,856)	(1,878)
Net profit for the year	1,126	19
Items of other comprehensive income recognised directly in retained earnings :		
- Remeasurement of post employment benefit obligations	2	3
Closing Balance	**(728)**	**(1,856)**
(b) Securities premium		
Opening Balance	44	44
Add: Premium on issue of equity shares	-	-
Less: Utilisation towards share issue expenses	-	-
Closing Balance	**44**	**44**
(c) Share option outstanding account		
Opening Balance	11	4
Add: Employee stock option expense	1	7
Closing Balance	**12**	**11**

Note: Represents the fair value of share options granted to the employees of the Company by Aequs Private Limited ('APL') ,Parent Company, which will be settled by allotting the shares of the APL. There is no cross charge from APL with respect to the employee stock option expense during the current and previous year. Based on the assessment carried out by the Management, the impact of the stock options issued to the employee of the Company is not material, hence the disclosures as envisaged under Ind AS 102 have not been given in the financial statements.

(ii) Other Reserves		
Opening Balance	49	39
Add: Movement during the year	31	10
Closing balance	**80**	**49**

Nature and purpose of reserves

a. Securities premium

Securities Premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

b. Other reserves

Other reserves represents fair value of financial guarantee received from Aequs Private Limited towards the working capital loan - refer Note 13 (i).

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

12 Employee benefit obligations	As at March 31, 2024	As at March 31, 2023
Non-current		
Gratuity obligations	37	29
	37	**29**
Current		
Gratuity obligations	1	2
Leave obligations	23	20
	24	**21**

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave which are classified as other long term benefits.

The amount of the provision of INR 23 (March 31, 2023: INR 20) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	As at March 31, 2024	As at March 31, 2023
Leave obligation not expected to settled within next 12 months	17	14

(ii) Defined contribution plans

The Company has certain defined contribution plans in the form of provident fund and ESI for qualifying employees. The contributions are made to provident fund in India and to ESI scheme as per regulations. The contributions are made to registered provident fund and ESI administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

	As at March 31, 2024	As at March 31, 2023
Provident fund	23	24
Employees State Insurance (ESI)	2	2
	25	**27**

(iii) Post employment obligations

Gratuity

The Company provides for gratuity for employees in India as per Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2024	As at March 31, 2023
Present value of unfunded defined benefit obligation	38	31
Defined benefit obligation recognised in balance sheet	**38**	**31**

(a) Total expenses recognised in the statement of profit and loss account (Note 21)	**March 31, 2024**	**March 31, 2023**
Current service cost	9	9
Interest cost	2	2
Past service cost	-	-
Total amount recognised in statement of profit or loss	12	11
(b) Amounts recognised in Other comprehensive Income		
(Gains)/losses arising from changes in		
- demographic assumptions	0	1
- financial assumptions	1	(1)
- experience adjustments	(3)	(3)
Total amount recognised in other comprehensive income	**(2)**	**(3)**
Total amount recognised in statement of profit and loss and other comprehensive income (a+b)	10	8
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	31	34
Current service cost	9	9
Interest cost	2	2
Benefits paid	(2)	(4)
Acquisition / divestiture	-	(8)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	-	1
- arising from changes in financial assumptions.	1	(1)
- arising from changes in experience adjustments.	(3)	(3)
Defined benefit obligation as of current year end	**38**	**31**
Recognized under employee benefit obligations:		
Current	1	2
Non-current	37	29
Total	**38**	**31**

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	March 31, 2024	March 31, 2023
(g) Actuarial Assumptions:		
Discount rate per annum	7.20%	7.50%
Rate of increase in compensation levels	10%	10%
Attrition rate	11% at younger ages and reducing to 1% at older ages according to graduated scale.	11% at younger ages and reducing to 1% at older ages according to graduated scale.
Normal retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Sensitivity Analysis
The sensitivity of the defined benefit obligation to changes in the principal assumptions is as under:

Changes in assumption	March 31, 2024	March 31, 2023
Discount Rate		
a. Discount rate - 50 basis points	40.96	32.67
a. Discount rate - 50 basis points impact (%)	6.90%	6.74%
b. Discount rate + 50 basis points	35.90	28.72
b. Discount rate +50 basis points impact (%)	-6.31%	-6.15%
Salary increase rate		
a. Rate - 50 basis points	35.95	28.85
a. Rate - 50 basis points impact (%)	-6.19%	-5.72%
b. Rate + 50 basis points	40.88	32.50
b. Rate + 50 basis points impact (%)	6.69%	6.18%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.

The mortality and attrition does not have a significant impact on the liability hence are not considered as significant actuarial assumption for the purpose of sensitivity analysis.

