

**Financial statements**

**Of**

**Aerospace Manufacturing Holdings Private  
Limited**

**For the year ended**

**31<sup>st</sup> March 2024**

***Aerospace Manufacturing Holdings Private Limited***

***(CIN: U65191KA2012PTC065904)***

<b>Registered Office</b>	No. 55, Whitefield main road, Mahadevapura post, Bangalore - 560 048
<b>Directors</b>	Harish Bang Dinesh Venkatachalam Iyer Basavaraj Siddalingappa Sugandhi
<b>Company Secretary</b>	Mr. Chaitanya Vinayak Bhat
<b>Statutory Auditors</b>	<b>M/s. K G Acharya &amp; Co.,</b> <b>Chartered Accountants</b> No. 14, Girls School Street, Seshadripuram, Kumara Park West, Bangalore - 560020

## **INDEPENDENT AUDITOR'S REPORT**

***To The Members of Aerospace Manufacturing Holdings Private Limited***

### ***Report on the Audit of the Financial Statements***

#### **Opinion**

We have audited the Financial Statements of Aerospace Manufacturing Holdings 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 if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



## 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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

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

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

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.

### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020, issued by the Ministry of Corporate Affairs, in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
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. Reporting on adequacy of Internal Financial Controls with reference to Financial Statements and the operating effectiveness of such controls under section 143(3)(i) is not applicable to the Company vide exemption Notification G.S.R.583(E) dated 13.06.2017.
  - 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
    - 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 not declared or 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.

Bangalore

17-07-2024

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

Chartered Accountants

FRN 008019S



Chirag Aggarwal

Partner

M. No. 243971

UDIN: 24243971BKCORY5545



**Note 1****Background**

Aerospace Manufacturing Holdings Private Limited ('the Company') was incorporated on September 13, 2012, as a wholly-owned subsidiary of Aequs Private Limited. The Company is an investment holding company for its downstream subsidiaries and joint ventures engaged in the business of manufacturing of parts for aerospace sector.

**Note 2****2.1 Going Concern Assumption**

The Company has incurred net losses of 32,849 (March 31, 2023: 6,511) for the year ended March 31, 2024. The Company's accumulated loss and net worth are -7,58,820 (March 31, 2023: -7,25,971) and -1,274 (March 31, 2023: 32,625) 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 the letter of continuing financial support from the parent company.

**2.2 Summary of material accounting policies**

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

**(a) 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 certain financial assets and liabilities are measured at fair value;

**(ii) New and amended standards adopted by the Company**

During the year, there no new or amended standards notified u/s 133 of the Act by the Ministry of Corporate Affairs.

**(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 the Managing Director and Chief Executive Officer of the holding company, who plans the allocation of resources and assess the performance of the segments. Refer Note 21.

**(c) 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, and bank overdrafts.



**(d) Accounting policy for investments and 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. For investments in equity instruments (not held for trading purpose), this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**(ii) 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 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.

**(iii) Investments in subsidiaries and associates**

Investments in subsidiaries and associates are carried at cost.

**(iv) Impairment**

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 17 details how the Company determines whether there has been a significant increase in credit risk.

**(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 Company 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 Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company 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: Interest income from financial assets at fair value through profit and loss is disclosed as interest income within other income. Interest income from financial assets at amortised cost is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.





**(e) 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 income tax expense.

**(f) 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.

**(g) 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.

**(h) 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.

**(i) 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.



(j) 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 substantively 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 and unused tax credits 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.

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.

(k) Leases

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, 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 entity under residual value guarantees
- The exercise price of a purchase option if the entity is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the entity's incremental borrowing rate is used, being the rate that the entity 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. Where the Company is reasonably certain to exercise the purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term lease of premises and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss, in accordance with practical expedient available under Ind AS 116. Short term leases are leases with a lease term of 12 months or less. the company does not have any long term leases.



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

**(l) Financial guarantee contracts**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the (i) amount determined in accordance with the expected credit loss model as per Ind AS 109 and the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles Ind AS 115. Where guarantees in relation to loans or other payables of associates and joint ventures are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments along with underlying investments. In case if there is no underlying investments it is taken to other reserves.

**(m) 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.

**(n) Earnings per share****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.

**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.

**(o) Statement of Cash Flows**

Cash flows from operating activities are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(p) Investments in subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**(q) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded to nearest thousands 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.

