
AEROFLEX INDUSTRIES LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2022

AUDITORS

SHWETA JAIN & CO
CHARTERED ACCOUNTANTS

S S N & CO
CHARTERED ACCOUNTANTS

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**AUDITORS REPORT**

To,  
The Members of  
**AEROFLEX INDUSTRIES LIMITED**  
Mumbai

**Report on the Audit of the standalone Financial Statements:**

**Opinion:**

We have audited the accompanying standalone Ind As financial statements of **AEROFLEX INDUSTRIES LIMITED** ("the company"), which comprise the standalone Ind As Balance Sheet as at 31<sup>st</sup> March 2022, the standalone Ind As Statement of Profit and Loss including standalone Ind As other Comprehensive Income, the standalone Ind As Cash Flow Statement and the standalone Ind As Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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

**Basis of Opinion**

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





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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying Standalone financial statements.

**Other information :**

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone financial statements and our auditors' report thereon. Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Management's Responsibilities for the Standalone 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, state of affairs, profit & loss including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards and 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements :**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone financial statements.

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

1. Identify and assess the risks of material misstatement of the Standalone 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company





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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





**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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The standalone Balance Sheet, standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls standalone financial statements of the Company with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company does not have any pending litigations which would impact its financial position in standalone financial statement.





- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which required to be transferred to the Investors Education and Protection Fund by the Company.
- d.
- i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material mis-statement.
- e. No dividend has been declared or paid during the year by the Company. As reported in note No 34 (xvi) in the event after the reporting date, the Board of Directors has recommended dividend of Rs 1 for per fully paid up equity





share of Rs 10 each of the company for the financial year ended on 31<sup>st</sup> March 2022.

- (B) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 127673W

*Priyanka*



**PRIYANKA JAIN**  
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22416197AIZVNZ8769

**FOR SSN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 024352N

*Susil K Gupta*



**SUSIL K GUPTA**  
(Partner)

Membership No. : 060315

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22060315AIZUUN5938



**ANNEXURE " A " TO THE INDEPENDENT AUDITOR'S REPORT:**

(As referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to the members of AEROFLEX INDUSTRIES LIMITED on the accounts as at and for the year ended 31<sup>st</sup> March, 2022)

i.

a.

(A) The company has maintained proper records, showing full particulars including quantitative details and situations of all Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of the Intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner, which in our opinion are reasonable, having regard to size of the company and nature of its assets. As explained to us, no material discrepancies were noticed on such verifications.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii.

(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were





noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned term loan in excess of five crore rupees in earlier years, in aggregate, from banks on the basis of security of current assets along with other securities. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. According to the information and explanations given to us and on the basis of the management representation with respect to the advances given to the staff and workers and to the suppliers of the company that the same were given not in the nature of loan and has been provided in the normal course of the business. We have been informed by the management of the company that the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships, its subsidiary or any other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable





vii.

- a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix.

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings availed from lenders during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution, lender or government or government authority.
- c) According to the information and explanations given to us by the management, the Company has obtained term loans in earlier years and has applied for the purpose for which the same is availed. The Company has not obtained any term loans during the year.





- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis which has been utilized by the Company for long term purposes.
- e) According to the information and explanations given to us and 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 as defined under the Companies Act, 2013.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013.

x.

- a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

- a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, there are no complaints received by the Company, raised by the whistle blower during the year while determining the nature, timing and extent of our audit procedures.





- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the note 34 to the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv.
- a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
  - b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
  - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.





- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 127673

*Priyanka*



**PRIYANKA JAIN**  
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22416197AIZVNZ8769

**FOR SSN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 024352N

*Susil K Gupta*



**SUSIL K GUPTA**  
(Partner)

Membership No. : 060315

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22060315AIZUUN5938



**ANNEXURE " B " TO THE INDEPENDENT AUDITOR'S REPORT:**

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

We have audited the internal financial controls with reference to standalone financial statements of **AEROFLEX INDUSTRIES LIMITED** ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls :**

The Company's management and Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility :**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls standalone financial statements 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 with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls standalone financial statements, assessing the risk that a material weakness





exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with reference to standalone financial statements.:**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 standalone 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 standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements:**

Because of the inherent limitations of internal financial controls with Reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with Reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with Reference to Standalone Financial Statements may





become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

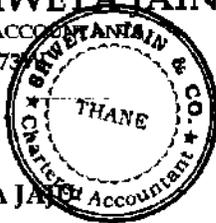
**Opinion :**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system standalone financial statements and such internal financial controls standalone financial statements were operating effectively as at 31st March, 2022, based on the internal control standalone 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 standalone financial statements issued by the Institute of Chartered Accountants of India.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 127673

*Priyanka*



**PRIYANKA JAIN**  
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22416197AIZVNZ8769

**FOR S S N & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 024352N

*Susil K Gupta*



**SUSIL K GUPTA**  
(Partner)

Membership No. : 060315

Place : Mumbai

Date : 30<sup>th</sup> April 2022

UDIN No : 22060315AIZUUN5938

**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576 )

**BALANCE SHEET AS AT 31ST MARCH, 2022**

(₹ in Lakhs)

| PARTICULARS                                                              | Note No            | As at            | As at            |
|--------------------------------------------------------------------------|--------------------|------------------|------------------|
|                                                                          |                    | 31.03.2022       | 31.03.2022       |
|                                                                          |                    | AMOUNT (₹)       | AMOUNT (₹)       |
| <b>ASSETS</b>                                                            |                    |                  |                  |
| <b>NON CURRENT ASSETS</b>                                                |                    |                  |                  |
| a) Property, Plant and Equipment                                         | "6"                | 4,581.90         | 4,302.00         |
| b) Property, Plant and Equipment - WIP                                   |                    | 635.00           | -                |
| c) Intangible Assets                                                     | "7"                | 29.31            | 24.18            |
| d) Intangible Assets - WIP                                               |                    | 26.11            | 26.11            |
| d) Financial assets                                                      |                    |                  |                  |
| i) Investments                                                           | "8"                | 9.55             | 9.55             |
| ii) Other financial assets                                               | "9"                | 56.42            | 93.16            |
| e) Deferred Tax Assets (Net)                                             |                    | -                | 96.32            |
| f) Other non-current assets                                              | "10"               | 118.66           | 78.02            |
| <b>Total Non-Current Assets</b>                                          | <b>(A)</b>         | <b>5,456.95</b>  | <b>4,629.34</b>  |
| <b>CURRENT ASSETS</b>                                                    |                    |                  |                  |
| a) Inventories                                                           | "11"               | 3,582.19         | 3,431.96         |
| b) Financial Assets                                                      |                    |                  |                  |
| i) Trade Receivables                                                     | "12"               | 5,261.23         | 3,392.87         |
| ii) Cash and cash equivalents                                            | "13"               | 818.72           | 330.31           |
| iii) Bank balances other than cash and cash equivalent                   | "14"               | 12.33            | 11.49            |
| iv) Other financial assets                                               | "15"               | 45.66            | 42.73            |
| c) Current Tax Assets (Net)                                              | "16"               | -                | 4.32             |
| d) Other current assets                                                  | "17"               | 3,174.40         | 4,327.52         |
| <b>Total Current Assets</b>                                              | <b>(B)</b>         | <b>12,894.52</b> | <b>11,541.20</b> |
| <b>TOTAL ASSETS</b>                                                      | <b>C = (A+B)</b>   | <b>18,351.47</b> | <b>16,170.55</b> |
| <b>EQUITY AND LIABILITIES</b>                                            |                    |                  |                  |
| <b>EQUITY</b>                                                            |                    |                  |                  |
| a) Equity share capital                                                  | "18"               | 2,286.41         | 2,286.41         |
| b) Other equity                                                          | "19"               | 6,345.37         | 3,588.34         |
| <b>Total Equity</b>                                                      | <b>(D)</b>         | <b>8,631.78</b>  | <b>5,874.75</b>  |
| <b>LIABILITIES</b>                                                       |                    |                  |                  |
| <b>Non-current Liabilities</b>                                           |                    |                  |                  |
| a) Financial liabilities                                                 |                    |                  |                  |
| i) Borrowings                                                            | "20"               | 2,098.64         | 3,528.00         |
| b) Other Non current liabilities                                         | "21"               | 93.13            | 94.71            |
| b) Deferred tax Liability (Net)                                          |                    | 5.81             | -                |
| <b>Total non-current liabilities</b>                                     | <b>(E)</b>         | <b>2,197.57</b>  | <b>3,622.71</b>  |
| <b>Current Liabilities</b>                                               |                    |                  |                  |
| a) Financial liabilities                                                 |                    |                  |                  |
| i) Borrowings                                                            | "22"               | 1,814.08         | 1,778.84         |
| ii) Trade Payables                                                       |                    |                  |                  |
| Total outstanding dues of micro enterprises and small enterprises        | "23"               | 8.66             | 55.49            |
| Total outstanding dues of creditors other than micro & small enterprises | "23"               | 3,409.81         | 3,982.87         |
| b) Other current liabilities                                             | "24"               | 1,535.38         | 855.89           |
| c) Current Tax liabilities (Net)                                         | "25"               | 754.19           | -                |
| <b>Total Current Liabilities</b>                                         | <b>(F)</b>         | <b>7,522.12</b>  | <b>6,673.08</b>  |
| <b>Total Liabilities</b>                                                 | <b>G = (E+F)</b>   | <b>9,719.69</b>  | <b>10,295.80</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      | <b>H = (D + G)</b> | <b>18,351.47</b> | <b>16,170.55</b> |

Significant Accounting Policies Notes on Financial Statement

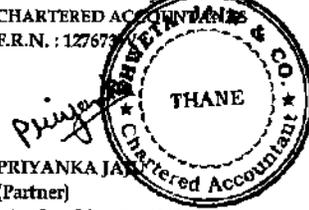
1 to 34

As Per Our Report of even date

**FOR SHWETA JAIN & CO**

CHARTERED ACCOUNTANTS

F.R.N. : 127673

*Shweta Jain*  
  
**THANE**  
 Chartered Accountants

**PRİYANKA JAIN**  
 (Partner)

Membership No : 416197

Place : Mumbai

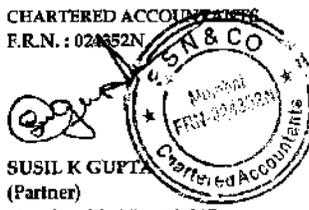
Dated : 30th April 2022

UDIN No : 22416197AIZYNZ8769

**FOR S S N & CO.**

CHARTERED ACCOUNTANTS

F.R.N. : 024352N

*Susil K Gupta*  
  
**Mumbai**  
 Chartered Accountants

**SUSIL K GUPTA**  
 (Partner)

Membership No : 060315

Place : Mumbai

Dated : 30th April 2022

UDIN NO : 22060315AIZUUN5938

For and on behalf of the Board



*Asad Saud*  
**ASAD SAUD**

MANAGING DIRECTOR

(DIN-02491539)