Maturity profile of the defined benefit obligations.

b. Expected future cashflows (in Rs.) [Undiscounted]	March 31, 2024	March 31, 2023
Year 1	1	2
Year 2	1	2
Year 3	1	1
Year 4	5	1
Year 5	1	5
Year 6	1	1
Year 7	1	1
Year 8	1	1
Year 9	1	1
Year 10 and above	102	84
Weighted average duration of the defined benefit obligation in years	13.19 years	12.86 years

Risk Exposure
Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

(i) Market Risk (Discount Rate)
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

(ii) Longevity Risk
The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

(iii) Annual Risk
Salary Increase Assumption
Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Withdrawal Assumption
If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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		As at March 31, 2024	As at March 31, 2023
13	**Financial Liabilities**		
(i)	**Borrowings**		
	Current:		
	Secured		
	Working capital loan from banks	129	251
	Unamortised Finance Gurantee	(21)	(8)
	Total current borrowings	**108**	**243**

(a) Refer Note 33 for net debt reconciliation
(b) Refer Note 34 for the carrying amounts of financial and non financial assets pledged as security for current borrowings.
(c) Bank wise summary of borrowings outstanding is as follows:

Sl. No.	Bank Name	Sanction Amount	Loan Outstanding	
			March 31, 2024	March 31, 2023
1	HDFC Bank - Working capital loan	1,500	129	251
2	Unamortised Finance Gurantee	-	(21)	(8)
	Current borrowings	**1,500**	**108**	**243**

Working capital loan:
(i) As at the year end, the Company has a total sanction limit of INR 1,500 (March 31, 2023: INR 447) which is split between fund based limit of INR 1,300 (March 31, 2023: INR 300) and non-fund based limit of INR 200 (March 31, 2023: INR 147).
(ii) Working capital facility taken by company from HDFC Bank carries interest rate of 3 month T-Bill + 2.25% p.a. Working capital facilities are repayable on demand and are renewable on yearly basis.
(iii) Working capital facilities taken are secured primarily by hypothecation of stock and book debts; further collaterally secured by charge on existing plant and machinery and movable assets and corporate guarantee given by the shareholder Aequs Private Limited.
(iv) The working capital loan is reduced by Ind AS adjustments for unamortised financial guarantee received amounting to INR 21 (March 31, 2023: INR 8)
(v) Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2024:

a. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-Jun-23	HDFC Bank	Inventories	1,914	1,914	(0)	Refer Note 1
30-Sep-23	HDFC Bank	Inventories	2,334	2,333	1	Refer Note 1
31-Dec-23	HDFC Bank	Inventories	1,839	1,839	(0)	Refer Note 1
31-Mar-24	HDFC Bank	Inventories	2,126	2,006	120	Refer Note 2

Notes:
1 Represents rounding off differences.
2 Represents valuation related adjustments made post submission of information to the bank.

b. Trade Receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-Jun-23	HDFC Bank	Trade Receivables	1,231	1,184	47	Refer Note 1 & 2
30-Sep-23	HDFC Bank	Trade Receivables	1,312	1,324	(12)	Refer Note 1,2 &3
31-Dec-23	HDFC Bank	Trade Receivables	1,500	1,554	(54)	Refer Note 1,2 &3
31-Mar-24	HDFC Bank	Trade Receivables	1,203	1,220	(17)	Refer Note 1,2 &3

Notes:
1 Represents difference on account of exchange reinstatement adjustment made post submission of information to the bank.
2 Represents difference on account of inter company balances excluded while reporting quarterly to the bank.
3 Represents difference on account of Customer provision excluded while reporting quarterly to the bank.

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

13 Financial Liabilities (Contd.)	As at March 31, 2024	As at March 31, 2023
(ii) Trade Payables		
Current:		
Trade payables		
- Dues to micro and small enterprises (MSME) (Refer Note 37)	1	14
- Other trade payables	2,106	1,427
Payable to related parties (Refer Note 31)	16	23
Total trade payables	2,123	1,464

Aging of Trade payables

March 31, 2024		Outstanding for following period from the due date					
Particulars	Unbilled / Accrued	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed trade payables							
MSME	-	1	-	-	-	-	1
Others	161	1,267	693	-	-	1	2,122
Disputed trade payables	-	-	-	-	-	-	
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	161	1,268	693	-	-	1	2,123

March 31, 2023		Outstanding for following period from the due date					
Particulars	Unbilled / Accrued	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed trade payables							
MSME	-	8	6	-	-	-	14
Others	78	1,085	278	2	5	2	1,450
Disputed trade payables							
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	78	1,093	284	2	5	2	1,464

	As at March 31, 2024	As at March 31, 2023
(iii) Other financial liabilities		
Current:		
Capital creditors	-	1
Employees related liability	27	37
Payable to related parties (Refer Note 31)	8	83
Total other current financial liabilities	35	122
14 Other Liabilities		
Current:		
Statutory dues payable	11	9
Total other current liabilities	11	9