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 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 investment in subsidiaries and joint ventures within the next financial year.



## Aerospace Manufacturing Holdings Private Limited

Balance Sheet as at 31st March 2024

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

CIN: U65191KA2012PTC065904

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investments in joint ventures	4(i)	-	1,18,674
<b>Total non-current assets</b>		-	<b>1,18,674</b>
<b>Current assets</b>			
Financial assets			
Cash and cash equivalents	4(ii)	817	15
Other financial assets	4(iii)	159	309
<b>Total current assets</b>		<b>976</b>	<b>324</b>
<b>Total assets</b>		<b>976</b>	<b>1,18,998</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	5,50,094	5,50,094
<b>Other equity</b>			
Reserves and surplus	6	(5,51,368)	(5,17,469)
<b>Total equity</b>		<b>(1,274)</b>	<b>32,625</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Other financial liabilities	7(iii)	-	558
<b>Total non current liabilities</b>		-	<b>558</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	7(i)	-	77,231
Trade payables			
a. Total outstanding dues of micro and small enterprise:	7(ii)	-	-
b. Total outstanding dues other than (a) above	7(ii)	150	713
Other financial liabilities	7(iii)	2,093	7,859
Other current liabilities	8	7	15
<b>Total current liabilities</b>		<b>2,249</b>	<b>85,818</b>
<b>Total liabilities</b>		<b>2,249</b>	<b>86,375</b>
<b>Total equity and liabilities</b>		<b>976</b>	<b>1,18,998</b>

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

  
Chirag Aggarwal  
Partner

Membership No.: 243971  
Place: Bengaluru  
Date: 17-07-2024



For and on behalf of the Board of Directors of  
Aerospace Manufacturing Holdings Private Limited



Harish Bang  
Director  
DIN: 08383723  
Place: Belagavi  
Date: 17-07-24



Dinesh Iyer  
Director  
DIN: 09515485  
Place: Belagavi  
Date: 17-07-24



**Aerospace Manufacturing Holdings Private Limited**  
**Statement of Profit and Loss for the year ended 31st March 2024**  
(All amounts are in INR thousands, except share data, unless otherwise stated)

CIN: U65191KA2012PTC065904

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		-	-
Other income	9	580	326
<b>Total income (A)</b>		<b>580</b>	<b>326</b>
<b>Expenses</b>			
Employee benefit expenses	10	764	338
Other expenses	11	416	488
<b>Total direct cost (B)</b>		<b>1,181</b>	<b>826</b>
<b>Earnings before interest, tax, depreciation and amortisation (A-B)</b>		<b>(601)</b>	<b>(500)</b>
Finance cost	12	6,346	8,337
Finance income	13	(1,889)	(2,326)
<b>Total expenses</b>		<b>4,456</b>	<b>6,011</b>
<b>Loss before exceptional items and tax</b>		<b>(5,057)</b>	<b>(6,511)</b>
Exceptional items	14	27,792	-
<b>Net Profit/(loss) before tax</b>		<b>(32,849)</b>	<b>(6,511)</b>
Income tax expense		-	-
- Current tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(32,849)</b>	<b>(6,511)</b>
<b>Other comprehensive income / (loss)</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(32,849)</b>	<b>(6,511)</b>
Earnings per equity share (Basic & Diluted)	20	(0.60)	(0.12)
[Nominal value per share: ₹ 10 (2023: ₹ 10)]			


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: 808019S

  
Chirag Aggarwal  
Partner

Membership No.: 243971

Place: Bengaluru

Date: 17-07-2024



For and on behalf of the Board of Directors of

Aerospace Manufacturing Holdings Private Limited

  
Harish Bang  
Director  
DIN: 08383723  
Place: Belagavi  
Date: 17-7-24

  
Dinesh Iyer  
Director  
DIN: 09515485  
Place: Belagavi  
Date: 17-7-24

**Aerospace Manufacturing Holdings Private Limited**  
**Statement of cash flows for the year ended 31st March 2024**  
(All amounts are in INR thousands, except share data, unless otherwise stated)