**MUSTAFA A KACHWALA**

WHOLETIME DIRECTOR & CFO

(DIN-03124453)

*Kinjal Shah*  
**KINJAL SHAH**

COMPANY SECRETARY

(M.No : A58678)

# AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

| PARTICULARS                                                                                    | Note No | For the year ended<br>31.03.2022<br>AMOUNT (₹) | For the year ended<br>31.03.2021<br>AMOUNT (₹) |
|------------------------------------------------------------------------------------------------|---------|------------------------------------------------|------------------------------------------------|
| <b>REVENUES:</b>                                                                               |         |                                                |                                                |
| Revenue from operations                                                                        | "26"    | 24,079.55                                      | 14,472.87                                      |
| Other Income                                                                                   | "27"    | 19.53                                          | 6.10                                           |
| <b>TOTAL INCOME</b>                                                                            |         | <b>24,099.07</b>                               | <b>14,478.97</b>                               |
| <b>EXPENSES:</b>                                                                               |         |                                                |                                                |
| Cost of Material Consumed                                                                      | "28"    | 15,632.98                                      | 9,448.16                                       |
| Changes in Inventories                                                                         | "29"    | (26.79)                                        | (92.42)                                        |
| Employee Benefit Expenses                                                                      | "30"    | 1,752.00                                       | 1,313.96                                       |
| Finance costs                                                                                  | "31"    | 625.08                                         | 893.99                                         |
| Depreciation and amortisation expense                                                          | "32"    | 418.44                                         | 377.81                                         |
| Other expenses                                                                                 | "33"    | 2,046.49                                       | 1,568.55                                       |
| <b>TOTAL EXPENSES</b>                                                                          |         | <b>20,448.22</b>                               | <b>13,510.06</b>                               |
| <b>Profit/(loss) before exceptional item and tax</b>                                           |         | <b>3,650.86</b>                                | <b>968.92</b>                                  |
| Exceptional item                                                                               |         |                                                |                                                |
| a) FCTL Exchange Fluctuation                                                                   |         | 41.30                                          | (162.99)                                       |
| <b>Profit/(loss) before tax</b>                                                                |         | <b>3,692.16</b>                                | <b>805.93</b>                                  |
| Tax expense:                                                                                   |         |                                                |                                                |
| (1) Current Tax                                                                                |         | 833.00                                         | -                                              |
| (2) Deferred tax Liability/(Assets)                                                            |         | 102.13                                         | 204.00                                         |
| <b>Profit/(loss) for the period from continuing operation</b>                                  |         | <b>2,757.03</b>                                | <b>601.93</b>                                  |
| Profit/(Loss) from discontinued operations                                                     |         | -                                              | -                                              |
| Tax expense of discontinued operations                                                         |         | -                                              | -                                              |
| Profit/(loss) from discontinued operation                                                      |         | -                                              | -                                              |
| <b>Profit/(loss) for the period</b>                                                            |         | <b>2,757.03</b>                                | <b>601.93</b>                                  |
| Other Comprehensive income/(loss)                                                              |         |                                                |                                                |
| a) Item that will not be reclassified subsequently to profit or loss                           |         | -                                              | -                                              |
| i) Net change in fair values of investments in equity shares carried at fair value through OCI |         | -                                              | -                                              |
| b) Income tax relating to item that will not be reclassified subsequently to profit or loss    |         | -                                              | -                                              |
| c) Item that will be reclassified subsequently to profit or loss                               |         | -                                              | -                                              |
| d) Income tax relating to item that will be reclassified subsequently to profit or loss        |         | -                                              | -                                              |
| <b>Total Other Comprehensive income/(loss)</b>                                                 |         |                                                |                                                |

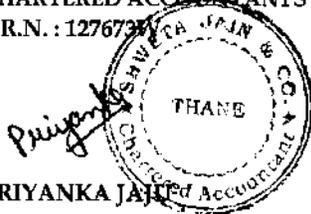


| Total Comprehensive Income for the year                                | 2,757.03 | 601.93 |
|------------------------------------------------------------------------|----------|--------|
| Earnings per equity share : (for continued Operation)                  |          |        |
| (1) Basic                                                              | 12.06    | 2.63   |
| (2) Diluted                                                            | 12.06    | 2.63   |
| Earnings per equity share : (for discontinued Operation)               |          |        |
| (1) Basic                                                              | -        | -      |
| (2) Diluted                                                            | -        | -      |
| Earnings per equity share : (for discontinued & continuing operations) |          |        |
| (1) Basic                                                              | 12.06    | 2.63   |
| (2) Diluted                                                            | 12.06    | 2.63   |

Significant Accounting Policies Notes on Financial Statement

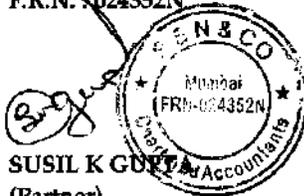
1 to 34

As Per Our Report of even date  
**FOR SHWETA JAIN & CO**  
 CHARTERED ACCOUNTANTS  
 F.R.N. : 127673N



**PRIYANKA JAIN**  
 (Partner)  
 Membership No : 416197  
 Place : Mumbai  
 Dated : 30th April 2022  
 UDIN No : 22416197AIZVNZ8769

**FOR S S N & CO.**  
 CHARTERED ACCOUNTANTS  
 F.R.N. : 024352N



**SUSIL K GURJAN**  
 (Partner)  
 Membership No : 060315  
 Place : Mumbai  
 Dated : 30th April 2022  
 UDIN NO : 22060315AIZUUN5938

For and on behalf of the Board



**ASAD DAUD**  
 MANAGING DIRECTOR  
 (DIN-02491539)

**MUSTAFA A KACHWALA**  
 WHOLETIME DIRECTOR & CFO  
 (DIN-03124453)

**KINJAL SHAH**  
 COMPANY SECRETARY  
 (M.No : A58678)

# AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(₹ In Lakhs)

| PARTICULARS                                                              | As at<br>31.03.2022<br>AMOUNT (₹) | As at<br>31.03.2021<br>AMOUNT (₹) |
|--------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                                   |                                   |
| Net Profit ( Loss ) before Tax                                           | 3,692.16                          | 805.93                            |
| Add : Depreciation                                                       | 418.44                            | 377.81                            |
| Less : Provision for Taxation                                            | 833.00                            | -                                 |
| <b>Operating Profit before working capital changes</b>                   | <b>3,277.60</b>                   | <b>1,183.74</b>                   |
| Adjustments for :                                                        |                                   |                                   |
| (Increase)/Decrease in Non Current Other Financial Assets                | 36.73                             | 25.52                             |
| (Increase)/Decrease in Other Non Current Assets                          | (40.64)                           | (28.70)                           |
| (Increase)/Decrease in Change in Inventories                             | (150.23)                          | (256.70)                          |
| (Increase)/Decrease in Current Trade Receivables                         | (1,868.36)                        | (435.19)                          |
| (Increase)/Decrease in Current Other Financial Assets                    | (2.92)                            | (4.17)                            |
| (Increase)/Decrease in Current Tax Assets                                | 4.32                              | (1.90)                            |
| (Increase)/Decrease in Other Current Assets                              | 1,153.12                          | (170.40)                          |
| Increase/(Decrease) in Non Current Trade Payables                        | (1.58)                            | 29.61                             |
| Increase/(Decrease) in Current Trade Payables                            | (619.89)                          | 639.16                            |
| Increase/(Decrease) in Other Current Liabilities                         | 1,433.69                          | 218.60                            |
| <b>Net Cash Flow from Operating Activities</b>                           | <b>3,221.83</b>                   | <b>1,199.55</b>                   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                                   |                                   |
| Deduction/(Addition) to Property, Plant and Equipment                    | (1,338.47)                        | (290.88)                          |
| <b>Net Cash Flow from Investing Activities</b>                           | <b>(1,338.47)</b>                 | <b>(290.88)</b>                   |
| <b>C. CASH FLOW FROM FINANCEING ACTIVITIES</b>                           |                                   |                                   |
| Proceeds from Long term borrowings                                       | (1,429.36)                        | (229.79)                          |
| Proceeds from Short term borrowings                                      | 35.24                             | (808.90)                          |
| <b>Net Cash Flow from Financing activities</b>                           | <b>(1,394.12)</b>                 | <b>(1,038.68)</b>                 |
| <b>Net Increase in Cash &amp; Cash Equivalents ( A+B+C)</b>              | <b>489.24</b>                     | <b>(190.01)</b>                   |
| Cash and Cash Equivalents at the beginning of the year                   | 341.81                            | 471.81                            |
| Cash and Cash Equivalents at the end of the year                         | 831.05                            | 341.81                            |
| <b>Net Increase in Cash &amp; Cash Equivalents as at 31st March 2022</b> | <b>489.24</b>                     | <b>(190.01)</b>                   |

As Per Our Report of even date

**FOR SHWETA IAIN & CO**  
CHARTERED ACCOUNTANTS  
F.R.N. : 127

THANE  
Chartered Accountants

**PRIYANKA JAIN**  
(Partner)  
Membership No : 416197  
Place : Mumbai  
Dated : 30th April 2022  
UDIN NO : 22416197AIZVNZ8769

**FOR S S N & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 0243577

MUMBAI  
Chartered Accountants

**SUSIL K GUPTA**  
(Partner)  
Membership No : 060315  
Place : Mumbai  
Dated : 30th April 2022  
UDIN NO : 22060315AIZUUN5938

For and on behalf of the Board



**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

**MUSTAFA A KACHWALA**  
WHOLETIME DIRECTOR & CFO  
(DIN-03124453)

**KINJAL SHAH**  
COMPANY SECRETARY  
(MLNo : A58678)

# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **NOTE 1: CORPORATE INFORMATION:**

**AEROFLEX INDUSTRIES LIMITED** is domiciled in India and incorporated under the provision of Companies Act, 2013. The Company's registered office is at Survey No 41, 42/13, 42/18, Village Chalgaon, MIDC Taloja, Teh-Panvel, Dist-Raigad, Navi Mumbai - 410206. The company is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies. The company has 100% foreign subsidiary at London, UK. The Company is a subsidiary company of Sat Industries Limited, a listed company, which holds 92.18% of the equity shares of the company.