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Aerostructures Assemblies India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in INR Lakh, except share data, unless otherwise stated)

15 Deferred Tax Assets (Net)

A. Income tax expense

Current tax (A)		
Current tax	(125)	-
MAT Credit	125	
Current tax expense	-	-
Deferred tax (B)		
Decrease/(increase) in deferred tax asset	-	-
(Decrease)/increase in deferred tax liability	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense/ (income) (A+B)	-	-

B. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2024 has been arrived at as follows:

Deferred Tax :

Movement in the deferred tax assets / (liabilities)

	As at April 1, 2022	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2023	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2024
Deferred Tax Asset/(Liabilities) :							
Property, plant & equipment , Intangible Asset	7	10	-	17	13	-	30
Right of use assets (net of lease liabilities)	33	8	-	41	4	-	44
Employment Benefit Obligation - Gratuity	10	(1)	-	9	2	-	11
Employee Benefit Obligation - Leave Encashment	6	(0)	-	5	1	-	6
Bonus	9	1	-	10	(2)	-	8
Unabsorbed Depreciation	150	-	-	150	(138)	-	12
Loss carried forward	257	(50)	-	206	(206)	-	-
Other Items	21	11	-	32	11	-	43
Net Deferred Tax Asset	491	(22)	-	470	(316)	-	154
Deferred tax (Credit)/Charge for the year	-	-	-	-	-	-	-

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 detailed Transfer Pricing regulations for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. Further, the Finance Act, 2012, has widened the ambit of transfer pricing provisions to cover specified domestic transactions. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

For the year ended March 31, 2023, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the Accountant has been obtained and this did not envisage any tax liability.

For the year ended March 31, 2024, the Company is in the process of carrying out a similar study to comply with the said transfer pricing regulations. However, based on the analysis of margins and considering that the terms of agreement with associated enterprises has not changed during the year, the Company is of the view that for the year ended March 31, 2024, the transactions with the said enterprises are on an arm's length basis.

Unutilised MAT Credit expire within as below:

Particulars	March 31, 2024	March 31, 2023
Within five years	-	-
Later than five years but less than ten years	-	-
Later than 10 years	(125)	-

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mounts are in INR Lakh, except share data, unless otherwise stated)

C. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	March 31, 2024	March 31, 2023
Profit before income tax expense	1,126	19
Tax at the rate of 27.82% (March 31, 2023: 27.82%)	313	5
Effects of:		
Expenses not allowed as deduction in computation of current tax	29	7
Income not chargeable to tax	(1)	(1)
Expenses on which DT not recognished in the current year	-	24
Loss Carry Forward (Utilization of Loss against Income form Business)	(341)	(39)
Others	-	4
Total tax expense/(income)	-	-

Company has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off in future years.

Out of the deferred tax asset on account of carry forward unabsorbed depreciation and business loss as disclosed in (A), deferred tax from business losses will reverse in the absence of the future taxable income, in future years, as mentioned below:

Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

	March 31, 2024	March 31, 2023
Within five years	-	742
Later than five years but less than ten years	-	-
No expiry	47	538

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	Year ended March 31, 2024	Year ended March 31, 2023
16 Revenue from operations		
Revenue from contracts with customers		
- Sale of products	10,486	6,316
- Sale of services	28	78
	10,514	**6,394**
Reconciliation of revenue recognised with contract price:		
Contract Price	10,514	6,490
Adjustments for:		
Less: Deduction towards source inspection and other adjustments	-	(96)
Total revenue from operations	**10,514**	**6,394**

Note:
(a) There are no unsatisfied performance obligations resulting from contracts with customers as at the reporting date.

	Year ended March 31, 2024	Year ended March 31, 2023
17 Other gains/(losses) - net		
(a) Other income		
Net gain on disposal of property, plant and equipment	(4)	-
Liability no longer required written back	2	-
Total other income	**(2)**	**-**
(b) Other gains/(losses) - net		
Net foreign exchange differences	47	(12)
	47	**(12)**
18 Finance income		
Interest income on demand deposits	3	3
Unwinding of discount on security deposit	4	4
Interest income on income tax refund	1	1
Total finance income	**8**	**8**
19 Cost of materials consumed		
Raw material consumed		
Opening stock	1,431	682
Add: Purchases during the year	7,950	5,536
	9,381	6,218
Less: Closing stock	1,646	1,431
Total cost of raw materials consumed*	**7,735**	**4,787**

*Includes provision for slow moving inventory of INR 12 (March 31, 2023: INR 14)