CIN: U65191KA2012PTC065904

	March 31, 2024	March 31, 2023
<b>Cash flow from operating activities</b>		
Loss before tax	(32,849)	(6,511)
Adjustments for:		
Financial guarantee income	(1,889)	(2,326)
Loss on disposal of investments	27,792	-
Interest expense	6,346	8,337
<b>Change in operating assets and liabilities</b>		
Increase/(decrease) in		
- trade payables	(563)	141
-other financial liabilities	(7,374)	959
-other financial asset	150	(209)
-other current liabilities	(8)	(876)
<b>Cash generated from operations</b>	<b>(8,395)</b>	<b>(486)</b>
Income taxes received/(paid)	-	-
<b>Net cash inflow from operating activities (A)</b>	<b>(8,395)</b>	<b>(486)</b>
<b>Cash flows from investing activities</b>		
Sale of Investment in subsidiaries and joint ventures	90,883	-
<b>Net cash outflow from investing activities (B)</b>	<b>90,883</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Finance Income	1,889	-
Proceeds from borrowings (net)	(77,231)	400
Interest paid	(6,346)	-
<b>Net cash (inflow/out flow) from financing activities(B)</b>	<b>(81,687)</b>	<b>400</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A + B)</b>	<b>802</b>	<b>(86)</b>
Cash and cash equivalents at the beginning of the year	15	101
<b>Cash and cash equivalents at the end of the year</b>	<b>817</b>	<b>15</b>
<b>Cash and cash equivalents as per above comprise the following</b>		
<b>Balance in banks</b>		
In current accounts	817	15
<b>Balance as per statement of cash flows</b>	<b>817</b>	<b>15</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

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



Chirag Aggarwal  
Partner  
Membership No.: 243971  
Place: Bengaluru  
Date: 17-07-24



For and on behalf of the Board of Directors of  
Aerospace Manufacturing Holdings Private Limited



Harish Bang  
Director  
DIN:08383723  
Place: Belagavi  
Date: 17-7-24



Dinesh Iyer  
Director  
DIN: 09515485  
Place: Belagavi  
Date: 17-7-24

**A. Equity share capital**

	Note	Amount
Balance as at April 01, 2022		5,50,094
Changes during the year	5	-
Balance as at March 31, 2023		5,50,094
Changes during the year	5	-
Balance as at March 31, 2024		5,50,094

**B. Other equity**

	Reserves and surplus			Total other equity
	Retained earnings	Securities premium	Other Reserves	
Balance as at April 01, 2022	(7,19,460)	2,08,502	-	(5,10,958)
Loss for the year	(6,511)	-	-	(6,511)
Total	(6,511)	-	-	(6,511)
Balance as at March 31, 2023	(7,25,971)	2,08,502	-	(5,17,469)
Balance as at April 01, 2023	(7,25,971)	2,08,502	-	(5,17,469)
Loss for the year	(32,849)	-	-	(32,849)
Finance guarantee given during the year	-	-	(1,050)	(1,050)
Total	(32,849)	-	(1,050)	(33,899)
Balance as at March 31, 2024	(7,58,820)	2,08,502	(1,050)	(5,51,368)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is statement of changes in equity referred to in our report of even date.

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

Firm Registration Number: 0080195



Chirag Aggarwal

Partner

Membership No.: 243971

Place: Bengaluru

Date: 17-07-2024



For and on behalf of the Board of Directors of  
Aerospace Manufacturing Holdings Private Limited



Harish Bang

Director

DIN:08383723

Place: Belagavi

Date: 17-7-24



Dinesh Iyer

Director

DIN: 09515485

Place: Belagavi

Date: 17-7-24

	As at March 31, 2024	As at March 31, 2023
<b>4 Financial assets</b>		
<b>(i) Non - current investments</b>		
<b>Investment in equity instruments of joint ventures (at cost)</b>		
<b>Unquoted</b>		
NIL (March 31, 2023: 18,176,746 nos.); equity shares of ₹ 10 each fully paid up in SQuAD Forging India Private Limited	-	1,91,907
<b>Total</b>	-	<b>1,91,907</b>
Less: Provision for impairment in value of investment	-	(73,232)
<b>Net Total</b>	-	<b>1,18,674</b>
Investment in SQuAD Forging India Private Limited includes Nil (March 31, 2023: 10,140); towards fair value of financial guarantee extended.		
<b>(ii) Cash and cash equivalents</b>		
Balances with banks:		
In current accounts	817	15
	<b>817</b>	<b>15</b>
<b>(iii) Other financial assets (Unsecured, Considered Good)</b>		
Dues from related parties (refer Note 22)	-	309
Balances with statutory authorities	159	-
	<b>159</b>	<b>309</b>