### **NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies adopted by the company are as under:

#### **2.1 Basis of Preparation of Financial Statements:**

##### **a) Statement of Compliance with Ind AS :**

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

##### **b) Basis of Preparation :**

The Standalone financial statements of the company are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sale an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in Indian Rupee (INR), which is the company's functional currency and All amounts disclosed in financial statements and notes have been rounded off to the nearest Lakhs Rupees with two decimals, unless otherwise stated.

##### **c) Current or Non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle.



# **AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

- ii) Expected to be realized within twelve months after the reporting period. Or
  - iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All the other assets are classified as non-current.

A liability is classified current when

- i) It is expected to be settled in normal operating cycle;
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

### **d) Use of estimates and judgements:**

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **NOTE 3. SUMMARY OF SIGNIFICANT 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.

#### **3.1 Property, plant and equipment and intangible assets:**

##### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### **Recognition and measurement :**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the Property, plant and equipment until it is ready for use, as intended by the management. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### **Depreciation methods, estimated useful lives :**

Depreciation is provided (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows:

| Type of Assets                            | Period of useful life of Assets |
|-------------------------------------------|---------------------------------|
| Factory Building                          | 30 Years                        |
| Addition to factory Building for the year | 10 Years                        |
| Server and Networks                       | 6 Years                         |
| Plant & Machinery                         | 25 Years                        |
| Computer                                  | 3 Years                         |
| Vehicles                                  | 6 Years                         |
| Workshop Tools & Equipment                | 8 Years                         |



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

|                         |          |
|-------------------------|----------|
| Testing Equipments      | 5 Years  |
| Office Equipment        | 5 Years  |
| Electrical Installation | 5 Years  |
| Furniture & Fixtures    | 10 Years |

Fixed Assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition or till the date of sale/retirement.

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

### **Impairment:**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

### **3.2 Investments :**

The company do not have any categorized investment other than the investment in the equity shares of its 100% foreign subsidiary. The Investment in the shares of the foreign subsidiary are accounted at historical cost and the same has not been translated at the year ended.

### **3.3 Intangible Assets :**

Intangible assets are stated at acquisition cost, net of accumulated amortization. The Company amortized intangible assets over their estimated useful lives using the Written Down method. The estimated useful lives of intangible assets are as follows:

|                   |         |
|-------------------|---------|
| Computer Software | 6 years |
|-------------------|---------|

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### **3.4 Foreign Currency Transactions:**

#### **a) Functional and presentation currency :**

Items included in the financial statements 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.

#### **b) Transactions and balances :**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the capital goods, has been attributed to the cost of the fixed assets.

### **3.5 Revenue Recognition :**

The Company recognizes revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable. Revenue from the sale of goods in the course of ordinary activities is recognized at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

#### **Sale of services :**

Revenue from services are recognized in the accounting period in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

#### **Other Income :**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income has been recorded where no significant uncertainty as to measurability or collectability exists.

### **3.6 Taxation :**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **Current Tax :**

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid. Minimum Alternative 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. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period. The company has adopted the Taxation bracket where in the MAT liability do not attract to the company and has done the provisions accordingly.

### **Deferred Tax :**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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 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. The Company has identified deferred tax Asset for the carry forward losses at the year ended and has also recognized deferred tax for the Depreciation difference. The net effect of the same has been taken in Balance Sheet.



# **AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **Current tax and deferred tax for the year :**

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### **3.7 Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### **3.8 Provisions :**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **3.9 Contingent liabilities and contingent assets :**

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.



# **AEROFLEX INDUSTRIES LIMITED**

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## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **3.10 Financial instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### **FINANCIAL ASSETS :**

##### **Initial recognition and measurement**

At initial recognition, financial asset is measured 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.

##### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

##### **Impairment :**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected



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## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by

Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

### **De-recognition :**

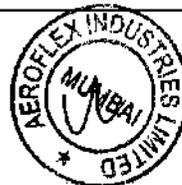
The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

### **FINANCIAL LIABILITIES :**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **Classification**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

### **Subsequent measurement**

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Foreign exchange gains and losses for assets & liabilities :**

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets purchased in



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## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

earlier years and amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has uniformly followed the practice.

### **De-recognition :**

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial assets and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

### **3.11 Employee Benefits :**

#### **Short-term Employee Benefits:**

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

#### **Post-employment benefits**

##### **a) Defined contribution plans**

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution.

**Provident fund:** The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognizes such contributions as an expense when incurred.



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## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

### **b) Defined benefit plans**

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if 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.

**Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has made payments for the annual applicable gratuity liability to LIC gratuity Scheme in earlier years where the gratuity liability will be paid to the employees by them when the same is due to pay. The company is in process to for formation of new revised policy related to the gratuity liability identification and provisions.

### **3.12 Inventories :**

Inventories are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at after reviewing the cost and net realizable value considering the various other related parameters and uniformity of the valuation. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at cost of production till the date work completed. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.



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## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis

### **3.13 Cash and cash equivalents:**

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

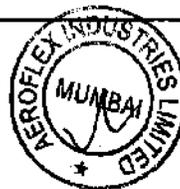
### **3.14 Earnings Per Share :**

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

### **NOTE 4. Significant accounting judgments, estimates and assumptions :**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described as below. The Company based on its assumptions and estimates on parameters available, when the financial statements were prepared, the existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



# **AEROFLEX INDUSTRIES LIMITED**

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## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

**a) Impairment of property, plant and equipment :**

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise. property, plant and equipment which are out dated or not in use are impaired and shown at the net releasable value and difference to the written down value and net releasable value is transferred to profit & loss account for the year.

**b) Useful lifes of property, plant and equipment :**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

**c) Provision for litigations and contingencies:**

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

**d) Recognition of Deferred Tax :**

The extent to which deferred tax assets and liabilities can be recognized is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax provisions can be utilized.

### **NOTE 5 : Recent Accounting Pronouncements:**

Ministry of Corporate Affairs("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.



# AEROFLEX INDUSTRIES LIMITED

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## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets-The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

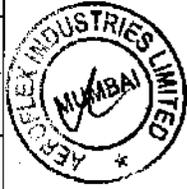


**AEROFLEX INDUSTRIES LIMITED**  
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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

**NOTE 6: PROPERTY, PLANT AND EQUIPMENTS**

|                                             | Freehold Land   | Freehold Buildings | Plant and equipment | Furniture and fixtures | Vehicles     | Office equipment's | Air Conditioner | Computer      | Electrical Installation | Testing Equipments | Workshop Tool & Equipments | Water Cooler | TOTAL            |
|---------------------------------------------|-----------------|--------------------|---------------------|------------------------|--------------|--------------------|-----------------|---------------|-------------------------|--------------------|----------------------------|--------------|------------------|
| <b>Year Ended as on 31st March, 2022</b>    |                 |                    |                     |                        |              |                    |                 |               |                         |                    |                            |              |                  |
| Gross Carrying Amount as on 01/04/2021      | 1,621.39        | 2,316.59           | 4,969.13            | 334.98                 | 32.14        | 153.65             | 26.27           | 159.00        | 521.46                  | 51.29              | 289.26                     | 12.72        | 10,497.92        |
| Additions                                   | -               | 80.09              | 413.70              | 21.20                  | 29.17        | 13.42              | -               | 32.37         | -                       | 36.46              | 59.68                      | 2.40         | 688.50           |
| Exchange Difference                         | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| Assets include in a disposal group for sale | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| Disposals                                   | -               | -                  | -                   | -                      | -            | (0.12)             | (0.53)          | (0.40)        | -                       | -                  | -                          | -            | (1.06)           |
| <b>Closing Gross Carrying Amount</b>        | <b>1,621.39</b> | <b>2,396.68</b>    | <b>5,382.83</b>     | <b>356.18</b>          | <b>61.31</b> | <b>166.94</b>      | <b>25.74</b>    | <b>190.97</b> | <b>521.46</b>           | <b>87.76</b>       | <b>348.96</b>              | <b>15.12</b> | <b>11,175.36</b> |
| <b>Accumulated Depreciation</b>             |                 |                    |                     |                        |              |                    |                 |               |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 1,573.53           | 3,362.18            | 281.41                 | 2.76         | 121.72             | 22.41           | 138.16        | 503.91                  | 42.00              | 127.29                     | 10.52        | 6,185.91         |
| Assets include in a disposal group for sale | -               | 79.90              | 192.66              | 11.24                  | 19.22        | 14.90              | 1.26            | 17.82         | 0.60                    | 11.81              | 55.79                      | 1.89         | 407.10           |
| Exchange Difference                         | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| Disposals                                   | -               | -                  | 1.41                | -                      | -            | (0.09)             | (0.50)          | (0.37)        | -                       | -                  | -                          | -            | 1.41             |
| <b>Closing Accumulated Depreciation</b>     | <b>-</b>        | <b>1,653.43</b>    | <b>3,556.29</b>     | <b>292.65</b>          | <b>21.94</b> | <b>136.29</b>      | <b>23.17</b>    | <b>156.61</b> | <b>504.51</b>           | <b>53.00</b>       | <b>183.08</b>              | <b>12.41</b> | <b>6,593.46</b>  |
| <b>NET CARRYING AMOUNT AS ON 31.03.2022</b> | <b>1,621.39</b> | <b>743.25</b>      | <b>1,826.57</b>     | <b>63.53</b>           | <b>39.37</b> | <b>30.62</b>       | <b>2.57</b>     | <b>35.36</b>  | <b>16.95</b>            | <b>33.95</b>       | <b>165.88</b>              | <b>2.71</b>  | <b>4,581.90</b>  |
| <b>Year Ended as on 31st March, 2021</b>    |                 |                    |                     |                        |              |                    |                 |               |                         |                    |                            |              |                  |
| Gross Carrying Amount as on 01/04/2020      | 1,621.39        | 2,316.59           | 4,844.85            | 315.95                 | 3.39         | 135.59             | 23.76           | 146.38        | 519.66                  | 98.98              | 252.15                     | 12.72        | 10,241.82        |
| Additions                                   | -               | -                  | 124.28              | 19.03                  | 28.74        | 18.06              | 2.50            | 12.62         | 1.80                    | 2.31               | 37.13                      | -            | 246.49           |
| Exchange Difference                         | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| Assets include in a disposal group for sale | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| <b>Closing Gross Carrying Amount</b>        | <b>1,621.39</b> | <b>2,316.59</b>    | <b>4,969.13</b>     | <b>334.98</b>          | <b>32.14</b> | <b>153.65</b>      | <b>26.27</b>    | <b>159.00</b> | <b>521.46</b>           | <b>51.29</b>       | <b>289.28</b>              | <b>12.72</b> | <b>10,497.92</b> |
| <b>Accumulated Depreciation</b>             |                 |                    |                     |                        |              |                    |                 |               |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 1,492.67           | 3,182.02            | 269.49                 | 2.35         | 106.27             | 21.63           | 131.79        | 503.44                  | 36.58              | 64.77                      | 8.89         | 5,820.00         |
| Assets include in a disposal group for sale | -               | 80.87              | 183.34              | 11.93                  | 0.41         | 15.45              | 0.78            | 6.37          | 0.47                    | 5.32               | 62.52                      | 1.64         | 369.10           |
| Exchange Difference                         | -               | -                  | (3.18)              | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | (3.18)           |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                  | -               | -             | -                       | -                  | -                          | -            | -                |
| <b>Closing Accumulated Depreciation</b>     | <b>-</b>        | <b>1,573.53</b>    | <b>3,362.18</b>     | <b>281.41</b>          | <b>2.76</b>  | <b>121.72</b>      | <b>22.41</b>    | <b>138.16</b> | <b>503.91</b>           | <b>42.00</b>       | <b>127.29</b>              | <b>10.52</b> | <b>6,185.91</b>  |
| <b>NET CARRYING AMOUNT AS ON 31.03.2021</b> | <b>1,621.39</b> | <b>743.06</b>      | <b>1,606.95</b>     | <b>53.57</b>           | <b>29.38</b> | <b>31.93</b>       | <b>3.86</b>     | <b>20.84</b>  | <b>17.53</b>            | <b>9.30</b>        | <b>161.99</b>              | <b>2.30</b>  | <b>4,302.00</b>  |