	Year ended March 31, 2024	Year ended March 31, 2023
20 Change in inventories of work in progress and finished goods		
Inventory at the end of the year (a)		
Finished goods	192	336
Work-in-progress	133	107
	325	443
Inventory at the beginning of the year (b)		
Finished goods	336	215
Work-in-progress	107	194
	443	410
Change in inventories of work -in-progress and finished goods (b-a)	**118**	**(33)**

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
21 Employee benefit expense		
Salaries, wages and bonus	503	573
Contribution to provident and other funds [Refer Note 12 (ii)]	25	27
Employee stock option scheme [Refer Note 11(i) (c)]	1	7
Leave compensation	6	0
Gratuity (Refer Note 12)	12	11
Staff welfare expenses	18	25
Total employee benefit expense	**565**	**643**
22 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [Refer note 4(i)]	111	117
Depreciation on right-of-use assets	85	85
Amortisation of intangible assets (Refer note 5)	10	12
Total depreciation and amortisation expense	**206**	**214**
23 Other expenses		
Consumption of stores and spares [refer note (ii) below]	250	182
Subcontracting expenses	60	109
Insurance	32	40
Power and fuel	36	34
Repairs and maintenance:		
Plant and machinery	51	66
Buildings	6	6
Others	27	27
Legal and Professional fees	79	66
Payment to auditors [refer note (i) below]	4	5
Rent [refer note 4(iii)]	8	10
Printing and stationery	1	4
Freight & forwarding	94	36
Rates and taxes	17	15
Travelling and conveyance	5	20
Communication	34	34
Bank charges	5	9
Advertising and sales promotion	1	3
Provision for doubtful debts (Refer Note 26)	3	12
Provision for doubtful balances with government authorities	-	(13)
Bad debts written off	-	-
Miscellaneous expenses	-	0
Total other expenses	**713**	**662**
(i) Payments to Auditors -		
As auditor:		
- Audit fee	4	5
	4	5

(ii) includes provision for slow moving inventory of INR 25 (March 31, 2023 : INR 16)

	Year ended March 31, 2024	Year ended March 31, 2023
24 Finance costs		
Interest expense on short-term borrowings	20	14
Interest on lease liabilities	66	74
Finance guarantee expense	18	11
Total finance costs	**104**	**98**

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25 Fair value measurement

Financial instruments by category

Particulars	Category	March 31, 2024	March 31, 2023
Financial assets			
Trade receivables	Amortised cost	1,174	746
Cash and cash equivalents	Amortised cost	569	5
Bank balances other than cash and cash equivalents	Amortised cost	602	23
Other financial assets	Amortised cost	83	80
Total financial assets		**2,428**	**854**
Financial liabilities			
Borrowings	Amortised cost	108	243
Trade payables	Amortised cost	2,123	1,463
Lease liabilities	Amortised cost	531	603
Other financial liabilities	Amortised cost	35	122
Total financial liabilities		**2,797**	**2,431**

There are no financial instruments which are measured at FVOCI.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value.

(b) recognised and measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	Notes	March 31, 2024	March 31, 2023
		Level 3	Level 3
Financial assets			
Trade receivables	6 (i)	1,174	746
Cash and cash equivalents	6 (ii)	569	5
Bank balances other than cash and cash equivalents	6 (iii)	602	23
Other financial assets	6 (iv)	83	80
Total financial assets		**2,428**	**854**
Financial liabilities			
Borrowings	13 (i)	108	243
Trade payables	13 (ii)	2,123	1,463
Other financial liabilities	13 (iii)	35	122
Lease liabilities	4 (iii)	531	603
Total financial liabilities		**2,797**	**2,431**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (derivative mainly forward contract) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
There are no transfers of financial instruments between Level 1,Level 2 and Level 3 during the year.

(ii) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

(iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to fair values.

(iv) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

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26 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

This below table explains the sources of risk which the Company is exposed to and how the Company manages the risk:

Particulars	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, Customers credit analysis, monitoring of credit limits and bank guarantee
Liquidity risk	Borrowings, security deposits received and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee.	Cash flow forecasting, sensitivity analysis.	Natural hedging for receivables and payables.
Market risk -Interest rate risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt

A Credit Risk

Credit risk is a risk where the counterparty will not meet its obligations under financial instruments leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and deposits.

(i) Credit risk management

Credit risk is managed and assessed on a ongoing basis. Only high rated banks/financial institutions are accepted for banking transactions and placement of deposits. For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function assess and maintain an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A : High-quality assets, negligible credit risk
B : Low quality assets, high credit risk
C : Doubtful assets, credit-impaired

The company considers the probability of defaults upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the entity compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information especially :

1. Internal credit rating
2. External credit rating (to extent available)
3. Any significant change in business, financial or economic conditions that are expected to cause a significant change in the payer's ability to meet its obligations, including changes in operating results and payment status.