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	As at March 31, 2024	As at March 31, 2023
<b>5 Equity share capital</b>		
<b>(i) Authorised equity share capital</b>		
Balance as at the beginning of the year	5,82,103	5,82,103
58,210,300 (March 31, 2023: 58,210,300); equity shares of ₹ 10/-each		
Increase during the year	-	-
<b>Balance as at the end of the year</b>	<b>5,82,103</b>	<b>5,82,103</b>

**(ii) Issued, subscribed and fully paid up share capital****Movement in equity share capital**

Balance as at the beginning of the year	5,50,094	5,50,094
Rights issue during the year	-	-
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>5,50,094</b>	<b>5,50,094</b>

**(iii) Movement in equity share capital**

	As at March 31, 2024		As at March 31, 2023	
	Numbers	Amount	Numbers	Amount
At the beginning of the year	5,50,09,359	5,50,094	5,50,09,359	5,50,094
Rights issue during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>5,50,09,359</b>	<b>5,50,094</b>	<b>5,50,09,359</b>	<b>5,50,094</b>

**(iv) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

**(v) Details of share holders holding more than 5% of the aggregate shares in the company**

	Number of equity shares	% holding
<b>As at March 31, 2023</b>		
Equity shares of ₹ 10 each fully paid Aequs Private Limited (*)	5,50,09,249	99.99%
<b>As at March 31, 2024</b>		
Equity shares of ₹ 10 each fully paid Aequs Private Limited (*)	5,50,09,249	99.99%

**(vi) Details of shareholding of Promoters****As at 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 (*)	5,50,09,249	99.99%	-

**As at 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 (*)	5,50,09,249	99.99%	-

(\*) 110 shares held by Mr. Rajeev Kaul on behalf of Aequs Private Limited)

(vii) There are no instances of shares allotted as fully paid by way of bonus shares and shares bought back during the period of five years immediately preceding the year end.

(viii) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares.



	As at March 31, 2024	As at March 31, 2023
<b>6 Reserves and surplus</b>		
(i) Retained earnings	(7,58,820)	(7,25,971)
(ii) Securities premium	2,08,502	2,08,502
(iii) Other Reserves	(1,050)	-
	<b>(5,51,368)</b>	<b>(5,17,469)</b>
<b>(i) Retained earnings</b>		
Opening Balance	(7,25,971)	(7,19,460)
Net loss for the year	(32,849)	(6,511)
Closing Balance	<b>(7,58,820)</b>	<b>(7,25,971)</b>
<b>(ii) Securities premium</b>		
Opening Balance	2,08,502	2,08,502
Closing Balance	<b>2,08,502</b>	<b>2,08,502</b>
<b>(iii) Other Reserves</b>		
Opening Balance	-	-
Additions	(1,050)	-
Closing Balance	<b>(1,050)</b>	-

Notes:

**1. Securities premium**

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

**2. Other Reserves**

Other Reserves of INR 1,050 (2023: NIL) represents the fair value of finance guarantee given to SQuAD Forging India Private Limited during the year.

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As at March 31, 2024	As at March 31, 2023
-------------------------	-------------------------

## 7. Financial liabilities

### (i) Borrowings

#### Current:

From others:

Loan from parent company (Unsecured)

-	77,231
-	77,231

#### Note:

- Refer Note 23 for net debt reconciliation
- The unsecured loan obtained from Aequs Private Limited was repayable on demand and carried interest rate at 12% p.a. The said loan was repaid during the year.

### (ii) Trade payables

#### Current:

Trade payables

- Dues to Micro and Small Enterprises

- Other trade payables

- Payable to related parties (refer Note 22)

150	292
-	421
150	713

#### Ageing of Trade payables: March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME						-
(ii) Undisputed dues -Others	150	-	-	-	-	150
(iii) Disputed dues MSME						-
(iv) Disputed dues- Others						-
Unbilled						-
Total	150	-	-	-	-	150

#### Ageing of Trade payables: March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME						-
(ii) Undisputed dues -Others	-	382	85	247	-	713
(iii) Disputed dues MSME						-
(iv) Disputed dues- Others						-
Unbilled						-
Total	-	382	85	247	-	713

### (iii) Other financial liabilities

#### Non current:

Liability for Finance Guarantee

-	558
-	558

#### Current:

Dues to related parties (refer Note 22)

Liability for Finance Guarantee

Employees related liability

548	6,026
1,544	1,826
-	8
2,093	7,859

## 8. Other liabilities

#### Current:

Statutory dues payable

7	15
7	15



	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>9 Other income</b>		
Service Income	580	326
	<b>580</b>	<b>326</b>
<b>10 Employee benefit expenses</b>		
Salaries, wages and bonus	762	337
Staff welfare expenses	3	1
	<b>764</b>	<b>338</b>
<b>11 Other expenses</b>		
Legal and professional fees	50	57
Payment to auditors [Refer (i) below]	150	245
Rental charges	85	89
Rates and taxes	57	71
Bank charges	2	2
Repair & Maintenance- Computer	25	11
Insurance	47	13
	<b>416</b>	<b>488</b>
<b>(i) Payments to auditors</b>		
As auditor		
Audit fee	150	245
<b>12 Finance cost</b>		
Interest expense	6,346	8,337
	<b>6,346</b>	<b>8,337</b>
<b>13 Finance income</b>		
Financial guarantee income	1,889	2,326
	<b>1,889</b>	<b>2,326</b>
<b>14 Exceptional Items</b>		
Loss on disposal of investments	27,792	-
	<b>27,792</b>	<b>-</b>

**Notes:**

During the year, the company has disposed off its investment in SQuAD Forging India Private Limited, a joint venture investment, to Aequus Private Limited on 16th June 2023. Loss on disposal of investments represents the difference between the sale consideration for disposal of investments and the net book value of the investments on date of sale.

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	For the year ended March 31, 2024	For the year ended March 31, 2023
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**15 Deferred Tax Assets (Net)*****Deferred tax recognition***

Deferred tax asset on timing differences and business loss carried forward has not been recognised in these financial statements in the absence of reasonable certainty.

**16 Fair value measurement**

The Company measures all financial assets/liabilities (other than investment in joint ventures which are measured at cost under Ind AS 27) at amortised cost.

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

The Company accounts the investments in Joint ventures at cost, in accordance with Ind AS 27. These investments are tested for impairment annually.

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## 17 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;

	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents and financial assets measured at amortised cost.	Credit ratings	Monitoring of credit ratings limits and bank guarantees
Liquidity risk	Borrowing and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	The Company is not exposed to any such risk	Not Applicable	Not Applicable
Market risk Interest rate risk	Borrowings	Sensitivity analysis	Maintaining a judicious mix of variable and fixed debt

### A Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a 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 loans 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.

### 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.

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**17 Financial risk management (continued)**

**(i) Financing arrangements**

The Company has no undrawn borrowing facilities as on March 31, 2024 (March 31, 2023: Nil).

**(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	More than 12	Total
<b>As at March 31, 2024</b>			
Trade payables	150	-	150
Other financial liabilities	2,093	-	2,093
<b>Total non derivative liabilities</b>	<b>2,243</b>	<b>-</b>	<b>2,243</b>

Contractual maturities of financial liabilities	Less than 12	More than 12	Total
<b>As at March 31, 2023</b>			
Borrowings	77,231	-	77,231
Trade payables	713	-	713
Other financial liabilities	7,859	558	8,417
<b>Total liabilities</b>	<b>85,803</b>	<b>558</b>	<b>86,360</b>

Apart from the above, the Company has also given financial guarantees to bank in respect of loans availed by the related parties (refer Note 22(c)). However, the Company expects the related parties to repay the borrowings to the banks without any defaults and therefore, the Company does not expect any outflow in respect of these financial guarantees.

**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. The Company is neither exposed to any such foreign currency, interest or price risk.

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## 18 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 net of cash and cash equivalents).

(i) The below table depicts the Company's net debt to equity ratio.

	March 31, 2024	March 31, 2023
Net debt	-	77,215
Total equity	(1,274)	32,625
Net debt to equity ratio	0%	237%

(ii) Loan covenants

There are no restrictive covenants on Company's share capital.

## 19 Contingent liabilities

Refer Note 22 for Corporate guarantees given to third parties by the Company for loans taken by related parties of the Company.

- (i) It is not practicable to estimate for the Company to estimate the timing of cash outflows, if any, in respect of the above matters.
- (ii) The Company does not expect any reimbursement in respect of the above contingent liabilities.

## 20 Earnings per share

	March 31, 2024	March 31, 2023
(a) Earnings per share (Basic) [₹]	(0.60)	(0.12)
(b) Profit/ (Loss) attributable to the equity share holders used in calculating basic and diluted earnings per share	(32,849)	(6,511)
(c) Weighted Average number of Equity shares of ₹10 each	5,50,09,359	5,50,09,359

Note: There is no dilution to the basic earnings per share as there are no potentially dilutive equity shares.

## 21 Segment information

### Description of segments and principal activities.

The Company's Chief Operating Decision Maker (CODM) is identified to be the 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.

The Company, being an investment company, does not have any revenue.





## 22 Related party disclosures

### Name of the related parties and related party relationship

Related parties where control exists

Relationship	Name of the related party
Holding company	: Aequs Private Limited ('APL')

Names of other related parties with whom transactions have taken place during the year.

Relationship	Name of the related party
Joint ventures	: SQuAD Forging India Private Limited ('SQuAD') (until 16th June 2023)
Fellow Subsidiary	: Aequs Toys Private Limited
Key management personnel	: Mr. Dinesh, Iyer, Director* : Mr. Harish, Bang* : Mr. Basavaraj, Sugandhi* : Mr. Chaitanya Vinayak Bhat

\* No transaction during the year

Enterprises in which individuals owning interest in the Holding Company, or their relatives have control or significant influence	: Aequs SEZ Private Limited ('ASEZ')
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The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### A. Transactions with related parties

	Nature of transactions	March 31, 2024	March 31, 2023
APL	Payments made on behalf of the company	3,416	951
	Unsecured loan received	-	400
	Interest expenses	6,346	8,337
	Sale of investments	90,884	-
	Unsecured loan repaid	83,851	-
SQuAD	Financial guarantee income	1,889	1,696
ASEZ	Rent expense	85	89
	Service Income	248	146
ATPL	Service Income	331	138
Mr. Chaitanya Vinayak Bhat	Remuneration	267	126



22 Related party disclosures (continued)

B. Balance at the year end			
	Nature of transactions	March 31, 2024	March 31, 2023
APL	Investment in the Company	-	7,58,623
	Dues to related parties	548	3,964
	Unsecured loan balance	-	77,231
SQuAD	Investment in equity share capital	-	1,91,907
	Fair value of financial guarantee issued	-	10,140
ASEZ	Trade Payable	-	421
	Dues from related parties	-	146
ATPL	Dues from related parties	-	13

Note: All transactions were made on normal commercial terms and conditions and are at arms length price.

C. Disclosure as required under section 186(4) of Companies Act, 2013

	Nature of transactions	March 31, 2024	March 31, 2023	Purpose of loan/ guarantee
i. Investments in subsidiaries and joint ventures (Refer Note 4)		-	1,91,907	-
ii. Guarantees issued (for term loan and working capital)				
	SQuAD Forging India Private Limited ('SQuAD')	1,20,000	95,000	Term loan and working capital loan

(This space is intentionally left blank)



23 Net debt reconciliation

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	817	15
Current borrowings	-	(77,231)
<b>Net debt</b>	<b>817</b>	<b>(77,215)</b>

Particulars	Other assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Current borrowings	
As at March 31, 2022	101	(69,327)	(69,226)
Cashflows	(85)	-	(85)
Additional Loan received	-	(400)	(400)
Interest expense (Net of TDS)	-	(7,503)	(7,503)
<b>As at March 31, 2023</b>	<b>15</b>	<b>(77,231)</b>	<b>(77,215)</b>
Cashflows	802	-	802
Loan Repayment	-	82,942	82,942
Interest expense (Net of TDS)	-	(5,711)	(5,711)
<b>As at March 31, 2024</b>	<b>817</b>	<b>(0)</b>	<b>817</b>

Note: The unpaid interest expense at the end of the reporting period of Nil (March 31, 2023: 7,503) has been added to unsecured loan from Aequus Private Limited.

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**24 Additional regulatory information required by Schedule III**

- (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) Wilful defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) 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.
- (vi)(a) The Company has not advanced or loaned or invested any funds to other entities (Intermediaries) during the year ended March 31, 2024 for the purposes / as agreed with any Intermediary.
- (vi)(b) 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any transactions that have not been recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) and hence disclosure under this heading is not applicable.
- (viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.
- (x) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xi) 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.
- (xii) The Company is a Core Investment Company (CIC) which is not required to be registered with the Reserve Bank of India.
- (xiii) Title Deeds of Immovable Property in the name of the Company: The Company does not have any Immovable Property as at the end of the reporting period and hence disclosure under this heading is not applicable.
- (xiv) Ageing of Capital Work in Progress and Capital Work in Progress Completion Schedule: The Company does not have any Capital Work in Progress as at the end of the reporting period and hence disclosure under this heading is not applicable.
- (xv) Ageing of Intangible Assets Under Development and Intangible Assets Under Development Completion Schedule: The Company does not have any Intangible Assets Under Development as at the end of the reporting period and hence disclosure under this heading is not applicable.
- (xvi) Ageing of Trade Receivables: The Company does not have any trade receivables as at the end of the reporting period and hence disclosure under this heading is not applicable.
- (xvii) The Company is not required to spend on Corporate Social Responsibility u/s 135 of the Companies Act, 2013, and hence disclosure under this heading is not applicable.
- (xviii) Details of use of the borrowings from banks and financial institutions: The Company has not availed any borrowings from banks and financial institutions, and hence disclosure under this heading is not applicable.
- (xix) Details of Quarterly Reports to banks and financial institutions: The Company has not availed any borrowings from banks or financial institutions on the basis of security of current assets, and hence disclosure under this heading is not applicable.



## Notes to the financial statements for the year ended March 31, 2024

## 25 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for Variance
Current Ratio (times)	Current Assets	Current Liabilities	0.43	0.00	✓ 11389%	Note-1
Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	-	2.37	✓ -100%	Note-2
Debt Service Coverage Ratio (times)	Net Operating income	Debt Service	(4.47)	(0.01)	✓ -76475%	Note-3
Return on Equity Ratio (%)	Profit After tax	Average Equity	(209.56)	(18.15)	✓ -10555%	Note-4
Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Average Working Capital	(0.01)	(0.00)	✓ -233%	Note-5
Return on Capital Employed (%)	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	(20.81)	0.02	✓ -125293%	Note-6
Net Profit Ratio	Profit After tax	Sales (revenue from operations)	(56.67)	(19.97)	✓ -184%	Note-7

## Notes:

1. Better Working Capital Management.
2. Debt Equity ratio has improved as the borrowings are repaid during the year
3. Debt Service coverage has improved due to reduced profits.
4. Return on Equity has reduced due to reduced profits.
5. Net Capital Turnover Ratio has reduced due to lesser working capital at year end.
6. Return on Capital employed has reduced due to reduced profits.
7. Net Profit Ratio has reduced due to reduced profits.



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**26 Assets pledged as security**

The Company has not pledged any assets as security for any borrowings as at March 31, 2024 (March 31, 2023: Nil).

**27 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. There are no dues to micro, small and medium enterprises as on March 31, 2024 and March 31, 2023.

**28 The provisions of Employee's State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 are not applicable as the prescribed threshold limits under the respective acts are not met.**

**29 Details of significant investments in joint ventures**

	Country of incorporation	As at March 31, 2024	As at March 31, 2023
<b>(a) Joint Ventures</b>			
SQuAD Forging India Private Limited	India	-	15.50%

During the year, the company has sold its investment in SQuAD Forging India Private Limited to Aequs Private Limited on 16th June 2023 for a total consideration of 90,884.

These financial statements are the separate financial statements. The Company has opted for exemption from preparing the consolidated financial statements as per the applicable accounting standards, as the consolidated financial statements shall be prepared by the holding company, Aequs Private Limited.

**30 The Company is an investment vehicle of Aequs Private Limited, Holding Company. The Holding Company agreed to provide financial support to the Company to enable the Company to meet all its financial obligations, if any, as such obligations fall due for the foreseeable future.**

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

  
Chirag Aggarwal  
Partner

Membership No.: 243971  
Place: Bengaluru  
Date: 17-07-2024



For and on behalf of the Board of Directors of  
Aerospace Manufacturing Holdings Private Limited



Harish Bang  
Director  
DIN: 08383723  
Place: Belagavi  
Date: 17-7-24



Dinesh Iyer  
Director  
DIN: 09515485  
Place: Belagavi  
Date: 17-7-24