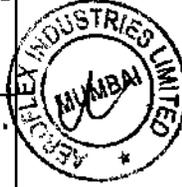


**AEROFLEX INDUSTRIES LIMITED**  
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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

**NOTE 7: INTANGIBLE ASSETS**  
( ₹ in Lakhs)

| PARTICULARS              | Gross Block      |           |                                 | Accumulated Depreciation |                  |                       |                                       | Exchange Fluctuation | Net Block                    |                  |                  |
|--------------------------|------------------|-----------|---------------------------------|--------------------------|------------------|-----------------------|---------------------------------------|----------------------|------------------------------|------------------|------------------|
|                          | As at 01.04.2021 | Additions | Sale/Impairment during the year | As at 31.03.2022         | As at 01.04.2021 | Provided For the year | Depreciation adjusted during the year |                      | Adjusted of the Earlier year | As at 31.03.2022 | As at 31.03.2021 |
| <u>Intangible Assets</u> |                  |           |                                 |                          |                  |                       |                                       |                      |                              |                  |                  |
| Software & Licences      | 64.94            | 16.47     | -                               | 81.41                    | 40.76            | 11.35                 | -                                     | -                    | 52.10                        | 29.31            | 24.18            |
| SUB TOTAL (B)            | 64.94            | 16.47     | -                               | 81.41                    | 40.76            | 11.35                 | -                                     | -                    | 52.10                        | 29.31            | 24.18            |
| Previous year            | 49.85            | 15.08     | -                               | 64.94                    | 32.04            | 8.71                  | -                                     | -                    | 40.76                        | 24.18            | 17.81            |



**AEROFLEX INDUSTRIES LIMITED**  
**( CIN NO : U24110MH1993PLC074576 )**

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 8: NON-CURRENT INVESTMENTS**  
**( ₹ in Lakhs)**

| SR NO | PARTICULARS                               | Paid up value | As at March 31, 2022 |               | As at March 31, 2021 |               |
|-------|-------------------------------------------|---------------|----------------------|---------------|----------------------|---------------|
|       |                                           |               | No. of shares        | Amount in (₹) | No. of shares        | Amount in (₹) |
| A)    | Investment in Equity Instruments          |               |                      |               |                      |               |
|       | Quoted-Others (at fair value through OCI) |               |                      |               |                      |               |
|       | Fully paid up                             |               |                      |               |                      |               |
|       | Unquoted                                  |               |                      |               |                      |               |
|       | Subsidiaries (at cost)                    |               |                      |               |                      |               |
|       | Aeroflex Industries Limited - UK          | ₹ 10 each     | 1,000                | 9.55          | 1,000                | 9.55          |
|       | ( E/s 1000 of ₹ 10 each )                 |               |                      |               |                      |               |
|       | Total                                     |               | 1,000                | 9.55          | 1,000                | 9.55          |



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

| PARTICULARS                                             | As at           | As at           |
|---------------------------------------------------------|-----------------|-----------------|
|                                                         | 31.03.2022      | 31.03.2022      |
|                                                         | AMOUNT (₹)      | AMOUNT (₹)      |
| <b>NOTE 9 : NON CURRENT - OTHER FINANCIAL ASSETS</b>    |                 |                 |
| Balance with Revenue Authorities                        | 0.73            | 29.05           |
| Security Deposits                                       | 55.70           | 64.11           |
| <b>TOTAL</b>                                            | <b>56.42</b>    | <b>93.16</b>    |
| <b>NOTE 10 : NON CURRENT - OTHER NON CURRENT ASSETS</b> |                 |                 |
| Advance to Supplier                                     | 3.59            | 3.73            |
| Repair & Maintenance ( To be amortised )                | 58.98           | 48.61           |
| Residual Value of Impaired Assets                       | 24.88           | 24.88           |
| Retention Money                                         | 1.46            | 0.79            |
| Pre IPO Expenses to be W/off                            | 29.75           | -               |
| <b>TOTAL</b>                                            | <b>118.66</b>   | <b>78.02</b>    |
| <b>NOTE 11 : CURRENT - INVENTORIES</b>                  |                 |                 |
| Raw Material In Stock (At Cost)                         | 2,121.71        | 1,998.27        |
| Work In Progress In Stock (At Cost)                     | 738.74          | 1,002.30        |
| Finished goods In Stock (At Cost)                       | 721.73          | 431.38          |
| <b>TOTAL</b>                                            | <b>3,582.19</b> | <b>3,431.96</b> |



**AEROFLEX INDUSTRIES LIMITED**  
( CIN NO : U24110MH0993PLC074576 )

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

**NOTE 12: TRADE RECEIVABLES**  
( ₹ in Lakhs)

| SR NO | PARTICULARS                                                                   | Outstanding for following periods from due date of payment |              |                   |              |              |                 | TOTAL           | Outstanding for following periods from due date of payment |              |                   |              |                 |                    | TOTAL |            |            |            |            |                   |            |            |            |
|-------|-------------------------------------------------------------------------------|------------------------------------------------------------|--------------|-------------------|--------------|--------------|-----------------|-----------------|------------------------------------------------------------|--------------|-------------------|--------------|-----------------|--------------------|-------|------------|------------|------------|------------|-------------------|------------|------------|------------|
|       |                                                                               | Less than 6 Months                                         |              | 6 months - 1 year |              | 1-2 years    |                 |                 | 2-3 years                                                  |              | More than 3 years |              | Amount (₹)      | Less than 6 Months |       | 1-2 years  |            | 2-3 years  |            | More than 3 years |            | Amount (₹) |            |
|       |                                                                               | Amount (₹)                                                 | Amount (₹)   | Amount (₹)        | Amount (₹)   | Amount (₹)   | Amount (₹)      |                 | Amount (₹)                                                 | Amount (₹)   | Amount (₹)        | Amount (₹)   |                 | Amount (₹)         |       | Amount (₹)        | Amount (₹) |            | Amount (₹) |
| i)    | Undisputed Trade Receivables - considered good                                | 5,103.23                                                   | 43.86        | 72.86             | 8.95         | 16.94        | 5,245.84        | 3,243.82        | 45.19                                                      | 54.96        | 4.29              | 20.44        | 3,368.70        |                    |       |            |            |            |            |                   |            |            |            |
| ii)   | Undisputed Trade Receivables - which have significant increase in credit risk | -                                                          | -            | -                 | -            | -            | -               | -               | -                                                          | -            | -                 | -            | -               | -                  | -     | -          | -          | -          | -          | -                 | -          | -          |            |
| iii)  | Undisputed Trade receivable - credit impaired                                 | -                                                          | -            | -                 | -            | -            | -               | -               | -                                                          | -            | -                 | -            | -               | -                  | -     | -          | -          | -          | -          | -                 | -          | -          |            |
| iv)   | Disputed Trade receivables - considered good                                  | -                                                          | -            | -                 | 15.40        | -            | 15.40           | 15.40           | -                                                          | -            | -                 | -            | -               | -                  | -     | -          | 24.17      | -          | -          | -                 | -          | 24.17      |            |
| v)    | Disputed Trade receivables - which have significant increase in credit risk   | -                                                          | -            | -                 | -            | -            | -               | -               | -                                                          | -            | -                 | -            | -               | -                  | -     | -          | -          | -          | -          | -                 | -          | -          |            |
| vi)   | Disputed Trade receivables - credit impaired                                  | -                                                          | -            | -                 | -            | -            | -               | -               | -                                                          | -            | -                 | -            | -               | -                  | -     | -          | -          | -          | -          | -                 | -          | -          |            |
|       | <b>TOTAL</b>                                                                  | <b>5,103.23</b>                                            | <b>43.86</b> | <b>72.86</b>      | <b>24.34</b> | <b>16.94</b> | <b>5,261.23</b> | <b>3,243.82</b> | <b>45.19</b>                                               | <b>54.96</b> | <b>28.45</b>      | <b>20.44</b> | <b>3,392.87</b> |                    |       |            |            |            |            |                   |            |            |            |