Macro economic information (such as regulatory changes, legal changes, interest rate changes) are incorporated as a part of internal rating model. Default of a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due or when the debtor's internal credit rating is downgraded to the lowest internal credit rating. This definition of default is determined by considering the business environment in which the entity operates and other-macro economic factors.

The company continuously monitors the credit worthiness of the customers and reassesses the credit limits on an ongoing basis.

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26 **Financial risk management (contd.)**

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

Internal rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			Deposits	Trade receivables
A	High-quality assets, negligible credit risk	Assets where the counter party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses	Life-time expected credit losses
B	Low quality assets, high credit risk	Assets where there is a moderate probability of default. In general, assets where contractual payments are more days than past due are categorised as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than past due.	Life-time expected credit losses	
C	Doubtful assets, credit-impaired	Assets are written off where there is no reasonable expectation of recovery. Where loans and receivables are written off, the company continues to engage in enforcement activity to attempt or recover the receivable due. Where recoveries are made, they are recognised in Statement of Profit and Loss.	Asset is fully provided for or written off	

The Company's financial assets mainly comprise of trade receivables, deposits with bank & security deposits.

1) **Security Deposits :**

Deposits are classified under the A category having negligible or nil risk based on past history of defaults and reasonable forward looking information. Security deposits comprises of mainly refundable deposits made on buildings (leased premises) taken under operating lease. Since these are assets with nil risk, the expected probability of default is "0%" and hence no provision for expected credit losses are made in the financial statements.

2) **Deposits with bank :**

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits is maximum one year.

No expected credit loss provision has been created for against security deposits, since the Company considers the life time credit risk of these financial assets to be very low.

3) **Expected credit loss for trade receivables under simplified approach**

Year ended March 31, 2024

	Not Due	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount – trade receivables	933	185	-	37	49	1,203
Expected loss rate	0.00%	6.39%	0.00%	47.44%	0.00%	
Expected credit loss (loss allowance provision)– trade receivables	-	12	-	17	-	29
Carrying amount of trade receivables (net of impairment)	933	173	-	20	49	1,174

Year ended March 31, 2023

	Not Due	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount – trade receivables	387	287	0	96	1	772
Expected loss rate	0.00%	1.89%	9.37%	20.09%	100.00%	
Expected credit loss (loss allowance provision)– trade receivables	-	5	-	19	1	25
Expected credit loss (loss allowance provision)– contract assets	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	387	282	0	77	-	747

Note: The Company did not have any contract assets as at March 31, 2024 and March 31, 2023.

(All amounts are in INR Lakh, except share data, unless otherwise stated)

26 Financial risk management (contd.)

Year ended March 31, 2023

Reconciliation of loss allowance provision

	Trade Receivables	Contract Assets	Total
As at April 01, 2022	14	-	14
Utilised during the year	-	-	-
Charged/(written back) to profit and loss	12	-	12
As at March 31, 2023	26	-	26
Utilised during the year	-	-	-
Charged/(written back) to profit and loss	3	-	3
As at March 31, 2024	29	-	29

During the year, the Company made no write-offs of trade receivables. It does not except to receive future cash flows or recoveries from collection of cash flows previously written off.

B Liquidity Risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) **Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2024	March 31, 2023
A. Expiring within one year	1,371	249
B. Expiring beyond one year (bank loans)	-	-
	1,371	**249**

(ii) **Maturities of financial Liabilities**

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

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2024			
Borrowings	108	-	108
Trade payables	2,123	-	2,123
Lease liabilities	88	443	531
Other financial liabilities	35	-	35
Total non derivative liabilities	2,354	443	2,797

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2023			
Borrowings	243	-	243
Trade payables	1,463	-	1,463
Lease liabilities	72	531	603
Other financial liabilities	122	-	122
Total non derivative liabilities	1,900	531	2,431

C Market Risk

Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) **Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of payables and receivables being in the same foreign currency, USD.

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Aerostructures Assemblies India Pvt. Ltd.

CIN : U29253KA2013PTC067804

Acrostructures Assemblies India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2024
(All amounts are in INR Lakh, except share data, unless otherwise stated)

26 Financial risk management (contd.)

(a) Foreign currency risk exposure
The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows:

	March 31, 2024		
	GBP	USD	EUR
Financial assets			
Trade receivables	-	1,216	-
Bank balance in EEFC accounts	-	566	-
Advance to suppliers	1	1	32
Net exposure to foreign currency risk (assets)	1	1,783	32
Financial liabilities			
Trade payables	0	1,884	20
Advance from customer	-	-	-
Net exposure to foreign currency risk (liabilities)	0	1,884	20

	March 31, 2023		
	GBP	USD	EUR
Financial assets			
Trade receivables	-	675	0
Bank balance in EEFC accounts	-	2	-
Advance to suppliers	1	1	6
Net exposure to foreign currency risk (assets)	1	677	6
Financial liabilities			
Trade payables	0	1,278	37
Net exposure to foreign currency risk (liabilities)	0	1,278	37

(b) Sensitivity
The sensitivity of profit or loss to changes in exchange rates arising from foreign currency denominated financial instruments is given below.

Particulars	Impact on profit after tax	
	March 31, 2024	March 31, 2023
USD Sensitivity		
INR/USD - Increase by 5%	(4)	(22)
INR/USD - decrease by 5%	4	22
GBP Sensitivity		
INR/GBP - Increase by 5%	0	0
INR/GBP - decrease by 5%	(0)	(0)
EUR Sensitivity		
INR/EUR - Increase by 5%	0	(1)
INR/EUR - decrease by 5%	(0)	1

(ii) Interest rate risk
(a) The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	March 31, 2024	March 31, 2023
Variable rate borrowings	108	250
Total borrowings	108	250

Variable rate borrowings	108	250
Less: Adjustments for unamortised financial guarantee expense	(21)	(8)
Net variable rate borrowings (refer note 13)	87	243

(b) Profit & loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	March 31, 2024	March 31, 2023
Interest rates - increase by 50 basis points	(0)	(1)
Interest rates - decrease by 50 basis points	0	1

(iii) Price risk
Price risk is the risk of a decline in the value of a security or an investment portfolio. The Company is not exposed to such risks, as it has not invested in any such securities.

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27 Capital management

Risk Management

For the purpose of Company's Capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

The Company's objectives when managing capital are to:

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using gearing ratio and is measured by Net debt (total borrowings excluding bank overdraft)

(i) The below table depicts the companies net debt to equity ratio:

Particulars	March 31, 2024	March 31, 2023
Net Debt (Refer Note 33)	70	841
Total equity	2,294	1,133
Net debt to equity ratio	3.05%	74.21%

The Net debt to equity ratio for the current year has decreased to 3.05% from 74.16% on account of overall increase in earnings with a reduction in lease liabilities.

28 Contingent liabilities

	March 31, 2024	March 31, 2023
Claims against the group not acknowledged as debts	-	-

(i) Contingent liabilities does not include performance bank guarantees given to customers.

(ii) The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company expects that the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. Further, the Company has complied with the above judgement and has revised the wages of its employees with effect from April 01, 2019.

29 Commitments

(a) Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:

Particulars	March 31, 2024	March 31, 2023
Property, plant and equipment	47	27
	47	27

(b) Operating Lease: Company as lessee

The Company has non cancellable operating lease for factory buildings for 15 years. These leases can be renewed on mutual agreement between the lessor and lessee at the end of the lease term. The lease rent would be increased by 5% every year. There are no sub leases.

From 1 April 2019, the Company has recognised right-of-use assets for these leases, except for short term leases.

	March 31, 2024	March 31, 2023
Rental expenses relating to operating lease	8	10

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30 Segment Information

(a) Description of segments and principal activities.
The Company is primarily engaged in the business of contract manufacturing. The Company's Chief Operating Decision Maker (CODM) is identified to be Managing Director and Chief Operating Officer of the holding company, who plans the allocation of resources and assess the performance of the segments. The Company's CODM reviews the financial information by considering the entity as a whole, hence the operating segment being the Company as one single segment - 'Contract Manufacturing'.

The Company is domiciled in India. Although the Company's major operating divisions are managed on a worldwide basis, they operate in three principal geographical areas of the world. In Asia, the Company manufactures, sells aerostructure assemblies. The Company exports to Europe and Asia. The amount of its revenue from external customers specified by location of customers are presented in the below table:

Particulars	March 31, 2024	March 31, 2023
Net revenue		
Asia	386	86
North America	152	32
Europe	9,977	6,276
	10,514	**6,394**

The Company recognises revenue from transfer of goods and services at a point of time and there are no contracts where revenue is to be recognised over a period of time.

The CODM primarily uses the measure of profit to assess the performance of the operating segments.

	March 31, 2024	March 31, 2023
EBITDA	1,428	323

The CODM reviews the Company as one reportable segment, hence no further segregation has been done.

Revenues from major customers is as follows:

Customer	March 31, 2024		March 31, 2023		Geographical location
	Revenue	% of total revenue	Revenue	% of total revenue	
Customer 1	9,977	95%	6,276	98%	Outside India
Customer 2	293	3%	-	0%	India

There are no segment assets or liabilities to be disclosed as required by Ind AS 108.