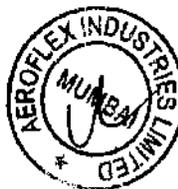
**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

| PARTICULARS                                                                                           | As at<br>31.03.2022<br>AMOUNT (₹) | As at<br>31.03.2022<br>AMOUNT (₹) |
|-------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>NOTE 13 : CASH &amp; CASH EQUIVALENTS</b>                                                          |                                   |                                   |
| Cash on hand                                                                                          |                                   |                                   |
| In Rupees                                                                                             | 0.79                              | 0.96                              |
| In Foreign Currency                                                                                   | 1.89                              | 1.22                              |
| Balances with banks:                                                                                  |                                   |                                   |
| - On current accounts                                                                                 | 816.05                            | 328.14                            |
| <b>TOTAL</b>                                                                                          | <b>818.72</b>                     | <b>330.31</b>                     |
| <b>NOTE 14 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT</b>                                    |                                   |                                   |
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date | 12.33                             | 11.49                             |
| <b>TOTAL</b>                                                                                          | <b>12.33</b>                      | <b>11.49</b>                      |
| <b>NOTE 15 : OTHERS FINANCIAL ASSETS</b>                                                              |                                   |                                   |
| Advance to Staff                                                                                      | 45.66                             | 42.73                             |
| <b>TOTAL</b>                                                                                          | <b>45.66</b>                      | <b>42.73</b>                      |
| <b>NOTE 16 : CURRENT TAX ASSETS</b>                                                                   |                                   |                                   |
| Advance Tax & TDS (Net of Provisions for Tax)                                                         | -                                 | 4.32                              |
| <b>TOTAL</b>                                                                                          | <b>-</b>                          | <b>4.32</b>                       |
| <b>NOTE 17 : OTHER CURRENT ASSETS</b>                                                                 |                                   |                                   |
| Advance to Suppliers                                                                                  | 2,713.53                          | 3,921.78                          |
| Balance with Revenue Authorities                                                                      | 426.70                            | 373.36                            |
| Prepaid Expenses                                                                                      | 34.17                             | 29.89                             |
| Receivable from LIC against Gratuity Paid                                                             | -                                 | 2.48                              |
| <b>TOTAL</b>                                                                                          | <b>3,174.40</b>                   | <b>4,327.52</b>                   |



# AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ In Lakhs)

## NOTE 18 : SHARE CAPITAL

### a) Shares Details

| PARTICULARS                                                            | As at 31 March 2022 |                 | As at 31 March 2021 |                 |
|------------------------------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                                        | No. of Shares       | Amount (₹)      | No. of Shares       | Amount (₹)      |
| <b>Authorised Share Capital</b>                                        |                     |                 |                     |                 |
| Equity Shares of ₹ 10/- each                                           | 2,40,00,000         | 2,400.00        | 2,40,00,000         | 2,400.00        |
| Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each | 10,00,000           | 100.00          | 10,00,000           | 100.00          |
| Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-     | 10,00,000           | 2,000.00        | 10,00,000           | 2,000.00        |
|                                                                        | <b>2,60,00,000</b>  | <b>4,500.00</b> | <b>2,60,00,000</b>  | <b>4,500.00</b> |
| <b>Issued, Subscribed &amp; Paid up</b>                                |                     |                 |                     |                 |
| Equity Shares of ₹ 10/- each                                           | 2,28,64,074         | 2,286.41        | 2,28,64,074         | 2,286.41        |
| <b>TOTAL</b>                                                           | <b>2,28,64,074</b>  | <b>2,286.41</b> | <b>2,28,64,074</b>  | <b>2,286.41</b> |

### b) Reconciliation of Equity shares :

| PARTICULARS                                     | As at 31 March 2022 |            | As at 31 March 2021 |            |
|-------------------------------------------------|---------------------|------------|---------------------|------------|
|                                                 | No. of Shares       | Amount (₹) | No. of Shares       | Amount (₹) |
| Shares outstanding at the beginning of the year | 2,28,64,074         | 2,286.41   | 2,28,64,074         | 2,286.41   |
| Shares Issued against Convertible Pref. shares  | NIL                 | NIL        | NIL                 | NIL        |
| Shares bought back during the year              | NIL                 | NIL        | NIL                 | NIL        |
| Shares outstanding at the end of the year       | 2,28,64,074         | 2,286.41   | 2,28,64,074         | 2,286.41   |

### c) Shares held by its holding Companies:

| Name of Shareholder    | As at 31 March 2022 |        | As at 31 March 2021 |        |
|------------------------|---------------------|--------|---------------------|--------|
|                        | No. of Shares       | %      | No. of Shares       | %      |
| Sat Industries Limited | 2,10,75,408         | 92.18% | 2,10,75,408         | 92.18% |

### d) Name of the shareholders holding more than 5% Equity shares in the company:

| Name of Shareholder    | As at 31 March 2022 |        | As at 31 March 2021 |        |
|------------------------|---------------------|--------|---------------------|--------|
|                        | No. of Shares       | %      | No. of Shares       | %      |
| Sat Industries Limited | 2,10,75,408         | 92.18% | 2,10,75,408         | 92.18% |
| Italica Global FZC     | 14,90,966           | 6.52%  | 14,90,966           | 6.52%  |



**AEROFLEX INDUSTRIES LIMITED**

[CIN NO. : U2410MH1999PLC074576]

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

₹ In Lakhs

**NOTE NO 19: STATEMENT OF CHANGE IN EQUITY**

**A. Equity Share Capital**

| Particulars                      | Balance at the beginning of the reporting period | Changes in equity share capital due to Prior Period Errors | Restated Balance at the beginning of the current reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|----------------------------------|--------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------|
| For the year ended on 31/03/2022 | 2,286.41                                         | -                                                          | -                                                                 | -                                               | 2,286.41                                   |
| For the year ended on 31/03/2021 | 2,286.41                                         | -                                                          | -                                                                 | -                                               | 2,286.41                                   |

**B. Promoters Holding**

| Name of Promoters      | Shares Held at the end of the year 31/03/2022 |                   | Shares Held at the end of the year 31/03/2021 |                   | % of Change during the year |
|------------------------|-----------------------------------------------|-------------------|-----------------------------------------------|-------------------|-----------------------------|
|                        | No of Shares Held                             | % of Total Shares | No of Shares Held                             | % of Total Shares |                             |
| Sat Industries Limited | 2,10,75,403                                   | 92.18%            | 2,10,75,408                                   | 92.19%            | -                           |

**C. Other Equity**

|                                                             | Share Application Money pending allotment | Equity component of compound financial instrument | Reserves & Surplus |                    | Debt Instruments through other comprehensive income | Equity Instruments through other comprehensive income | Effective portion of Cash Flow hedges | Revaluation Surplus | Exchange difference on translating financial difference on foreign operation | Other Items of other comprehensive income (specify nature) | Money received against share warrants | Total    |
|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------------|--------------------|--------------------|-----------------------------------------------------|-------------------------------------------------------|---------------------------------------|---------------------|------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------|----------|
|                                                             |                                           |                                                   | Capital Reserve    | Securities premium |                                                     |                                                       |                                       |                     |                                                                              |                                                            |                                       |          |
| Balance at the beginning of the reporting period-01/04/2021 | -                                         | -                                                 | -                  | 2,419.49           | -                                                   | 1,168.85                                              | -                                     | -                   | -                                                                            | -                                                          | -                                     | 3,588.34 |
| Changes in accounting policy/prior period errors            | -                                         | -                                                 | -                  | -                  | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Restated balance at the beginning of the reporting period   | -                                         | -                                                 | -                  | 2,419.49           | -                                                   | 1,168.85                                              | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Profit for the year                                         | -                                         | -                                                 | -                  | -                  | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Other comprehensive income                                  | -                                         | -                                                 | -                  | -                  | -                                                   | 2,757.03                                              | -                                     | -                   | -                                                                            | -                                                          | -                                     | 2,757.03 |
| Total Comprehensive income for the year                     | -                                         | -                                                 | -                  | -                  | -                                                   | 2,757.03                                              | -                                     | -                   | -                                                                            | -                                                          | -                                     | 2,757.03 |
| Dividends                                                   | -                                         | -                                                 | -                  | -                  | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Transfer to retained earnings                               | -                                         | -                                                 | -                  | -                  | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Any other Changes (to be Specify)                           | -                                         | -                                                 | -                  | -                  | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Balance at the end of the reporting period -31.03.2022      | -                                         | -                                                 | -                  | 2,419.49           | -                                                   | 3,925.88                                              | -                                     | -                   | -                                                                            | -                                                          | -                                     | 6,345.37 |



| Share Application in Money pending allotment                | Equity component of compound financial instrument | Reserves & Surplus | Capital Reserve | Securities Premium | General Reserve | Retained earnings | Debt Instruments through other comprehensive income | Equity Instruments through other Comprehensive Income | Effective portion of Cash Flow hedges | Revaluation Surplus | Exchange difference on financial difference on foreign operation | Other Items of other comprehensive income (specify nature) | Money received against share warrants | Total    |
|-------------------------------------------------------------|---------------------------------------------------|--------------------|-----------------|--------------------|-----------------|-------------------|-----------------------------------------------------|-------------------------------------------------------|---------------------------------------|---------------------|------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------|----------|
| Balance at the beginning of the reporting period-01/04/2020 | -                                                 | -                  | -               | 2,419.49           | -               | 556.92            | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | 2,986.42 |
| Changes in accounting policy/prior period errors            | -                                                 | -                  | -               | -                  | -               | -                 | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | -        |
| Restated balance at the beginning of the reporting period   | -                                                 | -                  | -               | -                  | -               | -                 | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | -        |
| Profit for the year                                         | -                                                 | -                  | -               | -                  | -               | 601.93            | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | 601.93   |
| Other comprehensive income                                  | -                                                 | -                  | -               | -                  | -               | 601.93            | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | 601.93   |
| Total Comprehensive Income for the year                     | -                                                 | -                  | -               | -                  | -               | 601.93            | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | 601.93   |
| Dividends                                                   | -                                                 | -                  | -               | -                  | -               | -                 | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | -        |
| Transfer to retained earnings                               | -                                                 | -                  | -               | -                  | -               | -                 | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | -        |
| Any other Charge (to be Specify)                            | -                                                 | -                  | -               | -                  | -               | -                 | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | -        |
| Balance at the end of the reporting period -31.03.2021      | -                                                 | -                  | -               | 2,419.49           | -               | 1,168.85          | -                                                   | -                                                     | -                                     | -                   | -                                                                | -                                                          | -                                     | 3,588.34 |

As Per Our Report of 31st day

**FOR SHWETA JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 F.R.N. : 127679  
 THANE  
 Chartered Accountant

**FOR S S N & CO.**  
 CHARTERED ACCOUNTANTS  
 F.R.N. : 024952N  
 MUMBAI  
 Chartered Accountant

**PRYANKA JAIN**  
 (Partner)  
 Membership No: 416197  
 Place: Mumbai  
 Dated: 30th April 2022  
 UDIN No: 22416197AIZVNZ8769

**SUSHEK GUPTA**  
 (Partner)  
 Membership No: 060315  
 Place: Mumbai  
 Dated: 30th April 2022  
 UDIN No: 22060315AIZUUNE938

**ASAD DAUD**  
 (MANAGING DIRECTOR)  
 (DIN-02491539)

**MUSTAFA A KACHWALA**  
 (WHOLETIME DIRECTOR & CFO)  
 (DIN-03124453)

**KENJAL SHAH**  
 (COMPANY SECRETARY)  
 (M.No: A58678)

For and on behalf of the Board

**AEROFLEX INDUSTRIES LIMITED**  
 MUMBAI



# AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

| PARTICULARS                                                                                                                                                                                               | As at<br>31.03.2022<br>AMOUNT (₹) | As at<br>31.03.2022<br>AMOUNT (₹) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>NOTE 20 : NON CURRENT BORROWINGS</b>                                                                                                                                                                   |                                   |                                   |
| <b>Secured Loans:</b>                                                                                                                                                                                     |                                   |                                   |
| <b>From Bank &amp; Financial Institution</b>                                                                                                                                                              |                                   |                                   |
| <b>Term Loan</b>                                                                                                                                                                                          |                                   |                                   |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) | 235.44                            | 341.74                            |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) | 1,251.11                          | 2,329.51                          |
| Kotak Mahindra Bank Ltd - ECLGS<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)                 | 584.02                            | 856.76                            |
| Kotak Mahindra Bank Ltd - Car Loan<br>(Secured against hypothecation of Motor Car)                                                                                                                        | 10.71                             | -                                 |
| Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus)                                                                                                                          | 17.37                             | -                                 |
| <b>TOTAL</b>                                                                                                                                                                                              | <b>2,098.64</b>                   | <b>3,528.00</b>                   |
| <b>NOTE 21 : OTHER NON CURRENT LIABILITIES</b>                                                                                                                                                            |                                   |                                   |
| Total outstanding dues of creditors towards Capital Goods                                                                                                                                                 | 93.13                             | 94.71                             |
| <b>TOTAL</b>                                                                                                                                                                                              | <b>93.13</b>                      | <b>94.71</b>                      |
| <b>NOTE 22 : CURRENT BORROWINGS</b>                                                                                                                                                                       |                                   |                                   |
| <b>Secured Loans:</b>                                                                                                                                                                                     |                                   |                                   |
| <b>From Bank &amp; Financial Institution</b>                                                                                                                                                              |                                   |                                   |
| <b>Term Loan</b>                                                                                                                                                                                          |                                   |                                   |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) | 99                                | 78.49                             |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) | 1,027.64                          | 867.46                            |
| Kotak Mahindra Bank Ltd - ECLGS<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)                 | 272.74                            | 22.24                             |
| Kotak Mahindra Bank Ltd - Car Loan<br>(Secured against hypothecation of Motor Car)                                                                                                                        | 10.05                             | -                                 |
| Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus)                                                                                                                          | 4.78                              | -                                 |
| <b>Unsecured Loans:</b>                                                                                                                                                                                   |                                   |                                   |
| From Related Parties                                                                                                                                                                                      | -                                 | 607.86                            |
| From Non Related Parties                                                                                                                                                                                  | 400.00                            | 202.78                            |
| <b>TOTAL</b>                                                                                                                                                                                              | <b>1,814.08</b>                   | <b>1,778.84</b>                   |



**AEROFLEX INDUSTRIES LIMITED**  
( CIN NO : U24110MH1993PLC074576 )

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

**NOTE 23 : TRADE PAYABLE**  
( ₹ in Lakhs)

| SR NO | PARTICULARS                                                                            | Outstanding for following periods from due date of payment |             |             |            | Total           | Outstanding for following periods from due date of payment |              |                   |            | Total           |
|-------|----------------------------------------------------------------------------------------|------------------------------------------------------------|-------------|-------------|------------|-----------------|------------------------------------------------------------|--------------|-------------------|------------|-----------------|
|       |                                                                                        | Less than 1 year                                           |             | 2-3 years   |            |                 | 1-2 years                                                  |              | More than 3 years |            |                 |
|       |                                                                                        | Amount (₹)                                                 | Amount (₹)  | Amount (₹)  | Amount (₹) |                 | Amount (₹)                                                 | Amount (₹)   | Amount (₹)        | Amount (₹) |                 |
| i)    | Total outstanding dues of micro enterprises and small enterprises                      | 8.66                                                       | -           | -           | -          | 8.66            | 55.49                                                      | -            | -                 | -          | 55.49           |
| ii)   | Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,406.41                                                   | 1.00        | 2.40        | -          | 3,409.81        | 3,954.05                                                   | 28.81        | -                 | -          | 3,982.87        |
| iii)  | Disputed dues of micro enterprises and small enterprises                               | -                                                          | -           | -           | -          | -               | -                                                          | -            | -                 | -          | -               |
| iv)   | Disputed dues of creditors other than micro enterprises and small enterprises          | -                                                          | -           | -           | -          | -               | -                                                          | -            | -                 | -          | -               |
|       |                                                                                        | <b>3,415.06</b>                                            | <b>1.00</b> | <b>2.40</b> | <b>-</b>   | <b>3,418.47</b> | <b>4,009.55</b>                                            | <b>28.81</b> | <b>-</b>          | <b>-</b>   | <b>4,088.36</b> |

Note : There are no unbilled and Not due trade payables, hence the same are not disclosed in the ageing schedule



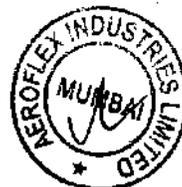
**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

| PARTICULARS                                          | For the year ended<br>31.03.2022<br>AMOUNT (₹) | For the year ended<br>31.03.2021<br>AMOUNT (₹) |
|------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>NOTE 24 : CURRENT - OTHER CURRENT LIABILITIES</b> |                                                |                                                |
| Statutory due payable                                | 37.84                                          | 14.34                                          |
| Advance from customer                                | 921.05                                         | 353.10                                         |
| Sundry Payables for Capital Goods                    | 7.34                                           | 38.15                                          |
| Sundry Payables for Expenses                         | 569.15                                         | 450.30                                         |
| <b>TOTAL</b>                                         | <b>1,535.38</b>                                | <b>855.89</b>                                  |
| <b>NOTE 25 : CURRENT - CURRENT TAX LIABILITIES</b>   |                                                |                                                |
| Provisions for Tax (Net of Advance Tax & TDS)        | 754.19                                         | -                                              |
| <b>TOTAL</b>                                         | <b>754.19</b>                                  | <b>-</b>                                       |



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1999PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

| PARTICULARS                                        | For the year ended<br>31.03.2022<br>AMOUNT (₹) | For the year ended<br>31.03.2021<br>AMOUNT (₹) |
|----------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>NOTE 26 : REVENUE FROM OPERATION</b>            |                                                |                                                |
| <b>Sale of Products :</b>                          |                                                |                                                |
| - Domestic Sales                                   | 2,942.78                                       | 2,261.63                                       |
| - Export Sales                                     | 20,355.92                                      | 11,711.53                                      |
| - Scrap Sales                                      | 158.06                                         | 82.47                                          |
| <b>TOTAL</b>                                       | <b>23,456.76</b>                               | <b>14,055.63</b>                               |
| <b>Other operating Revenue :</b>                   |                                                |                                                |
| Foreign Exchange Fluctuation                       | 323.69                                         | 192.32                                         |
| Misc. Operating Revenue                            | 299.10                                         | 224.92                                         |
| <b>TOTAL</b>                                       | <b>24,079.55</b>                               | <b>14,472.87</b>                               |
| <b>NOTE 27 : OTHER INCOME</b>                      |                                                |                                                |
| <b>Interest Income</b>                             |                                                |                                                |
| - On fixed deposits designated as amortized cost   | 0.57                                           | 2.15                                           |
| - On Others                                        | 4.66                                           | 3.95                                           |
| <b>Insurance Claim Received</b>                    | <b>13.93</b>                                   | <b>-</b>                                       |
| <b>Income Tax Refund</b>                           | <b>0.26</b>                                    | <b>-</b>                                       |
| <b>Profit on sale of Fixed Assets</b>              | <b>0.10</b>                                    | <b>-</b>                                       |
| <b>TOTAL</b>                                       | <b>19.53</b>                                   | <b>6.10</b>                                    |
| <b>NOTE 28 : COST OF MATERIAL CONSUMED</b>         |                                                |                                                |
| Opening Stock of Raw Material & Consumables        | 1,998.27                                       | 1,833.99                                       |
| Add : Purchase of Raw Material & Consumables       | 15,756.42                                      | 9,612.44                                       |
| <b>TOTAL</b>                                       | <b>17,754.70</b>                               | <b>11,446.43</b>                               |
| Less : Closing Stock of Raw Material & Consumables | 2,121.71                                       | 1,998.27                                       |
| <b>Cost of Material Consumed</b>                   | <b>15,632.98</b>                               | <b>9,448.16</b>                                |
| <b>NOTE 29 : CHANGE IN INVENTORIES</b>             |                                                |                                                |
| <b>Inventories at the beginning of the year</b>    |                                                |                                                |
| -Work-in-progress                                  | 1,002.30                                       | 1,341.26                                       |
| -Finished goods                                    | 431.38                                         | -                                              |
| <b>TOTAL</b>                                       | <b>1,433.69</b>                                | <b>1,341.26</b>                                |
| <b>Less: Inventories at the end of the year</b>    |                                                |                                                |
| -Work-in-progress                                  | 738.74                                         | 1,002.30                                       |
| -Finished goods                                    | 721.73                                         | 431.38                                         |
| <b>TOTAL</b>                                       | <b>1,460.47</b>                                | <b>1,433.69</b>                                |
| <b>Decrease/(Increase) in Inventories</b>          | <b>(26.79)</b>                                 | <b>(92.42)</b>                                 |
| <b>NOTE 30 : EMPLOYEES BENEFITS EXPENSES</b>       |                                                |                                                |
| Salaries, Wages, Bonus and Other Allowances        | 1,546.56                                       | 1,177.86                                       |
| Contribution to Provident Fund and ESI             | 68.50                                          | 54.81                                          |
| Gratuity and compensated absences expenses         | 4.87                                           | 0.77                                           |
| Staff welfare expenses                             | 132.07                                         | 80.52                                          |
| <b>TOTAL</b>                                       | <b>1,752.00</b>                                | <b>1,313.96</b>                                |



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

(₹ in Lakhs)

| PARTICULARS                                          | For the year ended<br>31.03.2022<br>AMOUNT (₹) | For the year ended<br>31.03.2021<br>AMOUNT (₹) |
|------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>NOTE 31 : FINANCE COST</b>                        |                                                |                                                |
| Interest on borrowing                                | 561.19                                         | 826.34                                         |
| Finance Charges towards Loan Processing & Stamp duty | 15.08                                          | 47.71                                          |
| Interest Paid to Creditors                           | 6.81                                           | 19.94                                          |
| Finance Management Charges                           | 42.00                                          | -                                              |
| <b>TOTAL</b>                                         | <b>625.08</b>                                  | <b>893.99</b>                                  |
| <b>NOTE 32 : DEPRECIATION AND AMORTIZATION EXP</b>   |                                                |                                                |
| Depreciation Cost                                    | 407.10                                         | 369.10                                         |
| Amortization Cost                                    | 11.35                                          | 8.71                                           |
| <b>TOTAL</b>                                         | <b>418.44</b>                                  | <b>377.81</b>                                  |
| <b>NOTE 33 : OTHER EXPENSES</b>                      |                                                |                                                |
| Power & Fuel                                         | 292.61                                         | 210.96                                         |
| Freight Inward                                       | 67.14                                          | 51.51                                          |
| Repair & Maintenance                                 | 584.26                                         | 424.54                                         |
| Processing Labour Charges                            | 34.23                                          | 32.94                                          |
| Testing & Calibration charges                        | 17.55                                          | 14.25                                          |
| Cylinder Rent                                        | 5.85                                           | 5.40                                           |
| Export Freight , Handling & Clearing Charges         | 324.74                                         | 157.23                                         |
| Freight Outward & Octroi                             | 57.71                                          | 91.46                                          |
| Commission Expenses                                  | 25.81                                          | 14.08                                          |
| License & Consultancy Fees                           | 73.37                                          | 58.76                                          |
| Water Charges                                        | 7.22                                           | 2.63                                           |
| Rates & Taxes                                        | 53.71                                          | 42.10                                          |
| Travelling Expenses                                  | 20.90                                          | 1.92                                           |
| Bank Charges & Commission                            | 35.66                                          | 25.88                                          |
| Office Expenses                                      | 186.92                                         | 132.73                                         |
| Computer Exp                                         | 25.44                                          | 21.01                                          |
| Conveyance Expenses                                  | 53.21                                          | 50.79                                          |
| Insurance Charges                                    | 58.45                                          | 34.48                                          |
| Printing & Stationary                                | 19.14                                          | 16.10                                          |
| Telephone & Internet Expenses                        | 14.38                                          | 12.40                                          |
| Auditor Remuneration                                 | 2.60                                           | 1.27                                           |
| Misc. Expenses                                       | 17.64                                          | 33.41                                          |
| Vehicle Expenses                                     | 11.91                                          | 8.11                                           |
| CSR Activity Exp.                                    | 21.48                                          | 24.48                                          |
| Sundry Balances Written off                          | 30.14                                          | 91.49                                          |
| Interest & Penalty Expenses                          | 2.52                                           | 8.63                                           |
| Donation Paid                                        | 1.89                                           | -                                              |
| <b>TOTAL</b>                                         | <b>2,046.49</b>                                | <b>1,568.55</b>                                |



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **NOTE 34 : OTHER NOTES :**

- I. In the opinion of the Board of Directors, the current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, has been written off or written back during the year and accounted accordingly.
- II. Additional liability if any, arising pursuant to respective assessment under various fiscal statues, shall be accounted for in the year of assessment. Also interest liability for the delay payment of the statutory dues, if any, has been accounted for in the year in which the same are being paid.
- III. Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and are subject to consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.

#### **IV. Micro, Small & Medium Enterprises :**

The company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31<sup>st</sup> March, 2022. The following informations has been given in respect to such suppliers who have identified themselves as "Micro, Small & Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31<sup>st</sup> March 2022 :

(₹ in Lakhs)

| Particulars        | As at 31 <sup>st</sup> March 2022 | As at 31 <sup>st</sup> March 2021 |
|--------------------|-----------------------------------|-----------------------------------|
| Outstanding Amount | 8.66 Lakhs                        | 55.49 Lakhs                       |

- V. The company has not traded or invested in crypto currency or virtual currency during the financial year.
- VI. As per informations available, the company has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **VII. Corporate Social Responsibility :**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. The following disclosure has been given with respect to the CSR activities of the company held during the previous year:

(i) Gross amount required to be spent by the company during the year is for Rs. 9.75 Lakhs

(ii) CSR expenditure incurred during the year on :

- Construction/ acquisition of any asset : NIL
- On purposes other than the above : 21.48 Lakhs

(iii) There is no shortfall in the CSR spending required to be done during the year or of the previous years.

(iv) Related Party Transaction: No related party sending has been done by the company for CSR spending. .

(v) The company performed CSR activities directly and has incurred expenditure towards eligible Covid-19 relief, for promoting education and also towards contribution to the eligible trust for the CSR related activities,

**VIII.** Title deeds of all the immovable properties held by the company are in the name of the company. No revaluation of the property, plant and equipment's and intangible assets held by the company were done during the previous year, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the company is not holding any leased assets which is required to be disclosed separately.

**IX.** The company do not hold any benami property and no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.



# AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

- X. The company has outstanding loan availed from bank. The company's movable and immovable properties i.e. current and non-current assets are charged as securities to the bank to avail the loan. The Periodic statements related to the current assets as required by the bank, were submitted and same are in agreement with the books of accounts of the company subject to the administrative variances due to the submission of the unaudited statements. However, no material discrepancies or variations has been found which are required to be reported separately.
- XI. The company has not been declared as willful defaulter by any bank or financial year or from any other lender during the year.
- XII. The company do not had any transactions during the year with the companies which are struck off under section 248 of the companies Act 2013 or section 560 of the companies Act 1956.
- XIII. The company has registered all the charges which are required to be registered under the terms of the loans & liabilities and submitted documents with ROC within statutory period.
- XIV. As per the informations & details available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies Act read with the Companies ( Restriction on number of layers) Rules 2017.
- XV. As per the informations & details available on records and the disclosure given by the management, the company has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- XVI. EVENTS AFTER REPORTING DATE  
The Board of Directors have recommended final dividend of ₹ 1 per fully paid up equity share of ₹ 10/- each for the financial year ended March 31, 2022 in its board meeting held on April 30, 2022, subject to approval of shareholders at ensuing Annual General Meeting of the Company.



# **AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **XVII. Capital Work in progress (CWIP) :**

The company has incurred expenses towards setting up & commissioning and for purchase of the equipment's for the expansion project and the same has been shown under the capital work in progress for the company. The total expenses incurred for the project work in progress till the year ended is for Rs. 635 lakhs and all the expenses has been incurred during the previous financial year. Ageing schedule of intangible assets under development is as follows :

(₹ in Lakhs)

| CWIP                           | Amount in CWIP for the period of |           |           |                   | TOTAL  |
|--------------------------------|----------------------------------|-----------|-----------|-------------------|--------|
|                                | Less than 1 year                 | 1-2 years | 2-3 years | More than 3 years |        |
| Expansion Projects in progress | 635.00                           | -         | -         | -                 | 635.00 |

### **XVIII. Intangible assets under development :**

The company has incurred expenses towards development of SAP software for the company during the financial year 2020-21. The software so developed was under trial during the year 2021-22 and on completion of the same, it will be put to use in the coming financial year. The expenses so incurred is for Rs 26.11 which has been shown under the intangible assets WIP. For the purpose of aging of the capital work in progress for the project is to be taken under the expenses incurred for a period of 1-2 year category at the year ended.

(₹ in Lakhs)

| Intangible assets under development  | Amount in CWIP for the period of |           |           |                   | TOTAL |
|--------------------------------------|----------------------------------|-----------|-----------|-------------------|-------|
|                                      | Less than 1 year                 | 1-2 years | 2-3 years | More than 3 years |       |
| SAP Software Development in progress | -                                | 26.11     | -         | -                 | 26.11 |

### **XIX. Remuneration to Auditors :**

(₹ in Lakhs)

| Particulars         | As at 31 <sup>st</sup> March 2022 | As at 31 <sup>st</sup> March 2021 |
|---------------------|-----------------------------------|-----------------------------------|
| Statutory Audit Fee | 2.00                              | 1.20                              |
| Other Matters       | 0.60                              | 0.07                              |

### **XX. Earnings Per Share**

| PARTICULARS                                         | As at       | As at       |
|-----------------------------------------------------|-------------|-------------|
|                                                     | 31.03.2022  | 31.03.2021  |
|                                                     | AMOUNT (₹)  | AMOUNT (₹)  |
| Net profit after taxation for the year (₹ in Lakhs) | 2,757.03    | 601.92      |
| Number of Equity shares for Basic / Diluted EPS     | 2,28,64,074 | 2,28,64,074 |
| Nominal Value of Equity Shares (₹)                  | 10          | 10          |
| Basic / Diluted earnings per Equity Share (₹)       | 12.06       | 2.63        |



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

### **XXI. DEFERRED TAX ASSETS/(LIABILITIES):**

The tax effect of the items constituting deferred tax is as under:

(₹ in Lakhs)

| <b>PARTICULARS</b>                                   | <b>As at<br/>31.03.2022<br/>AMOUNT (₹)</b> | <b>As at<br/>31.03.2021<br/>AMOUNT (₹)</b> |
|------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Opening Balance                                      | 0.85                                       | 8.81                                       |
| Add : Deferred Tax Assets/(Liabilities) for the year | (6.66)                                     | (7.96)                                     |
| <b>Deferred Tax Assets/(Liability) (A)</b>           | <b>(5.81)</b>                              | <b>0.85</b>                                |
|                                                      |                                            |                                            |
| Opening Balances of Deferred tax Assets              | 95.47                                      | 291.51                                     |
| Add : Deferred Tax Assets/(Liabilities) for the year | (95.47)                                    | (196.04)                                   |
| <b>Deferred Tax Assets/(Liability) (B)</b>           | <b>-</b>                                   | <b>95.47</b>                               |
| <b>Net Deferred Tax Assets/(Liability) (A+B)</b>     | <b>(5.81)</b>                              | <b>96.32</b>                               |

**XXII.** The management is of the opinion that there is no contingent liability exists at the year ended therefore no separate provision is made for the same.

**XXIII.** The company has carrying amount of the releasable value of the Plant, Machinery and equipment's impaired during the earlier year and is still in possession of the company has been taken at the same fair market value as estimated on 31<sup>st</sup> March 2021 as there is no material variation in the fair value at the year ended 2022 as estimated by the management.

### **XXIV. Impact of COVID-19 Pandemic:**

The company has considered the possible effect that may result from the pandemic relating to COVID - 19 on carrying amount of receivables, unbilled revenue. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to repayment capacity of the customers. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, depending on severity of each case. The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the effectiveness and measuring ineffectiveness. The



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

## **NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration. The Impact of COVID -19 on the Company Financial Statement may differ from that estimated as at the date of approval of these financial statements.

### **XXV. RELATED PARTY DISCLOSURES:**

- i. Key Management Personnel:
  - Asad Daud : Managing Director
  - Mustafa Abid Kachwala : Wholetime Director & CFO
  - Ramesh Chandra Soni : Independent Director
  - Harikant Turgalia : Director
  - Mahendra Bhatnagar Singh : Director
  - Yusuf M Kagzi : CEO (Resigned on 12.08.2021)
  - Madhuri Vyas : Company Secretary (upto Nov 21)
  - Kinjal Shah : Company Secretary (Since Dec 21)
- ii. Enterprises over which key management personal are having significant influence: NIL
- iii. Wholly Owned Subsidiary Company : Aeroflex Industries Ltd – London UK
- iv. Holding Company : Sat Industries Limited

### **Transaction carried out with Related Parties & KMP during the year:**

(₹ in Lakhs)

| <b>PARTICULARS</b>         | <b>NATURE OF TRANSACTION</b>    | <b>AS AT 31.03.2022 AMOUNT (₹)</b> | <b>AS AT 31.03.2021 AMOUNT (₹)</b> |
|----------------------------|---------------------------------|------------------------------------|------------------------------------|
| ASAD DAUD                  | Director Remuneration           | 38.39                              | 31.07                              |
| YOUSUF M KAGZI.            | Salary ( Till the CEO position) | 26.05                              | 65.25                              |
| MUSTAFA A KACHWALA         | Director Remuneration           | 9.61                               | 8.72                               |
| SAT INDUSTRIES LTD         | Interest on Loan                | 90.50                              | 295.48                             |
|                            | Balance of Loan Taken           | NIL                                | 607.86                             |
|                            | Loan Repaid                     | 607.86                             | -                                  |
| Aeroflex Industries Ltd UK | Commission Paid                 | 0.60                               | 4.72                               |
| Madhuri Vyas               | Salary ( Till Nov.21)           | 2.82                               | 4.18                               |
| Kinjal Shah                | Salary ( Since Dec.21)          | 1,81                               | -                                  |



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022****XXVI. FOREIGN EXCHANGE INFLOW & OUTFLOW****a) Foreign Exchange Outflow:**

(₹ in Lakhs)

| <u>PARTICULARS</u>         | AS AT<br>31.03.2022<br>AMOUNT (₹) | AS AT<br>31.03.2021<br>AMOUNT (₹) |
|----------------------------|-----------------------------------|-----------------------------------|
| Traveling & Hotel Expenses | 20.90                             | 1.92                              |
| <b>TOTAL</b>               | <b>20.90</b>                      | <b>1.92</b>                       |

**b) Foreign Exchange inflow:**

(₹ in Lakhs)

| <u>PARTICULARS</u>     | AS AT<br>31.03.2022<br>AMOUNT (₹) | AS AT<br>31.03.2021<br>AMOUNT (₹) |
|------------------------|-----------------------------------|-----------------------------------|
| F.O.B Value of Exports | 20,355.92                         | 11,948.12                         |
| <b>TOTAL</b>           | <b>20,355.92</b>                  | <b>11,948.12</b>                  |

**c) CIF Value of Import:**

(₹ in Lakhs)

| <u>PARTICULARS</u> | AS AT<br>31.03.2022<br>AMOUNT (₹) | AS AT<br>31.03.2021<br>AMOUNT (₹) |
|--------------------|-----------------------------------|-----------------------------------|
| Raw Material       | 7,217.85                          | 4,527.86                          |
| Capital Goods      | 142.51                            | 54.73                             |
| <b>TOTAL</b>       | <b>7,360.36</b>                   | <b>4,582.59</b>                   |

XXVII. There are no outstanding derivative instruments as on 31<sup>st</sup> March, 2022. Foreign currency Exposures are at the year-end has not been hedged by the company by any derivative instrument or otherwise are given below:

(₹ in Lakhs)

| <u>PARTICULARS</u>                                             | <u>CURRENCY</u> | AS AT<br>31.03.2022<br>AMOUNT (₹) | AS AT<br>31.03.2021<br>AMOUNT (₹) |
|----------------------------------------------------------------|-----------------|-----------------------------------|-----------------------------------|
| Amount Receivable in foreign<br>Currency<br>1. Export of Goods | RS              | 4,824.29                          | 2,616.43                          |
|                                                                | USD             | 45.82                             | 21.97                             |
|                                                                | EURO            | 14.34                             | 11.53                             |
|                                                                | UKP             | 1.47                              | 0.53                              |
| 2. Advance to Suppliers                                        | RS              | 69.24                             | 41.22                             |
|                                                                | USD             | 0.92                              | 0.57-                             |



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022**

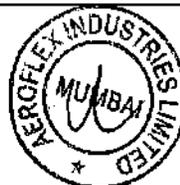
| Amount Payable in Foreign Currency |      |        |          |
|------------------------------------|------|--------|----------|
| 1. Import of Goods                 | RS   | 598.82 | 1,446.10 |
|                                    | USD  | 7.90   | 19.39    |
|                                    | EURO | -      | 0.25     |
| 2. Advance - Customers             | RS   | 905.74 | 337.53   |
|                                    | USD  | 10.80  | 3.89     |
|                                    | EURO | 1.14   | 0.56     |
| 3. Spares & Others                 | RS   | 71.26  | 71.26    |
|                                    | USD  | 1.10   | 1.10     |

**XXVIII. Ratios Analysis :**

| Sr No | Particulars of Ratio              | Details                                          | Ratio as on 31 <sup>st</sup> March 2022 | Ratio as on 31 <sup>st</sup> March 2021 |
|-------|-----------------------------------|--------------------------------------------------|-----------------------------------------|-----------------------------------------|
| 1     | Current Ratio                     | Current Assets / Current Liabilities             | 1.71                                    | 1.73                                    |
| 2     | Debt-Equity Ratio,                | Total Debt / Total Equity                        | 0.45                                    | 0.90                                    |
| 3     | Debt Service Coverage Ratio       | PBITDA/ Interest+Current Debt                    | 1.94                                    | 0.78                                    |
| 4     | Return on Equity Ratio,           | PAT/ shareholder's equity                        | 0.32                                    | 0.10                                    |
| 5     | Inventory turnover ratio          | Cost of Goods Sold / Average Inventory           | 4.45                                    | 2.83                                    |
| 6     | Trade Receivables turnover ratio, | Net Credit Sales / Average Accounts Receivable   | 5.56                                    | 4.56                                    |
| 7     | Trade payables turnover ratio     | Net Credit Purchases / Average Accounts Payable  | 4.23                                    | 2.56                                    |
| 8     | Net capital turnover ratio        | Income from Operations / Average Working capital | 4.70                                    | 3.23                                    |
| 9     | Net profit ratio                  | (PAT/Revenue from Operation) *100                | 11.45%                                  | 4.16%                                   |
| 10    | Return on Capital employed,       | {PBIT/ ( Total Equity + Long Term Debts) }*100   | 40.23%                                  | 18.08%                                  |
| 11    | Return on investment.             | Net income / Cost of Investment                  | -                                       | -                                       |

Explanation for the change in the ratio for more than 25% as compared to preceding year is as follows :

-Reduction in debt equity Ratio is due to substantial repayment of the loan during the year and also the total equity has increased due to increase in retained earnings of the company.



# AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

- Increase in Debt Service coverage ratio is due to reduction in finance cost & increase in the operating profits of the company.
- Increase in Return on Equity is due to increase in retained earnings of the company.
- Increase in Inventory Turnover Ratio is due to better management of the inventory for the increased cost of the goods sold due to increased revenue from operations.
- Trade payables turnover ratio has increased due to better management of the cash flow for the increased credit purchases during the year.
- Net Capital Turnover ratio has increased due to better management Working capital during the year.
- Net Profit Ratio & Return on capital employees has increased due to better management of the cost under various heads as above and also due to increase in revenue from operation and better management in the fixed cost, the company could achieve these increases in the ratio.

XXIX. Company has over due receivables against the export realization of goods, due to the various business reasons. Further the company has written off Rs. 17.95 lakhs due against the export of the goods due to the various business issues with the parties and the same has been intimated to RBI through the authorized dealer. Further as per the information's available and as intimated by the management, the company is in process of availing extension from RBI through its authorized dealers for the overdue realizations.

XXX. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes from "1" to "34" form an integral part of the Accounts.

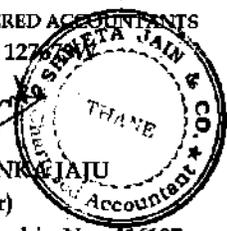
As per our Report of even date attached

For and on behalf of the Board

FOR SHWETA JAIN & CO

CHARTERED ACCOUNTANTS

F.R.N. : 127

PRIYANKA JAIN

(Partner)

Membership No : 416197

Place : Mumbai

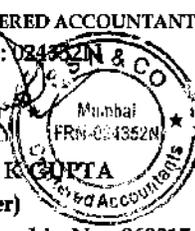
Dated : 30<sup>th</sup> April, 2022

UDIN No : 22416197AIZVNZ8769

For S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N. : 024

SUSIL K GUPTA

(Partner)

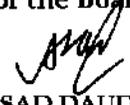
Membership No : 060315

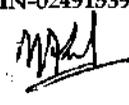
Place : Mumbai

Dated : 30<sup>th</sup> April, 2022

UDIN No : 22060315AIZUUN5938



  
SAD DAUD  
MANAGING DIRECTOR  
(DIN-02491539)

  
MUSTAFA A KACHWAL  
WHOLETIME DIRECTOR  
(DIN-03124453)

  
KINJAL SHAH  
COMPANY SECRETARY  
(M.No : A58678)