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31 Related Party Disclosures

Name of Related parties where control exist irrespective of whether transactions have occurred or not

Relationship	Name of the related party
Ultimate holding company	: The Melligeri Foundation.
Intermediate holding company	: Aequs Manufacturing Investment Private Limited, Maruitius*
Holding Company	: Aequs Private Limited ('APL') w.e.f. July 17, 2021

Name of other related parties with whom transactions have taken place during the current and previous year:

Relationship	Name of the related party
Enterprises on which, Holding company exercise joint control	: Aerospace Processing India Private Limited ('API')
Fellow Subsidiaries	: AeroStructures Manufacturing India Private Limited ('ASMIPL') : Aerospace Manufacturing Holdings Private Limited ('AMHPL') (w.e.f. July 17, 2021) : Aequs Force Consumer Products Private Limited ('AFCPPL') : Aequs Consumer Products Private Limited ('ACPPL') : Aequs Aero Machine ('AAM'), United States of America
Enterprises in which individuals owning interest in the Company, or their relatives have control	: Aequs SEZ Private Limited ('Aequs SEZ') : Industrial Knowledge Centre Private Limited ('IKCPL')

Names of other related parties with whom transactions have not taken place during the current and previous year:

Relationship	Name of the related party
Key Management Personnel	: Mr. Dinesh Iyer, Director : Mr. Shirish Ganamukhi, Director Ms. Chandana Patil, Company Secretary

* There were no transactions during the current and previous year.

(All amounts are in INR Lakh, except share data, unless otherwise stated)

CIN : U29253KA2013PTC067804

A. Transactions with related parties

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Aequs SEZ		
Expenses incurred on behalf of the Company	56	58
Maintenance charges	20	20
Rent	139	132
APL		
Expenses incurred on behalf of the Company	78	188
Services received	31	22
Fair value of financial guarantee received	31	10
ASMIPL		
Expenses incurred on behalf of the Company	6	7
Purchase of goods	76	26
Revenue from sale of goods	60	6
API		
Services received	5	1
Purchase of goods	-	5
AFCPPL		
Expenses incurred on behalf of the Company	-	5
ACPPL		
Expenses incurred on behalf of the Company	-	8
AAM		
Purchase of goods	2	
Revenue from sale of goods	152	32
IKCPL		
Services received	24	6
Mr. Radhakrishna Vuppunda		
Managerial remuneration paid	-	19

B. Balance at the year end

Particulars	As at March 31, 2024	As at March 31, 2023
Aequs SEZ		
Trade payables	4	10
Security deposit given	103	103
APL		
Trade payables	2	6
Dues to related parties	8	70
ASMIPL		
Trade payables	9	3
Dues to related parties	-	0
Trade receivables	15	8
AAM		
Trade receivables	51	5
AFCPPL		
Dues to related parties	-	5
ACPPL		
Dues to related parties	-	8
IKCPL		
Trade payables	1	3

Note:

a. All transactions were made on normal commercial terms and conditions and are at arm's length price.

b. There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowance has been recognised during the year in respect of receivables due from related parties.

c. Refer to Note 11(ii) for the corporate guarantees extended to the Company by the related parties against the borrowings taken by the Company.

d. All outstanding balances are unsecured and repayable in cash.

e. A letter of continuing financial support received from Aequs Private Limited.

(All amounts are in INR Lakh, except share data, unless otherwise stated)

32 Earnings per Share

	As at March 31, 2024	As at March 31, 2023
(a) Nominal value of Equity Share (INR)	10	10
(b) Weighted average number of equity shares outstanding of INR 10 each	2,88,60,802	2,88,60,802
(c) Profit attributable to the equity share holders used in calculating basic earnings per share	1,126	19
(d) Earnings per share (in Rs.)- Basic	3.90	0.07

Diluted earning per share - There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

33 Net debt reconciliation:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	569	5
Lease liabilities	(531)	(603)
Current borrowings	(108)	(243)
Net debt	(70)	(841)

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Lease liabilities	Current borrowings	
Net debt as at April 1, 2022	2	(661)	(249)	(908)
Cash flows	3	-	7	10
Repayments	-	58	-	58
Non-cash adjustments	-	-	(1)	(1)
Foreign currency adjustments	-	-	-	-
Interest expense	-	(74)	(14)	(87)
Interest paid	-	74	14	87
Net debt as at March 31, 2023	**5**	**(603)**	**(243)**	**(841)**
Cash flows	564	-	122	686
Repayments	-	72	-	72
Non-cash adjustments	-	-	13	13
Foreign currency adjustments	-	-	-	-
Interest expense	-	(66)	(20)	(86)
Interest paid	-	66	20	86
As at March 31, 2024	**569**	**(531)**	**(107)**	**(70)**
				0

34 Assets pledged as security

The carrying amount of assets pledged as security for current borrowings are:

Particulars	March 31, 2024	March 31, 2023
Current		
A. Financial assets:		
- Trade receivables	1,174	746
B. Non financial assets:		
- Inventories	2,010	1,939
Total current assets pledged as security	**3,184**	**2,685**
Non current		
A. Financial assets:		
- Property, plant and equipment	198	226
Total non-current assets pledged as security	**198**	**226**
Total assets pledged as security	**3,382**	**2,911**

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35 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for Variance
Current Ratio	Current Asset	Current Liabilities	1.77	1.44	23%	Not applicable
Debt-Equity Ratio	Borrowings including	Equity	0.28	0.75	-63%	Note 1
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	4.92	0.89	455%	Note 2
Return on Equity Ratio (%)	Profit after tax	Average Shareholders' Equity	65.71%	1.68%	-3814%	Note 3
Inventory Turnover Ratio	Revenue from operations	Average Inventory	5.32	4.12	29%	Note 4
Trade Receivables Turnover Ratio	Revenue from operations	Average receivables	10.95	6.75	62%	Note 5
Trade Payable Turnover Ratio	Purchase of goods & consumables	Average Trade payables	4.57	4.43	3%	Not applicable
Net Capital Turnover Ratio	Revenue from operations	Working Capital	5.44	7.56	-28%	Note 6
Net Profit Ratio (%)	Profit after tax	Sales	10.71%	0.29%	-3550%	Note 3
Return on Capital Employed (%)	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	42.67%	6.09%	601%	Note 7

Notes:
1. Debt equity ratio has decrease due to increase in earnings available for debt-equity during the year.
2. Debt service coverage ratio has increased due to addition in earnings available for debt service during the year.
3. Return on Equity (%) and Net Profit ratio (%) has increased due to addition in net profit in the current year.
4. Inventory Turnover Ratio is increased due to increased in earnings available for inventory turnover
5. Trade Receivables Turnover Ratio is increased due to increased in earnings available for Trade Receivable turnover during the year
6. Net Capital Turnover Ratio is increased due to increased in earnings available for revenue during the year
7. Return on Capital employed is increased due to increase in earnings available for capital employed.
8. Return on Investment (%) is not applicable as there are no returns from the investments made by the Company.

36 Additional regulatory information :

(i) Details of benami property held:
No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets:
The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer Note 13 (i)(v) for details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2024.

(iii) Willful defaulter :
The Company has been not declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies:
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies:
The Company does not have any subsidiaries and hence compliance with Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers Rules, 2017) ('Layering Rules') is not applicable.

(vi) Compliance with approved scheme(s) of arrangements:
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium:
(a) The Company has 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
(b) The Company has 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 Company 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.

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(All amounts are in INR Lakh, except share data, unless otherwise stated)

36 Additional regulatory information (contd.):

(viii) Undisclosed income :
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency:
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of Property, Plant & Equipment, intangible asset and investment property:
The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year. The company does not have any investment property.

(xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) The Company was not required to recognise any provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024.

(xiii) The Company has one Core Investment Company (CIC) as part of the Group, viz., Aequs Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.

(xiv) The provisions of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Company.

(xv) The Company has one Core Investment Company (CIC) as part of the Group, viz., Aequs Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India
(xvi)The Company has not granted any Loans or Advances in the nature of loans to Promoters /Directors / KMPs and Related Parties during the year therefore disclosure under this heading is not applicable.

(xvii) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

37 Dues to micro and small enterprises
The identification of the micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on management's knowledge of their status. The Company has following dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1	14
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	7	67
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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 accrued and remaining unpaid at the end of each accounting year	0	1
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the	-	-

38 As per the provisions of Section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was required to appoint a Company Secretary post the resignation of its existing Company Secretary. However, the Company was unable to do so within the permissible time limit specified in the Act. The Company, thereafter, appointed a Company Secretary on June 17, 2021 (delay of one hundred and ninety eight days). The Company has filed adjudication application on June 13, 2023 with The Registrar of Companies, under Section 454 of the Companies Act, 2013. Based on the Management's assessment the potential impact of penalty on account of delay in appointment of Company Secretary on the financial statements is not expected to be material and the company has accrued INR 1,197 during the FY 2022-23 towards potential penalty amount.

K.G. ACHARYA & CO. BANGALORE CHARTERED ACCOUNTANTS

Aerostructures Assemblies India Pvt. Ltd.

39 The financial statements were approved for issue by the Board of Directors on ________

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S

K.G. ACHARYA & CO., BANGALORE, CHARTERED ACCOUNTANTS

Chirag Aggarwal
Partner
Membership No.: 243971

Place: Bengaluru
Date :

For and on behalf of the Board of Directors
Aerostructures Assemblies India Private Limited

Dinesh Iyer
Director
DIN: 09515485

Place: Belagavi
Date :

Shirish Ganamukhi
Director
DIN: 09246883

Place: Belagavi

Chandana Patil
Company Secretary
M.No: A34129

Place: