
AEROFLEX INDUSTRIES LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2024

AUDITORS

SHWETA JAIN & CO
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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 financial statements of AEROFLEX INDUSTRIES LIMITED ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements and a summary of material 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company As at 31st March, 2024 the 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**

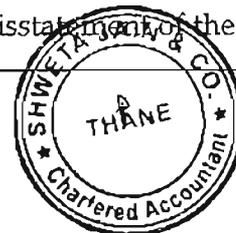
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a 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 the key audit matters to be communicated in our report. Our audit procedures, amongst others, include the following :

Accuracy, Completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress. The carrying value of property, plant and equipment includes of Rs 64.25 lakhs capitalized/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31 March 2024 of Rs. 537.83 lakhs. Cost Recognition of Property, Plant and Equipment as specified in IndAS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The asset capitalization is the outcome of various procurements, approvals from operations experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 1: Property, Plant and Equipment in Notes to the standalone financial statements.

**Auditor's Response :** Our audit procedures, amongst others, include the following :

- a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.
- b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.
- c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.
- d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.
- e) Ensuring adequacy of disclosures in the standalone financial statements.

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 :

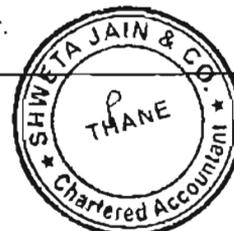
The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's 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 the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's 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 including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.





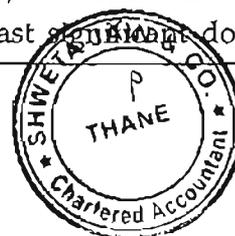
In preparing the Standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either 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 2024 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.

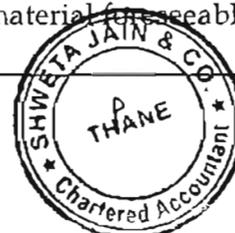




- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss including the Statement of other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

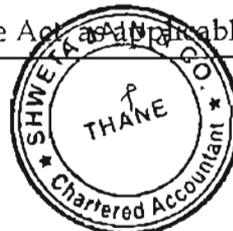
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. ". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any material pending litigations which would impact its financial position in standalone financial statement.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.





- iii. There were no amounts which required to be transferred to the Investors Education and Protection Fund by the Company.
- iv.
- a. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. 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 sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note no 45 & 50 to the standalone financial statements :
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b. The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act as applicable.





- vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso Rule 3(1) of the Companies (Accounts) Rules, 2014 we herewith report based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANT  
F.R.N. : 127673W

*Priyanka*



PRIYANKA JAJU  
(Partner)  
Membership No. : 416197  
Place : Mumbai  
Date : 6th May 2024  
UDIN No : 24416197BKAURI8523



**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, 2024) to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets :
  - 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. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - 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. 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 by the management, no proceedings have initiated or pending against the Company during the year ended on 31<sup>st</sup> March 2024, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii.
  1. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by the Management is appropriate. In respect of inventory lying with third parties, these have been substantially confirmed by them. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.





2. 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 aggregate, from banks on the basis of security of current and non-current assets along with other securities in earlier years, however the said loans has been fully repaid during the year therefore the question of our commenting on whether the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company does not arise.
- 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 given to us with respect to the advances given to the staff and workers and to the suppliers of the company and other parties, it has been informed that the same were given not in the nature of loan and has been provided in the normal course of the business and are recoverable in cash or kind in coming year and has been classified under other current assets. We have relied on their management representation in this matter. We have been further 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.





vii.

- a) According to the information and explanation 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 Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, and any other material statutory dues have been regularly deposited during the year with the appropriate authorities.

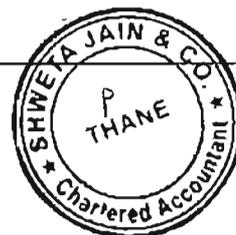
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and based on the records of the company examined by us, particulars of Income Tax, Goods & Service Tax Customs Duty, Excise Duty, States respective Sales Tax, Service Tax and other statutory dues which have not been deposited on account of any disputes.

viii. 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 transactions in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

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 and our audit procedures, we report that the Company has not been declared wilful Defaulter by any bank or financial institution or other lender
- c) According to the information and explanations given to us by the management and records of the company examined by us, the Company has repaid all the term loans and working capital loans during the year which has been availed from the banks in earlier years. There is no outstanding loan other than the vehicle loan availed for purchase of vehicle in earlier years therefore this clause is not applicable.
- d) According to the information and explanations given to us and on an overall examination of the financial statement 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, associates or joint ventures.
- 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 raised money by way of initial public offer of its equity shares during the year. In our opinion and according to information and explanations given to us, the company has applied the money so received for the purposes for which the money has been received. The details of the utilization of the money raised by way of initial public offer (IPO) of equity shares which has been submitted by the company to the monitoring agency of IPO fund utilization is given as follows :

(₹ in Lakhs)

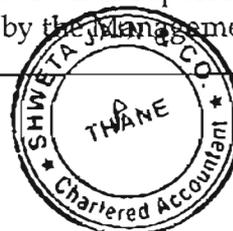
| Particulars                                                                             | Objects of the issue as per prospectus | Utilized till 31 <sup>st</sup> March 24 | Unutilized amount as at 31 <sup>st</sup> March 24 |
|-----------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|---------------------------------------------------|
| Repayment and/or pre-payment, in full or part, of certain borrowings availed by Company | 3200.00                                | 3200.00                                 | -                                                 |
| Funding working capital requirements of our Company                                     | 8400.00                                | 4965.40                                 | 3434.60                                           |
| General corporate purposes                                                              | 2001.10                                | 535.00                                  | 1466.10                                           |
| <b>TOTAL</b>                                                                            | <b>13601.10</b>                        | <b>8700.40</b>                          | <b>4900.70</b>                                    |

The Company has not raised moneys by way further public offer for any debt instruments 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 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 year nor have we been informed of any such case by the Management.



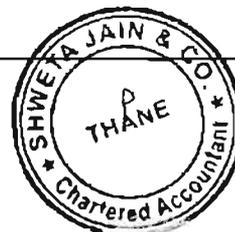


- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, the Company has received no whistle -blower complaints during the year. Accordingly, reporting under clause 3(xi) (c) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a)(b)(c) of the Order is not applicable.
- xiii. In our opinion and on the basis of our examination of the information and documentation given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable. The details with respect to the related parties has provided to us by the management as per the related party disclosure requirements given by us and the related parties so identified by the management as per applicable parameters given by us and the transactions with such related party transactions have been disclosed in the note 32 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 by the internal auditor for the year ended 31<sup>st</sup> March 2024.
- 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) In our opinion according to the information and explanations given to us, 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 has not conducted any Non-Banking Financial or Housing Finance activities and 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 financial year 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 (also refer note 48 to the financial statements), 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. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) as the company has done such spending by payments of such funds to the eligible trust for such activities and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.



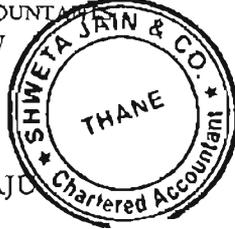


xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANTS  
F.R.N. : 127673W

*Priyanka*



PRIYANKA JAIN  
(Partner)  
Membership No. : 416197  
Place : Mumbai  
Date : 6th May 2024  
UDIN No : 24416197BKAURI8523



**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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

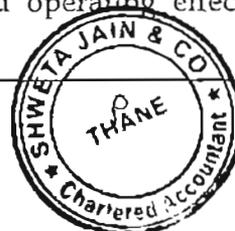
**Management's Responsibility for Internal Financial Controls :**

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 our audit opinion on the Company's internal financial controls system over financial reporting with reference to standalone financial statements.

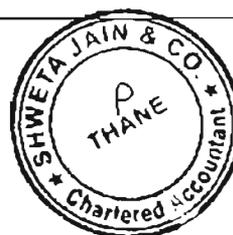
**Meaning of Internal Financial Controls with reference to standalone financial statements.:**

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, 2024, 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. : 127673W

*Priyanka*



PRIYANKA JAJU  
(Partner)  
Membership No. : 416197  
Place : Mumbai  
Date : 6th May 2024  
UDIN No : 24416197BKAURI8523

**AEROFLEX INDUSTRIES LIMITED**  
(CIN NO : U24110MH1993PLC074576)  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2024**

| [Rs. in lakhs]                                                                             |      |                      |                      |
|--------------------------------------------------------------------------------------------|------|----------------------|----------------------|
| PARTICULARS                                                                                | Note | As At March 31, 2024 | As at March 31, 2023 |
| <b>ASSETS</b>                                                                              |      |                      |                      |
| <b>NON CURRENT ASSETS</b>                                                                  |      |                      |                      |
| a) Property, Plant and Equipment                                                           | 3    | 8,237.28             | 5,554.33             |
| b) Property, Plant and Equipment - WIP                                                     |      | 537.83               | 64.25                |
| c) Investment Property                                                                     |      |                      |                      |
| d) Goodwill                                                                                |      |                      |                      |
| e) Intangible Assets                                                                       | 4    | 58.63                | 77.44                |
| f) Intangible Assets - WIP                                                                 |      | 3.78                 | -                    |
| g) Biological Assets other than bearer plants                                              |      |                      |                      |
| h) Financial assets                                                                        |      |                      |                      |
| i) Investments                                                                             | 5    | 19.28                | 19.28                |
| ii) Trade receivables                                                                      |      |                      |                      |
| iii) Loans                                                                                 |      |                      |                      |
| iv) Other financial assets                                                                 | 6    | 345.84               | 55.97                |
| v) Deferred tax assets net                                                                 | 7    | -                    | -                    |
| vi) Other non-current assets                                                               | 8    | 304.83               | 201.82               |
| <b>Total Non-Current Assets</b>                                                            |      | <b>9,508.46</b>      | <b>5,973.10</b>      |
| <b>CURRENT ASSETS</b>                                                                      |      |                      |                      |
| a) Inventories                                                                             | 9    | 5,894.24             | 5,600.70             |
| b) Financial Assets                                                                        |      |                      |                      |
| i) Investments                                                                             |      |                      |                      |
| ii) Trade Receivables                                                                      | 10   | 9,484.56             | 6,695.78             |
| iii) Cash and cash equivalents                                                             | 11   | 7,626.46             | 606.32               |
| iv) Bank balances other than cash and cash equivalent                                      | 12   | 2,922.28             | 12.11                |
| v) Loans                                                                                   |      |                      |                      |
| vi) Other financial assets                                                                 |      |                      |                      |
| c) Current Tax Assets Net                                                                  |      |                      |                      |
| d) Other current assets                                                                    | 13   | 2,058.94             | 2,520.92             |
| <b>Total Current Assets</b>                                                                |      | <b>27,976.47</b>     | <b>15,435.82</b>     |
| <b>TOTAL ASSETS</b>                                                                        |      | <b>37,484.94</b>     | <b>21,408.92</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |                      |                      |
| <b>EQUITY</b>                                                                              |      |                      |                      |
| a) Equity share capital                                                                    | 14   | 2,596.41             | 2,266.41             |
| b) Other equity                                                                            | 15   | 26,739.43            | 9,132.33             |
| <b>Total Equity</b>                                                                        |      | <b>29,325.84</b>     | <b>11,418.74</b>     |
| <b>LIABILITIES</b>                                                                         |      |                      |                      |
| <b>Non-current liabilities</b>                                                             |      |                      |                      |
| a) Financial liabilities                                                                   |      |                      |                      |
| i) Borrowings                                                                              | 16   | 6.34                 | 1,968.63             |
| (i) Lease Liabilities                                                                      |      |                      |                      |
| (ii) Trade payables                                                                        |      |                      |                      |
| (iii) Other financial liabilities (other than those specified in item (b) to be specified) |      |                      |                      |
| (b) Provisions                                                                             |      |                      |                      |
| c) Other Non-current liabilities                                                           | 17   | -                    | 98.57                |
| d) Deferred tax Liability (Net)                                                            | 7    | 71.95                | 28.03                |
| <b>Total non-current liabilities</b>                                                       |      | <b>78.29</b>         | <b>2,095.21</b>      |
| <b>Current Liabilities</b>                                                                 |      |                      |                      |
| a) Financial liabilities                                                                   |      |                      |                      |
| i) Borrowings                                                                              | 18   | 5.77                 | 2,531.97             |
| (i) Lease liabilities                                                                      |      |                      |                      |
| (ii) Trade Payables                                                                        |      |                      |                      |
| (A) Total outstanding dues of micro enterprises and small enterprises                      | 19   | 322.10               | 883.08               |
| (B) Total outstanding dues of creditors other than micro & small enterprises               | 19   | 5,169.63             | 2,779.96             |
| (iii) Other financial liabilities (other than those specified in item (c))                 |      |                      |                      |
| b) Other current liabilities                                                               | 20   | 2,396.53             | 1,092.79             |
| (c) Provisions                                                                             |      |                      |                      |
| d) Current Tax liabilities (Net)                                                           | 21   | 186.77               | 607.16               |
| <b>Total Current Liabilities</b>                                                           |      | <b>8,080.81</b>      | <b>7,894.97</b>      |
| <b>Total Liabilities</b>                                                                   |      | <b>8,159.09</b>      | <b>9,990.18</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                        |      | <b>37,484.94</b>     | <b>21,408.92</b>     |

The accompanying notes are an integral part of these Standalone Financial Statements ( Note No. "1 to 51")

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



Prityanka

PRITYANKA JAIN  
(Partner)  
Membership No : 41619  
Place : Mumbai  
Dated : 6th May 2024  
UDIN No : 244161978KAURI8523

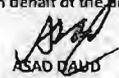
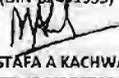


For and on behalf of the Board

ASAD DAUD  
MANAGING DIRECTOR  
(DIN-02491539)

MUSTAFA RACHWALA  
WHOLETIME DIRECTOR & CFO  
(DIN-0312453)

KINJAL SHAH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : A58678)

| <b>AEROFLEX INDUSTRIES LIMITED</b>                                                                                                                                                                                                                                                                                                                                                                                                  |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| ( CIN NO : U24110MH1993PLC074576 )                                                                                                                                                                                                                                                                                                                                                                                                  |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024                                                                                                                                                                                                                                                                                                                                                          |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| (Rs. in lakhs)                                                                                                                                                                                                                                                                                                                                                                                                                      |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                         | Note | Year Ended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 31.03.2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 31.03.2023       |
| <b>REVENUES:</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| I Revenue from operations                                                                                                                                                                                                                                                                                                                                                                                                           | 22   | 31,784.40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 26,937.88        |
| II Other Income                                                                                                                                                                                                                                                                                                                                                                                                                     | 23   | 384.32                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3.90             |
| III <b>TOTAL INCOME</b>                                                                                                                                                                                                                                                                                                                                                                                                             |      | <b>32,168.72</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>26,941.78</b> |
| <b>EXPENSES:</b>                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| IV Cost of Material Consumed                                                                                                                                                                                                                                                                                                                                                                                                        | 24   | 20,723.88                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 18,851.12        |
| Changes in Inventories                                                                                                                                                                                                                                                                                                                                                                                                              | 25   | (583.59)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (1,778.37)       |
| Employee Benefit Expenses                                                                                                                                                                                                                                                                                                                                                                                                           | 26   | 2,620.18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,315.14         |
| Finance costs                                                                                                                                                                                                                                                                                                                                                                                                                       | 27   | 213.86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 343.39           |
| Depreciation and amortisation expense                                                                                                                                                                                                                                                                                                                                                                                               | 28   | 626.19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 521.93           |
| Other expenses                                                                                                                                                                                                                                                                                                                                                                                                                      | 29   | 2,841.43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,257.95         |
| IV <b>TOTAL EXPENSES</b>                                                                                                                                                                                                                                                                                                                                                                                                            |      | <b>26,441.95</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>22,511.16</b> |
| V Profit/(loss) before exceptional item and tax                                                                                                                                                                                                                                                                                                                                                                                     |      | 5,726.78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4,430.62         |
| VI Exceptional item                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| a) FCTL Exchange Fluctuation                                                                                                                                                                                                                                                                                                                                                                                                        |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 307.71           |
| VII Profit/(loss) before tax                                                                                                                                                                                                                                                                                                                                                                                                        |      | 5,726.78                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4,122.91         |
| VIII Tax expense:                                                                                                                                                                                                                                                                                                                                                                                                                   |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| (1) Current Tax                                                                                                                                                                                                                                                                                                                                                                                                                     |      | 1,415.70                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1,018.50         |
| (2) Deferred tax Liability/(Assets)                                                                                                                                                                                                                                                                                                                                                                                                 |      | 43.93                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 22.21            |
| (3) Taxation of Earlier Year                                                                                                                                                                                                                                                                                                                                                                                                        |      | 91.99                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 66.59            |
| IX Profit/(loss) for the year from continuing operation                                                                                                                                                                                                                                                                                                                                                                             |      | 4,175.15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3,015.60         |
| X Profit/(Loss) from discontinued operations.                                                                                                                                                                                                                                                                                                                                                                                       |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| XI Tax expense of discontinued operations                                                                                                                                                                                                                                                                                                                                                                                           |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| XII Profit/(loss) from discontinued operation                                                                                                                                                                                                                                                                                                                                                                                       |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| XIII Profit/(loss) for the year                                                                                                                                                                                                                                                                                                                                                                                                     |      | 4,175.15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3,015.60         |
| XIV 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) Exchange differences on translation of financial statements of foreign operations                                                                                                                                                                                                                                                                                                                                                |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                |
| e) Income tax relating to item that will be reclassified subsequently to profit or loss                                                                                                                                                                                                                                                                                                                                             |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                |
| XV Total Other Comprehensive Income/(loss)                                                                                                                                                                                                                                                                                                                                                                                          |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                |
| <b>Total Comprehensive Income for the year</b>                                                                                                                                                                                                                                                                                                                                                                                      |      | <b>4,175.15</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>3,015.60</b>  |
| XVI Earnings per equity share : (for continued Operation) in Rs                                                                                                                                                                                                                                                                                                                                                                     |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| (1) Basic                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 3.39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.64             |
| (2) Diluted                                                                                                                                                                                                                                                                                                                                                                                                                         |      | 3.39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.64             |
| XVII Earnings per equity share : (for discontinued Operation) in Rs                                                                                                                                                                                                                                                                                                                                                                 |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| (1) Basic                                                                                                                                                                                                                                                                                                                                                                                                                           |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                |
| (2) Diluted                                                                                                                                                                                                                                                                                                                                                                                                                         |      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | -                |
| XVIII Earnings per equity share : (for discontinued & continuing operations) in Rs                                                                                                                                                                                                                                                                                                                                                  |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| (1) Basic                                                                                                                                                                                                                                                                                                                                                                                                                           |      | 3.39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.64             |
| (2) Diluted                                                                                                                                                                                                                                                                                                                                                                                                                         |      | 3.39                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.64             |
| The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 51")                                                                                                                                                                                                                                                                                                                           |      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| <p>As Per Our Report of even date<br/>FOR SHWETA JAIN &amp; CO<br/>CHARTERED ACCOUNTANTS<br/>F.R.N. : 127673W</p>  <p>PRIVANKA JAJU<br/>(Partner)<br/>Membership No : 41619<br/>Place : Mumbai<br/>Dated : 6th May 2024<br/>UDIN No : 244161978KAURI8523</p>  |      | <p>For and on behalf of the Board</p>  <p>ASAD RANA<br/>MANAGING DIRECTOR<br/>(DIN-07411539)</p>  <p>MUSTAFA A KACHWALA<br/>WHOLETIME DIRECTOR &amp; CFO<br/>(DIN-03124453)</p>  <p>KINJAL SHAH<br/>COMPANY SECRETARY AND COMPLIANCE OFFICER<br/>(M.No : A58678)</p>  |                  |

**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : U24110MH1993PLC074576 )

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

| Particulars                                                                | (Rs. in lakhs)    |                 |
|----------------------------------------------------------------------------|-------------------|-----------------|
|                                                                            | Year Ended        | Year Ended      |
|                                                                            | 31.03.2024        | 31.03.2023      |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                              |                   |                 |
| Net Profit ( Loss ) before Tax                                             | 5,726.78          | 4,122.91        |
| Add : Depreciation                                                         | 626.19            | 521.93          |
| Add : Interest Paid                                                        | 213.86            | 343.39          |
| Less : Interest Received                                                   | (278.22)          | (0.44)          |
| Less : Provision for Taxation                                              | (1,415.70)        | (1,018.50)      |
| Less : Taxation of Earlier year                                            | (91.99)           | (66.59)         |
| <b>Operating Profit before working capital changes</b>                     | <b>4,780.91</b>   | <b>3,902.68</b> |
| Adjustments for :                                                          |                   |                 |
| (Increase)/Decrease in Non Current Other Financial Assets                  | (289.87)          | (55.25)         |
| (Increase)/Decrease in Other Non Current Assets                            | (103.01)          | (27.47)         |
| (Increase)/Decrease in Change in Inventories                               | (293.54)          | (2,018.51)      |
| (Increase)/Decrease in Current Trade Receivables                           | (2,768.79)        | (1,434.54)      |
| (Increase)/Decrease in Current Other Financial Assets                      | -                 | 45.66           |
| (Increase)/Decrease in Other Current Assets                                | 451.98            | 653.48          |
| Increase/(Decrease) in Other Non current liabilities                       | (98.57)           | 5.44            |
| Increase/(Decrease) in Current Trade Payables                              | 1,828.68          | 244.58          |
| Increase/(Decrease) in Other Current Liabilities                           | 883.35            | (589.62)        |
|                                                                            | -                 | -               |
| <b>Net Cash Flow from Operating Activities</b>                             | <b>4,391.16</b>   | <b>726.45</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                              |                   |                 |
| Purchase of Property, Plant & Equipments & Intangibles including CWIP      | (3,768.68)        | (945.63)        |
| Payments to acquire financial assets                                       | -                 | (9.73)          |
| Interest Received                                                          | 278.22            | 0.44            |
| <b>Net Cash Flow from Investing Activities</b>                             | <b>(3,490.46)</b> | <b>(954.92)</b> |
| <b>C. CASH FLOW FROM FINANCEING ACTIVITIES</b>                             |                   |                 |
| Proceeds from issuance of equity share capital                             | 300.00            | -               |
| Repayment of borrowings                                                    | (4,488.48)        | 587.88          |
| Interest Paid                                                              | (213.86)          | (343.39)        |
| Dividend Paid                                                              | (228.64)          | (228.64)        |
| IPO Issue Expenses                                                         | (2,239.41)        | -               |
| Proceeds from issue of equity share capital (including securities premium) | 15,900.00         | -               |
| <b>Net Cash Flow from Financing activities</b>                             | <b>9,029.60</b>   | <b>15.85</b>    |
| <b>Net Increase in Cash &amp; Cash Equivalents</b>                         | <b>9,930.30</b>   | <b>(212.62)</b> |
| Cash and Cash Equivalents at the beginning of the period                   | 618.43            | 831.05          |
| Cash and Cash Equivalents at the end of the period                         | 10,548.74         | 618.43          |
| <b>Net Increase in Cash &amp; Cash Equivalents as at ...</b>               | <b>9,930.30</b>   | <b>(212.62)</b> |

The accompanying notes are an integral part of these Standalone Financial Statements ( Note No. "1 to 51")

As Per Our Report of even date

FOR SHWETA JAIN & CO  
CHARTERED ACCOUNTANTS  
F.R.N. : 127673W

*Priyanka*  
PRIYANKA JAJU  
(Partner)

Membership No : 416197  
Place : Mumbai  
Dated : 6th May 2024  
UDIN NO : 244161978KAURI8523



For and on behalf of the Board

*Asad*  
ASAD BAUD  
MANAGING DIRECTOR  
(DIN-02491539)

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

*Kinjal*  
KINJAL SHAH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : A58678)

Notes:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.

(ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 11 & 12)

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

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024**

(Rs. in Lakhs)

**STATEMENT OF CHANGE IN EQUITY**

**A. Equity Share Capital**

| Particulars                      | Balance at the beginning of the reporting Year | Changes in equity share capital due to Prior Year Errors | Restated Balance at the beginning of the reporting Year | Changes in equity share capital during the year | Balance at the end of the reporting Year |
|----------------------------------|------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|------------------------------------------|
| For the year ended on 31/03/2024 | 2,286.41                                       | -                                                        | -                                                       | 300.00                                          | 2,586.41                                 |
| For the year ended on 31/03/2023 | 2,286.41                                       | -                                                        | -                                                       | -                                               | 2,286.41                                 |

**B. Promoters Holding**

| Name of Promoters      | Shares Held at the end of the YEAR 31/03/2024 |                   | Shares Held at the end of the YEAR 31/03/2023 |                   | % of Change during the year |
|------------------------|-----------------------------------------------|-------------------|-----------------------------------------------|-------------------|-----------------------------|
|                        | No of Shares Held                             | % of Total Shares | No of Shares Held                             | % of Total Shares |                             |
| Sat Industries Limited | 7,91,81,833                                   | 61.23%            | 10,53,77,040                                  | 92.18%            | 30.85%                      |

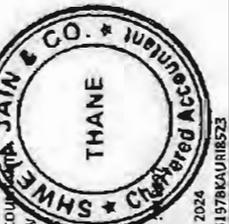
**C. Other Equity**

|                                                            | Share Application Money pending allotment | Equity component of compound financial instrument | Reserves & Surplus |                    | Debit 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 YEAR- 01.04.2023 | -                                         | -                                                 | -                  | 2,419.49           | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 9,132.33   |
| Changes in accounting policy/ prior YEAR errors            | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Restated balance at the beginning of the reporting YEAR    | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Profit for the year                                        | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Other comprehensive income                                 | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Total Comprehensive income for the year                    | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Dividends                                                  | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Transfer to retained earnings                              | -                                         | -                                                 | -                  | -                  | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -          |
| Security Premium on Issue of New Share                     | -                                         | -                                                 | -                  | 15,900.00          | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 15,900.00  |
| IPO Expenses                                               | -                                         | -                                                 | -                  | (2,239.81)         | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | (2,239.81) |
| Balance at the end of the reporting YEAR - 31-03-2024      | -                                         | -                                                 | -                  | 16,080.03          | -                                                    | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 26,739.43  |



| 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 | General Reserve |                                                     |                                                       |                                       |                     |                                                                              |                                                            |                                       |          |
| Balance at the beginning of the reporting YEAR- 01.04.2022 | -                                                 | -                  | 2,419.49           | -               | 3,925.88                                            | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 6,345.37 |
| Changes in accounting policy/ prior YEAR errors            | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Restated balance at the beginning of the reporting YEAR    | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Profit for the year                                        | -                                                 | -                  | -                  | -               | 3,015.60                                            | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 3,015.60 |
| Other comprehensive income                                 | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Total Comprehensive Income for the year                    | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Dividends                                                  | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Transfer to retained earnings                              | -                                                 | -                  | -                  | -               | [228.64]                                            | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | [228.64] |
| Any other Change (to be Specify)                           | -                                                 | -                  | -                  | -               | -                                                   | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | -        |
| Balance at the end of the reporting YEAR - 31.03.2023      | -                                                 | -                  | 2,419.49           | -               | 6,712.84                                            | -                                                     | -                                     | -                   | -                                                                            | -                                                          | -                                     | 9,132.33 |

For and on behalf of the Board



As Per Our Report of even date  
 FOR SHWETA JAIN & CO.  
 CHARTERED ACCOUNTANTS  
 F.R.N. : 127673W/  
 SHIVANKA JAIL  
 (Partner)  
 Membership No. :  
 Place : Mumbai  
 Dated : 6th May 2024  
 UDIN No : 24161978MAUR18523



ASAD DAUD  
 (MANAGING DIRECTOR)  
 (DIN-02491538)

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

KINRAL SHAH  
 COMPANY SECRETARY AND COMPLIANCE OFFICER  
 (M.No : A56678)

# **AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576)

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

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

**AEROFLEX INDUSTRIES LIMITED** ( "The Company " ) is a public limited company incorporated under the provision of Companies Act, 2013. The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE) during the year. The Company's registered office is at Plot No. 41,42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh-410208. The company is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies. The company has its wholly owned foreign Subsidiary named Aeroflex Industries Limited at London, United Kingdom. The Company is a subsidiary company of Sat Industries Limited, a listed company, which holds 61.23% of the equity shares of the company at the year ended. The Financial Statements were approved in accordance with a resolution passed in Board Meeting held on 6<sup>th</sup> May, 2024.

## **NOTE 2 : MATERIAL ACCOUNTING POLICY INFORMATION :**

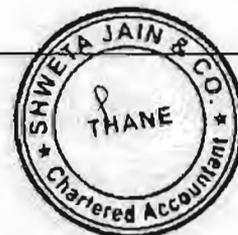
The material accounting policies adopted by the company are as under :

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

The Standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including 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 2015 , as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as ' Financial Statements' ).

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.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

### **2.2 Basis of Measurement :**

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 year. 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.

### **2.3 Significant accounting estimates , judgments and assumptions :**

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. The accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty. 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 year 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.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation. 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, judgments 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

(CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 lives of property, plant and equipment :**

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

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 judgments around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgments 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.

e) Managements Judgments related to the Provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of Fair Valuation of Financial instruments and Valuation of inventories are further areas involving critical estimates and judgments for which detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation

**2.4 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 :



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading, or
- iii) Expected to be realized within twelve months after the reporting period. or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current when :

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

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Further the management of the company provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as non current. Auditor has classified the same based on the prudence of the same as given by the management.

#### 2.5 Property, plant and equipment and intangible assets and Depreciation / Amortisation :

##### a) Property, plant and equipment (PPE)

Property, plant and equipment represent a significant proportion of the asset base of the company. 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 company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 :

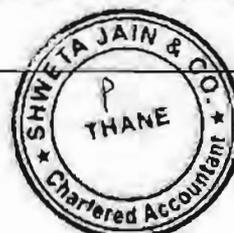
Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the Balance sheet at cost less accumulated depreciation and impairment, if any.

The cost of Property, plant and equipment comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

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 related to such assets which are in recurring nature and has no certainty of the useful life are charged to Statement of Profit and Loss during the year.

An item or part of Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognized.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialized and put to use. The same is carried at cost which is determined in the same manner as for any Property, plant and equipment.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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.

**b) Depreciation methods, estimated useful lives :**

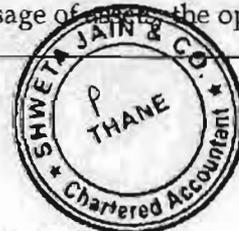
Depreciation is provided (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:

| Assets class                 | Period of useful life of Assets |
|------------------------------|---------------------------------|
| Factory Building             | 30 Years                        |
| Addition to factory Building | 3 - 10 Years                    |
| Server and Networks          | 6 Years                         |
| Plant & Machinery            | 25 Years                        |
| Computer                     | 3 Years                         |
| Vehicles                     | 6 Years                         |
| Workshop Tools & Equipment   | 8 Years                         |
| Testing Equipment            | 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. No Depreciation has been provided for the land.

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



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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.

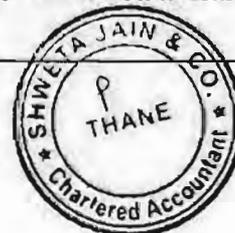
#### c) Intangible Assets :

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets. Intangible development costs are capitalized as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

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 as per Companies Act, 2013. The Management has estimated the useful lives of intangible assets are as follows:

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and 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 the end of each reporting period.



# AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

## NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### d) 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 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.

### 2.6 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.

### 2.7 Intangible Assets Under Development :

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development -WIP.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

#### **2.8 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 and the same is rounded off to the nearest Lakhs Rupees with two decimals.

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

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 on initial recognition. 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.

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.

All 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. Further the foreign exchange fluctuation for the outstanding amount of the foreign currency term loan has been shown separately under the exceptional item in the profit & loss account uniformly.

#### **2.9 Revenue Recognition :**

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

**i) Sales of Goods :**

The Company recognizes revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contracts with customers 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 revenue from sale is recognized when significant risk and reward of ownership /control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.

**ii) Sale of services & Other Operating Revenue :**

Income from services rendered is recognized based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognized in the accounting year in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.

**iii) Foreign Exchange Fluctuation in Export & Imports Import :**

As the company has mainly engaged in export & import of goods therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the company.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

#### iv) Export benefits :

Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

#### v) 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.

#### 2.10 Inventories :

Inventories are valued at lower of 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 cost basis.

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.



# AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

## **2.11 Cash and cash equivalents:**

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

## **2.12 Taxation :**

Income tax expense comprises current Tax Expenses and deferred tax expenses. Current and deferred taxes are recognized in Statement of Profit and 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.

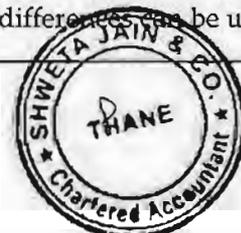
### **Current Tax :**

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 tax laws that have been enacted or substantially enacted by the end of the reporting year. Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

### **Deferred Tax :**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

### **2.13 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 year in which they are accrued or incurred.

### **2.14 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 year, 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 it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

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

**Contingent liability is:**

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability

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.

### **2.16 Dividend :**

The dividend declared by the company during the year but not distributed at the end of the reporting period than the same is recognized as liability at the year ended when the dividend distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. Such amount of dividend is recognized directly in equity. Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### **2.17 Financial instruments:**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### **Classification and Subsequent Measurement of Financial Assets:**

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### **(a) Financial Assets measured at Amortized Cost :**

A Financial Asset is measured at amortized Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

#### **(b) Financial Assets measured at Fair Value Through Other Comprehensive Income**

##### **(FVTOCI) :**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

#### **(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

### **Impairment:**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

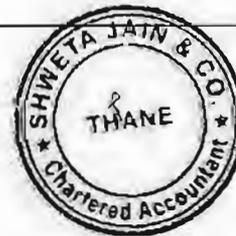
receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit 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 of Financial Assets :

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 and the transfer qualifies for de-recognition under Ind AS 109. 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.



# **AEROFLEX INDUSTRIES LIMITED**

( CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

## **CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES:**

### **(a) Financial liabilities measured at Fair Value through Profit or Loss :**

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.

### **(b) Other Financial liabilities :**

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognized in the Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Debt and Equity Instruments :**

#### **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.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

## **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 year. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method.

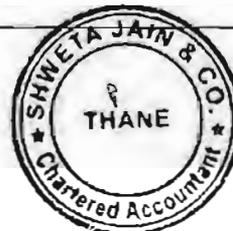
Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

### **Offsetting of Financial Instruments :**

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and it is intended to either settle them on net basis or to realize the asset and settle the liability simultaneously.

### **Fair Value of Financial Instruments :**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

## **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 year, 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 where the 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 to uniformly followed the practice.

## **De-recognition of Financial Liability :**

A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

## **2.18 Employee Benefits :**

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

All employee Benefits such as Salaries, wages and short term compensated absences 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.



# **AEROFLEX INDUSTRIES LIMITED**

**(CIN NO : U24110MH1993PLC074576)**

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

## **Post-employment benefits**

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

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Superannuation Schemes, Employees State Insurance which are defined contribution schemes. The contribution paid/payable under these schemes is recognized during the period in which the employee renders the related services which are recognized in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services."

**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.

### **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 year, regardless of when the actual settlement is expected to occur.

**Gratuity :** The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

plan in its Balance Sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

### **2.19 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 at the year ended. 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).



**AEROFLEX INDUSTRIES LIMITED**

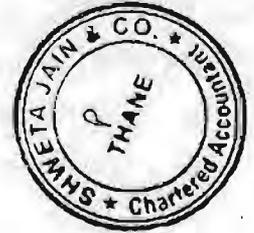
[CIN NO: U24110MH1993PLC074576]

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

**NOTE 3 : PROPERTY, PLANT AND EQUIPMENTS**

| Particulars                                 | (Rs. in lakhs)  |                    |                     |                        |              |                   |                 |               |                         |                    |                            |              |                  |
|---------------------------------------------|-----------------|--------------------|---------------------|------------------------|--------------|-------------------|-----------------|---------------|-------------------------|--------------------|----------------------------|--------------|------------------|
|                                             | Freehold Land   | Freehold Buildings | Plant and equipment | Furniture and fixtures | Vehicles     | Office equipments | Air Conditioner | Computer      | Electrical Installation | Testing Equipments | Workshop Tool & Equipments | Water Cooler | TOTAL            |
| <b>Year Ended as on 31st March 2024</b>     |                 |                    |                     |                        |              |                   |                 |               |                         |                    |                            |              |                  |
| Opening Gross Carrying Amount               | 1,621.39        | 2,429.50           | 6,721.66            | 371.56                 | 61.31        | 182.35            | 29.10           | 229.87        | 521.95                  | 85.18              | 361.31                     | 25.62        | 12,646.80        |
| Additions                                   | 547.07          | 514.31             | 2,037.93            | 71.88                  | -            | 22.26             | 4.91            | 53.59         | 2.67                    | 4.56               | 24.05                      | 0.31         | 3,283.53         |
| Exchange Difference                         | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| Assets include in a disposal group for sale | -               | -                  | 16.89               | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | 16.89            |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| <b>Closing Gross Carrying Amount</b>        | <b>2,168.46</b> | <b>2,943.81</b>    | <b>8,742.70</b>     | <b>449.44</b>          | <b>61.31</b> | <b>204.61</b>     | <b>34.01</b>    | <b>283.46</b> | <b>524.62</b>           | <b>89.75</b>       | <b>385.35</b>              | <b>25.93</b> | <b>15,913.44</b> |
| <b>Accumulated Depreciation</b>             |                 |                    |                     |                        |              |                   |                 |               |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 1,739.41           | 3,820.14            | 307.56                 | 37.44        | 151.60            | 24.81           | 186.06        | 504.91                  | 68.71              | 236.01                     | 15.81        | 7,092.46         |
| Assets include in a disposal group for sale | -               | 92.63              | 349.50              | 20.18                  | 9.52         | 14.53             | 3.02            | 45.71         | 1.47                    | 8.73               | 44.50                      | 4.43         | 594.22           |
| Exchange Difference                         | -               | -                  | 10.53               | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | 10.53            |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| <b>Closing Accumulated Depreciation</b>     | <b>-</b>        | <b>1,832.04</b>    | <b>4,159.13</b>     | <b>327.74</b>          | <b>46.95</b> | <b>166.13</b>     | <b>27.83</b>    | <b>231.77</b> | <b>506.38</b>           | <b>77.43</b>       | <b>280.51</b>              | <b>20.24</b> | <b>7,676.16</b>  |
| <b>NET CARRYING AMOUNT</b>                  | <b>2,168.46</b> | <b>1,111.77</b>    | <b>4,583.59</b>     | <b>121.70</b>          | <b>14.35</b> | <b>38.48</b>      | <b>6.17</b>     | <b>51.68</b>  | <b>18.24</b>            | <b>12.31</b>       | <b>104.84</b>              | <b>5.69</b>  | <b>8,237.28</b>  |
| <b>Year Ended as on 31st March 2023</b>     |                 |                    |                     |                        |              |                   |                 |               |                         |                    |                            |              |                  |
| Opening Gross Carrying Amount               | 1,621.39        | 2,396.68           | 5,382.83            | 356.18                 | 61.31        | 166.94            | 25.74           | 190.97        | 521.46                  | 87.76              | 348.96                     | 15.12        | 11,175.36        |
| Additions                                   | -               | 32.82              | 1,333.39            | 21.38                  | -            | 15.40             | 3.36            | 38.89         | 0.49                    | 0.43               | 12.34                      | 10.50        | 1,469.00         |
| Exchange Difference                         | -               | -                  | 5.44                | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | 5.44             |
| Assets include in a disposal group for sale | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | (3.00)             | -                          | -            | (3.00)           |
| <b>Closing Gross Carrying Amount</b>        | <b>1,621.39</b> | <b>2,429.50</b>    | <b>6,721.66</b>     | <b>377.56</b>          | <b>61.31</b> | <b>182.35</b>     | <b>29.10</b>    | <b>229.87</b> | <b>521.95</b>           | <b>85.18</b>       | <b>361.31</b>              | <b>25.62</b> | <b>12,646.80</b> |
| <b>Accumulated Depreciation</b>             |                 |                    |                     |                        |              |                   |                 |               |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 1,653.43           | 3,556.76            | 292.66                 | 21.98        | 136.53            | 23.17           | 155.61        | 504.51                  | 53.81              | 183.08                     | 12.42        | 6,593.46         |
| Assets include in a disposal group for sale | -               | 85.98              | 263.88              | 14.91                  | 15.45        | 15.07             | 1.54            | 30.45         | 0.39                    | 14.90              | 52.92                      | 3.39         | 499.00           |
| Exchange Difference                         | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| Disposals                                   | -               | -                  | -                   | -                      | -            | -                 | -               | -             | -                       | -                  | -                          | -            | -                |
| <b>Closing Accumulated Depreciation</b>     | <b>-</b>        | <b>1,739.41</b>    | <b>3,820.14</b>     | <b>307.56</b>          | <b>37.44</b> | <b>151.60</b>     | <b>24.81</b>    | <b>186.06</b> | <b>504.91</b>           | <b>68.71</b>       | <b>236.01</b>              | <b>15.81</b> | <b>7,092.46</b>  |
| <b>NET CARRYING AMOUNT</b>                  | <b>1,621.39</b> | <b>690.09</b>      | <b>2,901.52</b>     | <b>70.00</b>           | <b>23.87</b> | <b>30.74</b>      | <b>4.29</b>     | <b>43.80</b>  | <b>17.04</b>            | <b>16.48</b>       | <b>125.30</b>              | <b>9.81</b>  | <b>5,554.33</b>  |

Note : The company has not revalued Property, Plant and equipments during the year.



**AEROFLEX INDUSTRIES LIMITED****( CIN NO : U24110MH1993PLC074576 )****NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024****NOTE 4: Intangible Assets****(Rs. in lakhs)**

| Particulars                                 | Software & Licences | TOTAL         |
|---------------------------------------------|---------------------|---------------|
| <b>Year Ended as on 31st March 2024</b>     |                     |               |
| Opening Gross Carrying Amount               | 152.47              | 152.47        |
| Additions                                   | 14.15               | 14.15         |
| Exchange Difference                         | -                   | -             |
| Assets include in a disposal group for sale | -                   | -             |
| Disposals                                   | -                   | -             |
| <b>Closing Gross Carrying Amount</b>        | <b>166.62</b>       | <b>166.62</b> |
| <b>Accumulated Depreciation</b>             | <b>75.03</b>        | <b>75.03</b>  |
| Depreciation charge during the year         | 31.97               | 31.97         |
| Assets include in a disposal group for sale | -                   | -             |
| Exchange Difference                         | -                   | -             |
| Disposals                                   | -                   | -             |
| <b>Closing Accumulated Depreciation</b>     | <b>106.99</b>       | <b>106.99</b> |
| <b>NET CARRYING AMOUNT</b>                  | <b>59.63</b>        | <b>59.63</b>  |
| <b>Year Ended as on 31st March 2023</b>     |                     |               |
| Opening Gross Carrying Amount               | 81.41               | 81.41         |
| Additions                                   | 71.06               | 71.06         |
| Exchange Difference                         | -                   | -             |
| Assets include in a disposal group for sale | -                   | -             |
| Disposals                                   | -                   | -             |
| <b>Closing Gross Carrying Amount</b>        | <b>152.47</b>       | <b>152.47</b> |
| <b>Accumulated Depreciation</b>             | <b>52.10</b>        | <b>52.10</b>  |
| Depreciation charge during the year         | 22.92               | 22.92         |
| Assets include in a disposal group for sale | -                   | -             |
| Exchange Difference                         | -                   | -             |
| Disposals                                   | -                   | -             |
| <b>Closing Accumulated Depreciation</b>     | <b>75.03</b>        | <b>75.03</b>  |
| <b>NET CARRYING AMOUNT</b>                  | <b>77.44</b>        | <b>77.44</b>  |



**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : U24110MH1993PLC074576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

**NOTE 5 : NON CURRENT - INVESTMENTS**

(Rs. in lakhs)

| PARTICULARS                                                                                                                              | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Investment in Equity Instruments<br>Unquoted<br>Subsidiaries (at cost )<br>Aeroflex Industries Limited - UK<br>( E/s 2000 of £ 10 each ) | 19.28                | 19.28                |
| <b>TOTAL</b>                                                                                                                             | <b>19.28</b>         | <b>19.28</b>         |

**NOTE 6 : NON CURRENT - OTHER FINANCIAL ASSETS**

(Rs. in lakhs)

| PARTICULARS       | As at March 31, 2024 | As at March 31, 2023 |
|-------------------|----------------------|----------------------|
| Security Deposits | 345.84               | 55.97                |
| <b>TOTAL</b>      | <b>345.84</b>        | <b>55.97</b>         |

**NOTE 7 : DEFERRED TAX**

(Rs. in lakhs)

| PARTICULARS                                                             | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------------------------------------------|----------------------|----------------------|
| <b>Particulars</b>                                                      |                      |                      |
| Opening Balance for Deferred tax Assets / ( liabilities)                | (28.02)              | (5.81)               |
| Add/Less: Deferred Tax Assets/(Liabilities) for Depreciation Difference | (42.28)              | (22.21)              |
| Add/Less: Deferred Tax Assets/(Liabilities) for Gratuity                | (1.65)               | -                    |
| <b>DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1 &amp; 2</b>           | <b>(71.95)</b>       | <b>(28.02)</b>       |
| Opening Balance for Deferred tax Assets / ( liabilities)                | -                    | -                    |
| Add/Less: Deferred Tax Assets/(Liabilities) for the year                | -                    | -                    |
| <b>DEFERRED TAX ASSETS -</b>                                            | <b>-</b>             | <b>-</b>             |
| <b>Net amount charged to Statement of Profit and Loss</b>               | <b>(43.93)</b>       | <b>(22.21)</b>       |
| <b>Deferred tax liabilities(net)</b>                                    | <b>(71.95)</b>       | <b>(28.02)</b>       |

Note -

- The Amount is arised on account of Difference between the depreciation of Companies Act and Income Tax Act.
- The Amount is arised on account of Provision on Gratuity.

**NOTE 8 : NON CURRENT - OTHER NON CURRENT ASSETS**

(Rs. in lakhs)

| PARTICULARS                              | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------|----------------------|----------------------|
| Advance to Supplier                      | 243.07               | 2.01                 |
| Repair & Maintenance ( To be amortised ) | 60.18                | 162.55               |
| Retention Money                          | 1.58                 | 1.88                 |
| IPD Related Expenses                     | -                    | 35.38                |
| <b>TOTAL</b>                             | <b>304.83</b>        | <b>201.82</b>        |

**NOTE 9 : CURRENT - INVENTORIES**

(Rs. in lakhs)

| PARTICULARS               | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------|----------------------|----------------------|
| Raw Material In Stock     | 2,071.81             | 2,361.85             |
| Work In Progress In Stock | 3,517.56             | 2,935.92             |
| Finished goods In Stock   | 304.87               | 302.92               |
| <b>TOTAL</b>              | <b>5,894.24</b>      | <b>5,600.70</b>      |

\* Stock are Valued at Cost or Net realisable value whichever is Lower



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : U24110MH1993PLC074576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

**NOTE 10 : TRADE RECEIVABLES**

(Rs. in lakhs)

| PARTICULARS                                                          | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------------|----------------------|----------------------|
| (a) Trade Receivables considered good- secured                       |                      |                      |
| (b) Trade Receivables considered good- unsecured                     | 9,449.17             | 6,680.38             |
| (c) Trade Receivables which have significant increase in Credit Risk | 15.40                | 15.40                |
| (d) Trade Receivables -Credit impaired                               |                      |                      |
|                                                                      | <b>9,464.56</b>      | <b>6,695.78</b>      |
| Less: Allowance for doubtful debts                                   |                      |                      |
| <b>Total</b>                                                         | <b>9,464.56</b>      | <b>6,695.78</b>      |

Note 10.1 :No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties .

**Trade receivables ageing schedule as at 31st March 2024**

| Particulars                                                                        | Outstanding for following YEARS from due date of payment |                  |               |              |                  | Total           |
|------------------------------------------------------------------------------------|----------------------------------------------------------|------------------|---------------|--------------|------------------|-----------------|
|                                                                                    | Less than 6                                              | 6 months- 1 year | 1-2 years     | 2-3 years    | More than 3 year |                 |
| (i) Undisputed Trade receivables – considered good                                 | 8,567.06                                                 | 647.33           | 200.51        | 19.07        | 15.19            | 9,449.17        |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk |                                                          |                  |               |              | 15.40            | 15.40           |
| (iii) Undisputed Trade Receivables – credit impaired                               |                                                          |                  |               |              |                  |                 |
| (iv) Disputed Trade Receivables                                                    |                                                          |                  |               |              |                  |                 |
| (v) Disputed Trade Receivables – credit impaired                                   |                                                          |                  |               |              |                  |                 |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk    |                                                          |                  |               |              |                  |                 |
| <b>Total</b>                                                                       | <b>8,567.06</b>                                          | <b>647.33</b>    | <b>200.51</b> | <b>19.07</b> | <b>30.59</b>     | <b>9,464.56</b> |

**Trade receivables ageing schedule as at 31st March 2023**

| Particulars                                                                        | Outstanding for following YEARS from due date of payment |                  |              |              |                  | Total           |
|------------------------------------------------------------------------------------|----------------------------------------------------------|------------------|--------------|--------------|------------------|-----------------|
|                                                                                    | Less than 6                                              | 6 months- 1 year | 1-2 years    | 2-3 years    | More than 3 year |                 |
| (i) Undisputed Trade receivables – considered good                                 | 5,499.90                                                 | 1,103.21         | 19.07        | 33.40        | 24.80            | 6,680.38        |
| (ii) Undisputed Trade receivables – which have significant increase in credit risk |                                                          |                  |              |              | 15.40            | 15.40           |
| (iii) Undisputed Trade Receivables – credit impaired                               |                                                          |                  |              |              |                  |                 |
| (iv) Disputed Trade Receivables- considered good                                   |                                                          |                  |              |              |                  |                 |
| (v) Disputed Trade Receivables- credit impaired                                    |                                                          |                  |              |              |                  |                 |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk    |                                                          |                  |              |              |                  |                 |
| <b>Total</b>                                                                       | <b>5,499.90</b>                                          | <b>1,103.21</b>  | <b>19.07</b> | <b>33.40</b> | <b>40.19</b>     | <b>6,695.78</b> |



**NOTE 11 : CASH & CASH EQUIVALENTS**

(Rs. in lakhs)

| PARTICULARS                                          | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------|----------------------|----------------------|
| Cash on hand                                         |                      |                      |
| In Rupees                                            | 4.75                 | 0.31                 |
| In Foreign Currency                                  | 4.78                 | 5.57                 |
| Balances with banks:                                 |                      |                      |
| - On current accounts                                | 524.69               | 600.44               |
| Fixed deposits with maturity of less than 3 months * | 7,092.24             | -                    |
| <b>TOTAL</b>                                         | <b>7,626.46</b>      | <b>606.32</b>        |

Note : There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.  
\*Includes interest accrued Rs. 117.24 lakhs (pr. yr. Rs. 0.00 lakhs)

**NOTE 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT**

(Rs. in lakhs)

| PARTICULARS                                                                                             | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date * | 2,922.28             | 12.11                |
| <b>TOTAL</b>                                                                                            | <b>2,922.28</b>      | <b>12.11</b>         |

\*Includes interest accrued Rs. 29.43 lakhs (pr. yr. Rs. 0.10 lakhs)

**NOTE 13 : CURRENT - OTHER CURRENT ASSETS**

(Rs. in lakhs)

| PARTICULARS                                 | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------|----------------------|----------------------|
| <u>Advances other than capital advances</u> |                      |                      |
| Advance to Suppliers                        | 818.29               | 2,164.78             |
| <u>Other Advances</u>                       |                      |                      |
| Balance with Revenue Authorities            | 1,080.30             | 252.05               |
| Prepaid Expenses                            | 97.98                | 42.75                |
| Advance to Employees                        | 72.37                | 61.34                |
| <b>TOTAL</b>                                | <b>2,068.94</b>      | <b>2,520.92</b>      |



**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : U24110MH1993PLC074576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024**

(Rs. in lakhs)

**NOTE 14 : SHARE CAPITAL**

**a) Shares Details**

| PARTICULARS                                                             | As at 31st March, 2024 |                 | As at 31 March, 2023 |                 |
|-------------------------------------------------------------------------|------------------------|-----------------|----------------------|-----------------|
|                                                                         | No. of Shares          | AMOUNT (₹)      | No. of Shares        | AMOUNT (₹)      |
| <b>Authorised Share Capital</b>                                         |                        |                 |                      |                 |
| Equity Shares of ₹ 2/- each                                             | 17,50,00,000           | 3,500.00        | 17,50,00,000         | 3,500.00        |
| 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/- each | 10,00,000              | 2,000.00        | 10,00,000            | 2,000.00        |
|                                                                         | <b>17,70,00,000</b>    | <b>5,600.00</b> | <b>17,70,00,000</b>  | <b>5,600.00</b> |
| <b>Issued, Subscribed &amp; Paid up</b>                                 |                        |                 |                      |                 |
| Equity Shares of ₹ 2/- each                                             | 12,93,20,370           | 2,586.41        | 11,43,20,370         | 2,286.41        |
| <b>TOTAL</b>                                                            | <b>12,93,20,370</b>    | <b>2,586.41</b> | <b>11,43,20,370</b>  | <b>2,286.41</b> |

**b) Reconciliation of Equity shares :**

| PARTICULARS                                                                       | As at 31st March, 2024 |                 | As at 31 March, 2023 |                 |
|-----------------------------------------------------------------------------------|------------------------|-----------------|----------------------|-----------------|
|                                                                                   | No. of Shares          | AMOUNT (₹)      | No. of Shares        | AMOUNT (₹)      |
| Shares outstanding at the beginning of the year/Quarter                           | 11,43,20,370           | 2,286.41        | 2,28,64,074          | 2,286.41        |
| Cancelled shares                                                                  | NIL                    | NIL             | (2,28,64,074)        | (2,286.41)      |
| Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*) | NIL                    | NIL             | 11,43,20,370         | 2,286.41        |
| Shares Issued during the year                                                     | 1,50,00,000            | 300.00          | NIL                  | NIL             |
| Shares bought back during the year                                                | NIL                    | NIL             | NIL                  | NIL             |
| <b>Shares outstanding at the end of the year</b>                                  | <b>12,93,20,370</b>    | <b>2,586.41</b> | <b>11,43,20,370</b>  | <b>2,286.41</b> |

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

| Name of Shareholder    | As at 31st March, 2024 |        | As at 31 March, 2023 |        |
|------------------------|------------------------|--------|----------------------|--------|
|                        | No. of Shares          | %      | No. of Shares        | %      |
| Sat Industries Limited | 7,91,81,833            | 61.23% | 10,53,77,040         | 92.18% |

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

| Name of Shareholder    | As at 31st March, 2024 |        | As at 31 March, 2023 |        |
|------------------------|------------------------|--------|----------------------|--------|
|                        | No. of Shares          | %      | No. of Shares        | %      |
| Sat Industries Limited | 7,91,81,833            | 61.23% | 10,53,77,040         | 92.18% |
| Italica Global FZC     | 74,54,830              | 5.76%  | 74,54,830            | 6.52%  |

Note: 14.2. "The Company has only one class of shares referred to as the equity shares having face value of Rs. 2/- each. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting."

14.3. No Equity shares have been forfeited.

14.4. There are no calls unpaid on equity shares.

14.5 The Company has not allotted any shares pursuant to contract without payment being received in cash.



**Note 15 : OTHER EQUITY**

(Rs. in lakhs)

| PARTICULARS                                                      | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------|----------------------|----------------------|
| <b>1. SECURITIES PREMIUM</b>                                     |                      |                      |
| As per the last year accounts                                    | 2,419.49             | 2,419.49             |
| Add: Addition during the year                                    | 15,900.00            | -                    |
| Less: IPO Issue Expenses*                                        | 2,239.41             | -                    |
|                                                                  | 16,080.08            | 2,419.49             |
| <b>2. RETAINED EARNINGS</b>                                      |                      |                      |
| As per the last year accounts                                    | 6,712.84             | 3,925.88             |
| Add: Surplus for the year                                        | 4,175.15             | 3,015.60             |
|                                                                  | 10,887.99            | 6,941.48             |
| Less: Dividend on equity shares                                  | 228.64               | 228.64               |
|                                                                  | 10,659.35            | 6,712.84             |
| <b>3) Equity Instruments through Other Comprehensive Income:</b> |                      |                      |
| As per the last year accounts                                    | -                    | -                    |
| Add: Addition during the year                                    | -                    | -                    |
|                                                                  | -                    | -                    |
| <b>TOTAL</b>                                                     | <b>26,739.43</b>     | <b>9,132.33</b>      |

**\* Securities Premium :**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The Security Premium reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**\* Retained Earnings :**

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**NOTE 16 : NON CURRENT BORROWINGS**

(Rs. in lakhs)

| PARTICULARS                                                                                                                                            | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Secured Loans:</b>                                                                                                                                  |                      |                      |
| <b>From Bank &amp; Financial Institution</b>                                                                                                           |                      |                      |
| <b>Term Loan</b>                                                                                                                                       |                      |                      |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan                                                                                                        | -                    | 145.00               |
| (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) |                      |                      |
| Kotak Mahindra Bank Ltd - Foreign Currency Loan                                                                                                        | -                    | 1,522.19             |
| (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) |                      |                      |
| Kotak Mahindra Bank Ltd - ECLGS                                                                                                                        | -                    | 289.32               |
| (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets) |                      |                      |
| Kotak Mahindra Bank Ltd - Vehicle Loan                                                                                                                 | 6.34                 | 12.12                |
| (Secured against hypothecation of Bus)                                                                                                                 |                      |                      |
| <b>TOTAL</b>                                                                                                                                           | <b>6.34</b>          | <b>1,968.63</b>      |

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 Rate of Interest as on 31.03.2024 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

**NOTE 17 : NON CURRENT - TRADE PAYABLES**

(Rs. in lakhs)

| PARTICULARS                                               | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of creditors towards Capital Goods | -                    | 98.57                |
| <b>TOTAL</b>                                              | <b>-</b>             | <b>98.57</b>         |



## NOTE 18 : CURRENT BORROWINGS

(Rs. in lakhs)

| PARTICULARS                                                                                                                                                                                               | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <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) | -                    | 1,153.58             |
| 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) | -                    | 362.48               |
| Kotak Mahindra Bank Ltd - ECLGS<br>(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)                 | -                    | 294.25               |
| Kotak Mahindra Bank Ltd - Car Loan<br>(Secured against hypothecation of Motor Car)                                                                                                                        | -                    | 10.82                |
| Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus)                                                                                                                          | 5.77                 | 5.25                 |
| <b>Unsecured Loans:</b>                                                                                                                                                                                   |                      |                      |
| From Related Parties                                                                                                                                                                                      | -                    | -                    |
| From Non Related Parties                                                                                                                                                                                  | -                    | 705.59               |
| <b>TOTAL</b>                                                                                                                                                                                              | <b>5.77</b>          | <b>2,531.97</b>      |

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 Rate of Interest as on 31.03.2024 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.



**NOTE 19: TRADE PAYABLE**

(Rs. in lakhs)

| Particulars                                                                            | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 322.10               | 883.08               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,169.63             | 2,779.96             |
| <b>TOTAL</b>                                                                           | <b>5,491.73</b>      | <b>3,663.05</b>      |

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

**Trade payables ageing schedule as at 31st March, 2024**

| Particulars                                     | Outstanding for following YEARS from due date of payment |                  |           |           |                  | Total           |
|-------------------------------------------------|----------------------------------------------------------|------------------|-----------|-----------|------------------|-----------------|
|                                                 | Less than 6 Months                                       | 6 months- 1 year | 1-2 years | 2-3 years | More than 3 year |                 |
| (i) Undisputed -Micro & small enterprises       | 322.10                                                   | -                | -         | -         | -                | 322.10          |
| (ii) Undisputed Others                          | 5,167.23                                                 | -                | -         | -         | 2.40             | 5,169.63        |
| (iii) Disputed dues - Micro & small enterprises | -                                                        | -                | -         | -         | -                | -               |
| (iv) Disputed dues - Others                     | -                                                        | -                | -         | -         | 2.40             | 2.40            |
| <b>Total</b>                                    | <b>5,489.33</b>                                          | <b>-</b>         | <b>-</b>  | <b>-</b>  | <b>2.40</b>      | <b>5,491.73</b> |

**Trade payables ageing schedule as at 31st March 2023**

| Particulars                                     | Outstanding for following YEARS from due date of payment |                  |           | Total           |
|-------------------------------------------------|----------------------------------------------------------|------------------|-----------|-----------------|
|                                                 | Less than 6 Months                                       | 6 months- 1 year | 2-3 years |                 |
| (i) Undisputed -Micro & small enterprises       | 883.08                                                   | -                | -         | 883.08          |
| (ii) Undisputed Others                          | 2,777.56                                                 | -                | -         | 2,779.96        |
| (iii) Disputed dues - Micro & small enterprises | -                                                        | -                | -         | -               |
| (iv) Disputed dues - Others                     | -                                                        | -                | -         | -               |
| <b>Total</b>                                    | <b>3,660.64</b>                                          | <b>-</b>         | <b>-</b>  | <b>3,663.05</b> |



**NOTE 20 : CURRENT - OTHER CURRENT LIABILITIES**

(Rs. In lakhs)

| PARTICULARS                      | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|----------------------|----------------------|
| Statutory due payable            | 110.96               | 34.90                |
| Advance from customer            | 554.95               | 473.21               |
| Amount payable for capital goods | 892.85               | 39.32                |
| Other liabilities <sup>4</sup>   | 837.76               | 545.37               |
| <b>TOTAL</b>                     | <b>2,396.53</b>      | <b>1,092.79</b>      |

**NOTE 21 : CURRENT - CURRENT TAX LIABILITIES**

(Rs. In lakhs)

| PARTICULARS                                   | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------------------|----------------------|----------------------|
| Provisions for Tax (Net of Advance Tax & TDS) | 186.77               | 607.16               |
| <b>TOTAL</b>                                  | <b>186.77</b>        | <b>607.16</b>        |

**NOTE 22 : REVENUE FROM OPERATION**

(Rs. In lakhs)

| PARTICULARS                       | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|-----------------------------------|----------------------------------|----------------------------------|
| <b>Sale of Products :</b>         |                                  |                                  |
| - Finished Goods - Domestic Sales | 5,139.62                         | 4,553.95                         |
| - Finished Goods - Export Sales   | 26,019.50                        | 21,718.02                        |
| <b>TOTAL</b>                      | <b>31,159.12</b>                 | <b>26,271.97</b>                 |
| <b>Other operating Revenue :</b>  |                                  |                                  |
| Foreign Exchange Fluctuation      | 391.26                           | 531.33                           |
| Misc. Operating Revenue           | 234.02                           | 134.58                           |
| <b>TOTAL</b>                      | <b>31,784.40</b>                 | <b>26,937.88</b>                 |

**NOTE 23 : OTHER INCOME**

(Rs. in lakhs)

| PARTICULARS                                      | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|--------------------------------------------------|----------------------------------|----------------------------------|
| <b>Interest Income</b>                           |                                  |                                  |
| - On fixed deposits designated as amortized cost | 278.22                           | 0.44                             |
| - On Others                                      | -                                | 1.27                             |
| Profit on sale of Fixed Assets                   | -                                | 0.50                             |
| Income Tax Refund                                | -                                | 1.69                             |
| Other Income                                     | 106.11                           | -                                |
| <b>TOTAL</b>                                     | <b>384.32</b>                    | <b>3.90</b>                      |

**NOTE 24 : COST OF MATERIAL CONSUMED**

(Rs. in lakhs)

| PARTICULARS                                        | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|----------------------------------------------------|----------------------------------|----------------------------------|
| Opening Stock of Raw Material & Consumables        | 2,354.79                         | 2,121.71                         |
| Add : Purchase of Raw Material & Consumables       | 20,440.89                        | 19,084.20                        |
|                                                    | 22,795.68                        | 21,205.91                        |
| Less : Closing Stock of Raw Material & Consumables | 2,071.81                         | 2,354.79                         |
| <b>TOTAL</b>                                       | <b>20,723.88</b>                 | <b>18,851.12</b>                 |



**NOTE 25 : CHANGE IN INVENTORIES**

(Rs. in lakhs)

| PARTICULARS                               | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|-------------------------------------------|----------------------------------|----------------------------------|
| Inventories at the beginning of the year  |                                  |                                  |
| -Work-in-progress                         | 2,935.92                         | 738.74                           |
| -Finished goods                           | 302.92                           | 721.73                           |
|                                           | <b>3,238.84</b>                  | <b>1,460.47</b>                  |
| Less: Inventories at the end of the year  |                                  |                                  |
| -Work-in-progress                         | 3,517.56                         | 2,935.92                         |
| -Finished goods                           | 304.87                           | 302.92                           |
|                                           | <b>3,822.43</b>                  | <b>3,238.84</b>                  |
| <b>Decrease/(Increase) in Inventories</b> | <b>(583.59)</b>                  | <b>(1,778.37)</b>                |

**NOTE 26 : EMPLOYEES BENEFITS EXPENSES**

(Rs. in lakhs)

| PARTICULARS                                          | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|------------------------------------------------------|----------------------------------|----------------------------------|
| Salary, Wages, Bonus and Other Benefits              | 2,343.41                         | 2,016.28                         |
| Contribution to Provident Fund, ESIC and other funds | 103.50                           | 84.00                            |
| Gratuity fund contributions                          | 16.54                            | 89.64                            |
| Staff welfare expenses                               | 156.72                           | 125.22                           |
| <b>TOTAL</b>                                         | <b>2,620.18</b>                  | <b>2,315.14</b>                  |

**NOTE 27 : FINANCE COST**

(Rs. in lakhs)

| PARTICULARS                                          | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|------------------------------------------------------|----------------------------------|----------------------------------|
| (a) Interest Expense                                 |                                  |                                  |
| (i) Interest on borrowing                            | 176.11                           | 284.55                           |
| (ii) Interest on delayed payment of taxes            | 15.46                            | 0.16                             |
| (iii) Foreign Exchange Fluctuation on Packing Credit | -                                | -                                |
| (b) Other borrowing costs - Bank Processing Charges  | 15.48                            | 43.99                            |
| (c) Interest to Others                               | 6.82                             | 14.69                            |
| <b>TOTAL</b>                                         | <b>213.86</b>                    | <b>343.39</b>                    |

**NOTE 28 : DEPRECIATION AND AMORTIZATION EXP**

(Rs. in lakhs)

| PARTICULARS       | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|-------------------|----------------------------------|----------------------------------|
| Depreciation Cost | 594.22                           | 499.00                           |
| Amortization Cost | 31.97                            | 22.92                            |
| <b>TOTAL</b>      | <b>626</b>                       | <b>521.93</b>                    |



**NOTE 29 : OTHER EXPENSES**

(Rs. in lakhs)

| PARTICULARS                                        | For the year ended<br>31.03.2024 | For the year ended<br>31.03.2023 |
|----------------------------------------------------|----------------------------------|----------------------------------|
| Electricity and Power                              | 407.29                           | 257.57                           |
| Repair & Maintenance                               | 765.17                           | 575.38                           |
| Processing Labour Charges                          | 65.88                            | 72.76                            |
| Testing and Calibration Charges                    | 26.63                            | 13.71                            |
| Cylinder Rent                                      | 5.40                             | 5.40                             |
| Export Freight, Handling, Clearing & Other Charges | 376.76                           | 225.83                           |
| Carriage Outward                                   | 65.76                            | 105.26                           |
| Commission Expenses                                | 50.42                            | 38.50                            |
| Consultancy Charges                                | 189.27                           | 254.18                           |
| Depository Fees expense                            | 1.56                             | 0.56                             |
| Water Charges                                      | 4.22                             | 6.83                             |
| Rates & Taxes                                      | 28.34                            | 15.75                            |
| Conveyance & Travelling Expenses                   | 342.46                           | 234.82                           |
| Bank Charges & Commission                          | 49.20                            | 32.44                            |
| Office Expenses                                    | 183.27                           | 181.23                           |
| Insurance Charges                                  | 59.35                            | 57.13                            |
| Printing & Stationary                              | 29.28                            | 22.07                            |
| Telephone & Communication Expenses                 | 30.39                            | 22.75                            |
| Auditor Remuneration                               | 5.50                             | 8.50                             |
| Miscellaneous Expenses                             | 36.80                            | 51.46                            |
| Advertisement and Publicity                        | 7.04                             | 4.05                             |
| Business Promotion Expenses                        | 5.80                             | 1.94                             |
| CSR Activity Exp.                                  | 57.50                            | 38.25                            |
| Loss on Sales of Fixed Assets                      | 1.36                             | -                                |
| Exchange Fluctuation on Foreign Currency Term Loan | 46.73                            | -                                |
| Sundry Balances Written off                        | -                                | 31.59                            |
| <b>TOTAL</b>                                       | <b>2,841.43</b>                  | <b>2,257.95</b>                  |



# AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

## NOTE 30 : EARNING PER SHARE :

| PARTICULARS                                         | As at        | As at        |
|-----------------------------------------------------|--------------|--------------|
|                                                     | 31.03.2024   | 31.03.2023   |
| Net profit after taxation for the year (₹ in Lakhs) | 4,175.15     | 3,015.60     |
| Number of Equity shares for Basic /Diluted EPS      | 12,93,20,370 | 11,43,20,370 |
| Nominal Value of Equity Shares (₹)                  | 2            | 2            |
| Basic /Diluted earnings per Equity Share (₹)        | 3.39         | 2.64         |

## NOTE 31 : REMUNERATION TO AUDITORS :

(₹ in Lakhs)

| Particulars         | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|---------------------|-----------------------------------|-----------------------------------|
| Statutory Audit Fee | 2.50                              | 2.50                              |
| Other Matters       | 7.05                              | 6.00                              |

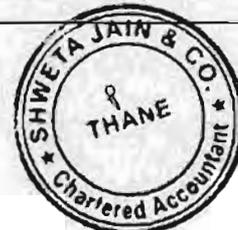
## NOTE 32 : RECONCILIATION OF EFFECTIVE INCOME TAX RATE :

(₹ in Lakhs)

| PARTICULARS                                                                                                | As at<br>31.03.2024 | As at<br>31.03.2023 |
|------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Profit Before Tax                                                                                          | 5,726.78            | 4122.91             |
| Current Year Tax                                                                                           | 1,415.70            | 1018.50             |
| Tax Using the Company's Domestic Tax Rate<br>25.168%                                                       | 1,441.32            | 1037.65             |
| Tax effect of adjustment to reconcile expected<br>income tax Expenses to Reported Income Tax<br>Expenses : |                     |                     |
| Tax effects of amounts which are not deductible for<br>taxable income                                      | 16.97               | 9.24                |
| Effect of Depreciation under Income Tax                                                                    | (42.62)             | (8.16)              |
|                                                                                                            | 1415.67             | 1038.73             |
| Effective Tax Rate                                                                                         | 24.72%              | 24.70%              |

## NOTE 33 : DETAILS OF SUBSIDIARY :

| Particulars                 | Country<br>Of Incorporation | % of<br>Ownership<br>Interest As at<br>31.03.2024 | % of<br>Ownership<br>Interest As at<br>31.03.2023 |
|-----------------------------|-----------------------------|---------------------------------------------------|---------------------------------------------------|
| Aeroflex Industries Limited | London - United<br>Kingdom  | 100%                                              | 100%                                              |



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

### **NOTE 34 : CORPORATE SOCIAL RESPONSIBILITY :**

Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities ₹ 57.50 Lakhs ( Previous Year : 31.50 Lakhs )

| PARTICULARS                                                                                                                  | As at      | As at      |
|------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                              | 31.03.2024 | 31.03.2023 |
| (1) Gross amount required to be spent by the Company during the year                                                         | 57.46      | 31.05      |
| (ii) amount of expenditure incurred                                                                                          | 57.50      | 38.25      |
| (iii) Shortfall at the end of the year                                                                                       | 0          | 0          |
| (iv) Total of previous years shortfall                                                                                       | 0          | 6.75       |
| (v) Nature of CSR activities:                                                                                                |            |            |
| (i) Construction/acquisition of any asset                                                                                    | -          | -          |
| (ii) On purposes other than (i) above<br>- Health and education & Contribution to eligible Trust for CSR Related Activities. | 57.50      | 38.25      |

(vi) Out of the above spending ₹ 57.50 lakhs (Previous Year ₹ 30.50) contributed to SAT Foundation (Formerly Known as : Taha Charitable Trust) which is related party.

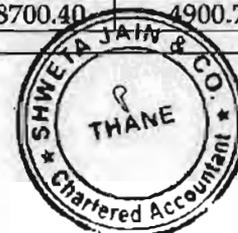
(vii) The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

### **NOTE 35 : INITIAL PUBLIC OFFER DURING THE YEAR :**

During the year ended 31st March 2024, the Company has completed its Initial Public Offer (IPO) of 1,50,00,000 equity shares of face value of 2/- each at an issue price of 108 per share (including a share premium of Rs 106 per share). The issue comprised of a fresh issue of 1,50,00,000 equity shares and offer for sale of 1,75,00,000 equity shares by selling shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 31, 2023. The offer expenses incurred by the company is for Rs 2,239.41 lakhs which has been adjusted to securities premium.

(₹ in Lakhs)

| Particulars                                                                             | Objects of the issue as per prospectus | Objects of the issue revised | Utilized till 31 <sup>st</sup> March 24 | Unutilized amount as at 31 <sup>st</sup> March 24 |
|-----------------------------------------------------------------------------------------|----------------------------------------|------------------------------|-----------------------------------------|---------------------------------------------------|
| Repayment and/or pre-payment, in full or part, of certain borrowings availed by Company | 3200.00                                | 3200.00                      | 3200.00                                 | -                                                 |
| Funding working capital requirements of our Company                                     | 8400.00                                | 8400.00                      | 4965.40                                 | 3434.60                                           |
| General corporate purposes                                                              | 2001.10                                | 2001.10                      | 535.00                                  | 1466.10                                           |
| <b>TOTAL</b>                                                                            | <b>13601.10</b>                        | <b>13601.10</b>              | <b>8700.40</b>                          | <b>4900.70</b>                                    |



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- Net proceeds which were unutilized as at 31st March 2024 were kept in escrow account with Kotak Mahindra bank under Bank Balance & Fixed Deposits.

#### NOTE 36 : CAPITAL WORK IN PROGRESS ( CWIP ) :

The company has incurred expenses towards setting up & commissioning and for purchase of the equipments for the expansion project and the same has been shown under the capital work in progress for the company. The expenses so incurred for the New project work in progress and which is not ready for put to use till the year ended is for Rs. 537.83 lakhs. The Ageing schedule of tangible assets under CWIP is as follows:

(₹ in Lakhs)

| Capital Work In Progress (Tangible Assets) | Amount of CWIP for the year ended 31.03.2024 |           |           |                   | TOTAL  |
|--------------------------------------------|----------------------------------------------|-----------|-----------|-------------------|--------|
|                                            | Less than 1 year                             | 1-2 years | 2-3 years | More than 3 years |        |
| Expansion Projects in progress             | 537.83                                       | -         | -         | -                 | 537.83 |

(₹ in Lakhs)

| Capital Work In Progress (Tangible Assets) | Amount of CWIP for the year ended 31.03.2023 |           |           |                   | TOTAL |
|--------------------------------------------|----------------------------------------------|-----------|-----------|-------------------|-------|
|                                            | Less than 1 year                             | 1-2 years | 2-3 years | More than 3 years |       |
| Expansion Projects in progress             | 64.25                                        | -         | -         | -                 | 64.25 |

#### NOTE 37 : INTANGIBLE ASSETS UNDER DEVELOPMENT :

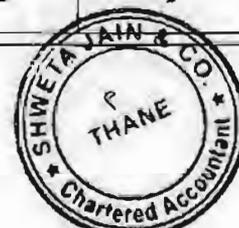
The expenses so incurred is for Rs 3.78 Lakhs which has been shown under the intangible assets WIP is towards new software development in process which will be completed in the coming year and the same will be capitalized in the year in which the development of the same will be completed and put to use for the company.

(₹ in Lakhs)

| Capital Work In Progress (Intangible Assets) | Amount of CWIP for the year ended 31.03.2024 |           |           |                   | TOTAL |
|----------------------------------------------|----------------------------------------------|-----------|-----------|-------------------|-------|
|                                              | Less than 1 year                             | 1-2 years | 2-3 years | More than 3 years |       |
| New Software under development               | 3.78                                         | -         | -         | -                 | 3.78  |

(₹ in Lakhs)

| Capital Work In Progress (Intangible Assets) | Amount of CWIP for the year ended 31.03.2023 |           |           |                   | TOTAL |
|----------------------------------------------|----------------------------------------------|-----------|-----------|-------------------|-------|
|                                              | Less than 1 year                             | 1-2 years | 2-3 years | More than 3 years |       |
| New Software under development               | -                                            | -         | -         | -                 | -     |



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

### NOTE 38 : RELATED PARTY DISCLOSURES :

- i. Key Management Personnel :
  - Asad Daud : Managing Director
  - Mustafa Abid Kachwala : Wholetime Director & CFO
  - Kinjal Shah : Company Secretary & Compliance Officer
- ii. Wholly Owned Subsidiary Company of the Holding company: Italica Global FZC
- iii. Wholly Owned Subsidiary Company : Aeroflex Industries Ltd - London UK
- iv. Holding Company : Sat Industries Limited
- v. SAT Foundation : Director's relative is a trustee

During the year following transactions were carried out with the related parties in the ordinary course of business at arm's length price:

| (₹ in Lakhs)               |                           |                                   |                                   |
|----------------------------|---------------------------|-----------------------------------|-----------------------------------|
| PARTICULARS                | NATURE OF TRANSACTION     | AS AT<br>31.03.2024<br>AMOUNT (₹) | AS AT<br>31.03.2023<br>AMOUNT (₹) |
| Asad Daud                  | Director Remuneration     | 95.56                             | 83.10                             |
|                            | Dividend Paid             | 0.001                             | 0.001                             |
| Mustafa A Kachwala         | Director Remuneration     | 11.60                             | 10.64                             |
|                            | Dividend Paid             | 0.001                             | 0.001                             |
| Sat Industries Ltd         | Interest on Loan          | -                                 | 7.69                              |
|                            | Expenses paid & Recovered | 714.41                            | 400.00                            |
|                            | Financial Management      | 53.10                             | 111.82                            |
|                            | Charges with GST          | 193.36                            | 210.75                            |
| Aeroflex Industries Ltd UK | Commission Paid           | 7.62                              | 6.83                              |
|                            | Payment towards Share     | -                                 | 9.73                              |
|                            | Capital                   | -                                 | -                                 |
| Kinjal Shah                | Salary Paid               | 9.20                              | 5.87                              |
| Deepak Kalera              | Salary Paid               | -                                 | 16.00                             |
| Italica Global FZC         | Sales                     | 581.23                            | 374.03                            |
|                            | Dividend Paid             | 14.91                             | 14.91                             |
| SAT Foundation             | CSR Expenditure           | 57.50                             | 30.50                             |



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

### NOTE 39 : INFORMATIONS RELATED TO 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, 2024. 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 2024 :

(₹ in Lakhs)

| Particulars        | As at 31 <sup>st</sup> March 2024 | As at 31 <sup>st</sup> March 2023 |
|--------------------|-----------------------------------|-----------------------------------|
| Outstanding Amount | 322.10 Lakhs                      | 883.08 Lakhs                      |

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the company has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the company has any dispute related to the principal or interest towards the delay payments so happened during the year over and above the agreed terms of payment.

### NOTE 40 : FINANCIAL INSTRUMENTS, AND RELATED DISCLOSURES :

#### 1. CAPITAL MANAGEMENT:

The company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The company funds its operations through internal accruals, borrowings etc. The company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

(₹ in Lakhs)

| PARTICULARS                                              | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Borrowings</b>                                        |                                      |                                      |
| Long term and Short term borrowings                      | 6.34                                 | 2,674.22                             |
| Current maturities of Long term borrowings               | 5.77                                 | 1,826.38                             |
| Less: cash and cash equivalents                          | 7,626.46                             | 606.32                               |
| Less: Bank balances other than cash and cash equivalents | 2,922.28                             | 12.11                                |
| <b>Adjusted net debt</b>                                 | <b>(10,536.62)</b>                   | <b>3,882.17</b>                      |
| Total Equity                                             | 29,325.84                            | 11,418.74                            |
| <b>Adjusted net debt to adjusted equity ratio</b>        | <b>(0.36)</b>                        | <b>0.34</b>                          |



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

#### 2. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE :

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Particulars                                  | Note | As at 31 <sup>st</sup> March, 2024 |                  | As at 31 <sup>st</sup> March, 2023 |                 |
|----------------------------------------------|------|------------------------------------|------------------|------------------------------------|-----------------|
|                                              |      | Carrying Value                     | Fair Value       | Carrying Value                     | Fair Value      |
| <b>Financial assets</b>                      |      |                                    |                  |                                    |                 |
| Measured at amortized cost                   |      |                                    |                  |                                    |                 |
| i) Cash and cash equivalent                  | 11   | 7,626.46                           | 7,626.46         | 606.32                             | 606.32          |
| ii) Other Bank balance                       | 12   | 2,922.28                           | 2,922.28         | 12.11                              | 12.11           |
| iii) Trade receivables                       | 10   | 9,464.56                           | 9,464.56         | 6,695.78                           | 6,695.78        |
| iv) Other Financial Assets - Non Current     | 6    | 345.84                             | 345.84           | 59.86                              | 59.86           |
| v) Other financial assets - Current          | 13   | 2,068.94                           | 2,068.94         | 2,226.12                           | 2,226.12        |
| <b>Total Financial assets</b>                |      | <b>22,428.07</b>                   | <b>22,428.07</b> | <b>9,600.19</b>                    | <b>9,600.19</b> |
| <b>Financial Liabilities</b>                 |      |                                    |                  |                                    |                 |
| Measured at amortized cost                   |      |                                    |                  |                                    |                 |
| i) Cash Credit facilities                    | -    | -                                  | -                | -                                  | -               |
| ii) Borrowings-Non current                   | 16   | 6.34                               | 6.34             | 1,968.63                           | 1,968.63        |
| iii) Borrowings - Current                    | 18   | 5.77                               | 5.77             | 2,531.97                           | 2,531.97        |
| iv) Trade payables                           | 19   | 5,491.73                           | 5,491.73         | 3,663.05                           | 3,663.05        |
| v) Other Financial Liabilities - Non Current | 17   | -                                  | -                | 98.57                              | 98.57           |
| vi) Other Financial Liabilities - Current    | 20   | 2,396.53                           | 2,396.53         | 1,092.79                           | 1,092.79        |
| vii) Current Tax Liabilities (Net)           | 21   | 186.77                             | 186.77           | 607.16                             | 607.16          |
| <b>Total financial liabilities</b>           |      | <b>8,087.15</b>                    | <b>8,087.15</b>  | <b>9,962.17</b>                    | <b>9,962.17</b> |

The financial instruments are categorized into following levels based on the inputs used to arrive at fair value measurements described below:

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2 : Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

### 3. FINANCIAL RISK MANAGEMENT:

The activities of the company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The company does regularly monitor, analyze and manage the risks faced by the company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

#### A) Management of Market Risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises to three type of risk, interest rate risk, price risk and currency rate risk. Financial instrument affected by market risk includes borrowings and investments. The company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

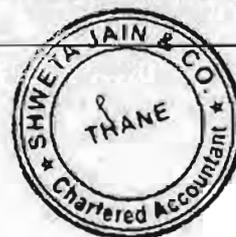
##### i) Management of interest rate risk :

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The company is having least interest rate risk since its has repaid the major borrowing during the year. Further the outstanding borrowing has the fixed rate of interest which is repayable in installments for the term loan availed by it from bank.

##### ii) Management of currency risk :

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company has foreign currency trade receivables and payable and advances given to suppliers and received from customers. The company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk : The company has exposure mainly in USD/EURO/GBP converted to functional currency i.e. INR. The company has the following financial assets and financial liabilities as at March 31, 2024 :



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

(Rs. In Lakhs)

| Particulars           | Exposure Currency | As at 31.03.2024 | As at 31.03.2023 |
|-----------------------|-------------------|------------------|------------------|
| Financial Assets      | USD               | 7,936.33         | 5,631.05         |
|                       | EURO              | 1,230.35         | 1,099.98         |
|                       | GBP               | 101.73           | 120.96           |
|                       | AED               | 0.14             | 0.14             |
|                       | YUAN              | 0.11             | 0.11             |
| <b>TOTAL</b>          |                   | <b>9,268.67</b>  | <b>6,852.23</b>  |
| Financial Liabilities | USD               | 748.90           | 1,052.75         |
|                       | EURO              | 93.44            | 3,281.82         |
|                       | GBP               | 5.84             | -                |
| <b>TOTAL</b>          |                   | <b>848.18</b>    | <b>4,334.57</b>  |

### **iii) Management of price risk :**

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes and also future market position in accordance with the risk management policy. Further the company invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by investing the funds in various tenors depending on the liquidity needs of the company.

### **B) Management of Credit Risk :**

Credit risk refers to the risk of default on its obligations by a counter party to the company resulting in a financial loss to the company. The company is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and other financial instruments. Credit risk from trade receivables is managed through the company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The company has no concentration of credit risk as the customer base is widely distributed. The company's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances,



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management. The company has receivable at the year ended where in the debtor's parties are under NCLT. The total amount receivable from such debtors is for Rs 15.40 Lakhs. The management is hopeful to receive the same therefore the same has been considered good at the year ended.

| PARTICULARS                    | As at<br>31 <sup>st</sup> March 2024 | As at<br>31 <sup>st</sup> March 2023 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Unsecured</b>               |                                      |                                      |
| - Considered good              | 9,464.56                             | 6,695.78                             |
| <b>Gross Trade Receivables</b> | <b>9,464.56</b>                      | <b>6,695.78</b>                      |
| Less: Loss Allowance           | -                                    | -                                    |
| <b>Net Trade Receivables</b>   | <b>9,464.56</b>                      | <b>6,695.78</b>                      |

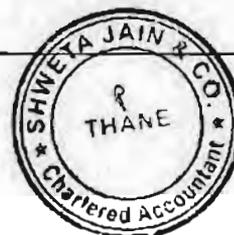
#### **C) Management of Liquidity Risk :**

Liquidity risk is the risk that the company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The company's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The company closely monitors its liquidity position and has a cash management system. The company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimized cost. The company's current assets aggregate to Rs. 27976.47 lakhs (PY 2023-Rs. 15435.82 Lakhs) including cash and cash equivalents and other bank balances of Rs. 10548.74 lakhs (2023-Rs. 618.43 Lakhs) against an aggregate current liability of Rs. 8,080.81 lakhs (2023-Rs. 7,894.97 lakhs) and non-current liabilities due between one year to three years amounting to Rs. NIL lakhs (2023- 98.57) and non-current liabilities due after three years amounting to NIL (2023 - NIL) on the reporting date. Further, while the company's total equity stands at Rs. 29,325.84 Lakhs (2023-Rs. 11418.74 Lakhs), it has non-current borrowings of Rs. 6.34 lakhs (2023-Rs. 1,968.63 Lakhs). In such circumstances, liquidity risk or the risk that the company may not be able to settle or meet its obligation as they become due does not exist.

#### **NOTE 41 : EMPLOYEE BENEFITS :**

##### **A) Defined Contribution Plan**

**Provident Fund:** The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

#### B) Defined Benefit Plan

**Gratuity:** The company participates in the employee's group gratuity-scheme of life insurance corporation limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of gratuity (Amendment) act, 1997, or as per company's scheme whichever is more beneficial to the employees. The company made payments for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the company to such gratuity fund has been considered as expenditure for the year and the fund laying with LIC under the gratuity fund is not been accounted as assets as the same is towards the defined future liability of the company.

**Provident fund:** The company makes provident fund contribution to the government administered provident fund. The company has no part to play in this respect.

#### C) Amounts Recognized as Expense:

- i) **Defined Contribution Plan:** Employer's contribution to provident fund amounting to Rs. 89.44 lakhs has been included under contribution to provident funds.
- ii) **Defined Benefit Plan:** Gratuity amount payable for Rs. 16.54 lakhs till the year ended out of which Rs 10 Lakhs has been Paid to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life insurance corporation and the balance amount has been shown as payable at the year ended.

#### NOTE 42 : FOREIGN EXCHANGE INFLOW & OUTFLOW :

The following are the total inflow and outflow of the foreign Exchange :

##### a) Foreign Exchange inflow:

(₹ in Lakhs)

| <u>PARTICULARS</u>     | AS AT<br>31.03.2024<br>AMOUNT (₹) | AS AT<br>31.03.2023<br>AMOUNT (₹) |
|------------------------|-----------------------------------|-----------------------------------|
| F.O.B Value of Exports | 24,463.28                         | 21,404.67                         |
| <b>TOTAL</b>           | <b>24,463.28</b>                  | <b>21,404.67</b>                  |



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

b) Foreign Exchange Outflow:

(₹ in Lakhs)

| <u>PARTICULARS</u>                              | AS AT<br>31.03.2024<br>AMOUNT (₹) | AS AT<br>31.03.2023<br>AMOUNT (₹) |
|-------------------------------------------------|-----------------------------------|-----------------------------------|
| Traveling & Hotel Expenses                      | 139.57                            | 129.94                            |
| Payment Towards Services & Other Expenses       | 14.73                             | 55.97                             |
| Subscription in equity shares of subsidiary co. | -                                 | 9.73                              |
| <b>TOTAL</b>                                    | <b>195.64</b>                     | <b>195.64</b>                     |

c) CIF Value of Import:

(₹ in Lakhs)

| <u>PARTICULARS</u>      | AS AT<br>31.03.2024<br>AMOUNT (₹) | AS AT<br>31.03.2023<br>AMOUNT (₹) |
|-------------------------|-----------------------------------|-----------------------------------|
| Raw Material & Fittings | 5,080.67                          | 8,343.93                          |
| Capital Goods           | 342.25                            | 261.23                            |
| <b>TOTAL</b>            | <b>5,422.92</b>                   | <b>8,605.16</b>                   |

### NOTE 43 : DERIVATIVES & FORWARD CONTRACT INSTRUMENTS

There are no outstanding derivative instruments as on 31<sup>st</sup> March, 2024. 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>31.03.2024<br>AMOUNT (₹) | AS AT<br>31.03.2023<br>AMOUNT (₹) |
|----------------------------------------------|-----------------|-----------------------------------|-----------------------------------|
| <b>Amount Receivable in foreign Currency</b> |                 |                                   |                                   |
| 1. For Export of Goods                       | RS              | 8,331.47                          | 6,010.70                          |
|                                              | USD             | 84.29                             | 60.12                             |
|                                              | EURO            | 13.58                             | 10.57                             |
|                                              | UKP             | 0.75                              | 1.19                              |
| 2. Advance to Suppliers                      | RS              | 553.47                            | 119.00                            |
|                                              | USD             | 6.64                              | 1.46                              |
|                                              | EURO            | -                                 | -                                 |



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

| Amount Payable in Foreign Currency |      |        |          |
|------------------------------------|------|--------|----------|
| 1.Import of Goods                  | RS   | 250.51 | 934.03   |
|                                    | USD  | 3.00   | 11.36    |
|                                    | EURO | -      | -        |
| 2. Advance - Customers             | RS   | 575.81 | 504.17   |
|                                    | USD  | 5.82   | 6.00     |
|                                    | EURO | 0.94   | 0.12     |
|                                    | UKP  | 0.06   | -        |
| 3. Spares & Others                 | RS   | 21.86  | 98.57    |
|                                    | USD  | 0.15   | -        |
|                                    | EURO | 0.10   | 1.10     |
| 4. Foreign Currency Term Loan      | RS   | -      | 3,183.25 |
|                                    | EURO | -      | 35.52    |

#### NOTE 44 : SEGMENT INFORMATION

The Company operates in a single segment i.e. manufacturing of product, hence segment-wise reporting is not applicable as required in accordance with Ind AS 108.

#### NOTE 45 : DIVIDEND :

The company has declared dividend for the FY 2022-23 in the Annual General meeting of the company held on 8<sup>th</sup> July 2023. The dividend so declared has been accounted and adjusted during the year from the brought forward balances of the profit & loss account.

#### NOTE 46 : UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM :

- i) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(ultimate Beneficiaries ) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576 )

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- ii) The Company has not received any fund from any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate Beneficiaries ) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

#### NOTE 47 : OTHER DISCLOSURES :

- 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 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. The company has not traded or invested in crypto currency or virtual currency during the financial year.
- V. 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.
- VI. 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.

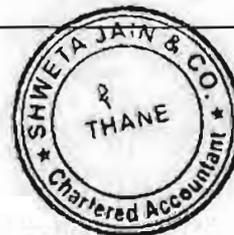


## AEROFLEX INDUSTRIES LIMITED

( CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- VII. 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 are required to be disclosed separately.
- VIII. The company had foreign currency loan availed from Kotak Mahindra Bank Ltd and also working capital Term loan availed during the preceding years and the same has been fully repaid during the year. All the charges registered with the ROC against the said loans has been duly discharged during the year. The company has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.
- IX. The company has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.
- X. 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.
- XI. 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.
- XII. 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.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

### NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- XIII. There are no amounts due to be credited to investor education and protection fund in accordance with section 125 of the companies act, 2013 as at the year end.
- XIV. The Company has over due receivables against the export realization of goods for INR equivalent to 3234.65 Lakhs due to the various business reasons. 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 however till the date of the balance sheet such extension has not been approved.
- XV. There is no impairment of any assets during the reporting period.
- XVI. With Respect to disclosures Pursuant to Section 186 (4) of the Companies Act, 2013 the company has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year. The company has investment in its wholly owned subsidiary as given in note 5.
- XVII. No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.
- XVIII. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.
- XIX. The Company has submitted documents to Registrar of Companies (ROC) Mumbai on dated 6<sup>th</sup> September, 2023, for change of its Listing status from "unlisted to listed" in the master data of the company on MCA portal post Initial Public Offer. However, the change in the status has not been updated by ROC till the date of the balance sheet and the same is still under process and is pending with ROC for further action to change the status of the company in the master data- the company Information on the portal.



## AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

### NOTE 48 : RATIOS ANALYSIS :

| Sr No | Particulars of Ratio              | Details of Numerator/<br>Denominator                     | Ratio as on<br>31 <sup>st</sup> March<br>2024 | Ratio as on<br>31 <sup>st</sup> March<br>2023 | %<br>Variance |
|-------|-----------------------------------|----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|---------------|
| 1     | Current Ratio*                    | Current Assets / Current Liabilities                     | 3.46                                          | 1.96                                          | 76.53%        |
| 2     | Debt-Equity Ratio*                | Total Debt / Total Equity                                | 0.0004                                        | 0.39                                          | - 99.89%      |
| 3     | Debt Service Coverage Ratio*      | PBITDA/ Interest + Current Debt                          | 1.08                                          | 2.38                                          | -54.62%       |
| 4     | Return on Equity Ratio*           | PAT/ shareholder's equity*100                            | 20.49%                                        | 30.08%                                        | -31.88%       |
| 5     | Inventory turnover ratio          | Sales / Average Inventory                                | 5.53                                          | 5.87                                          | -5.79%        |
| 6     | Trade Receivables turnover ratio, | Net Credit Sales / Average Accounts Receivable           | 3.93                                          | 4.51                                          | -12.86%       |
| 7     | Trade payables turnover ratio     | Net Credit Purchases / Average Accounts Payable          | 4.47                                          | 5.39                                          | -17.07%       |
| 8     | Net capital turnover ratio*       | Income from Operations / Average Working capital         | 2.82                                          | 4.17                                          | -32.37%       |
| 9     | Net profit ratio                  | (PAT/Total Income) *100                                  | 12.98%                                        | 11.19%                                        | 16.00%        |
| 10    | Return on Capital employed*       | {PBIT/ Average of (Total Equity + Long Term Debts) }*100 | 31.33%                                        | 36.99%                                        | -15.30%       |
| 11    | Return on investment*             | Net income / Cost of Investment                          | -                                             | -                                             | -             |

**Note :** While calculating Net capital Turnover Ratio & Return on capital employed, we have considered average working capital & average capital employed respectively. Further IPO funds unutilized at the year ended has been subtracted from the working capital & capital employed as the same has not been utilized for business operations during the year to show the fair comparison of the ratios.

For ( \* ) Please refer below Notes

**Explanation for change in ratio by more than 25% as compared to previous year.**

- i) Current ratio has Increase is mainly due to the liquidity available and kept under cash & cash equivalent & bank balances at the year ended.
- ii) Debt-Equity Ratio decreased is due to repayment of borrowings and increase in equity.
- iii) Debt Service Coverage Ratio is decreased due reduction in interest cost after repayment of borrowing from IPO consideration.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024**

- iv) Return on Equity Ratio decreased due to increase in equity under IPO during the year.
- v) Net capital turnover ratio decreased is due to healthy cash flow in working capital.
- vi) Return on investment has not been calculated as investment is in subsidiary which has not generated any revenue to the company during the year.

**NOTE 49 :** The financial statements has been authorized for issue by the Board of directors on dated 6<sup>th</sup> May 2024.

### **NOTE 50 : EVENTS AFTER REPORTING DATE**

- a) The Board of Directors at their Board meeting held on 6<sup>th</sup> May, 2024 have recommended final dividend of ₹ 0.25 per fully paid up equity share of ₹ 2/- each for the financial year ended March 31, 2024, subject to approval of shareholders at ensuing Annual General Meeting of the Company.
- b) The Company has signed Share purchased agreement after the balance sheet date for purchase of 100% equity shares of Hyd-Air Engineering Private Limited engaged in the business activities of Precision Engineering on April 02, 2024

**NOTE 51 :** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**Notes from "1 " to " 51 " form an integral part of the Financial Statement.**

As per our Report of even date attached

**FOR SHWETA JAIN & CO**

CHARTERED ACCOUNTANTS  
F.R.N. : 127673W

*Priyanka*  
**PRIYANKA JAIN**  
(Partner)

Membership No : 416197

Place : Mumbai

Dated : 6<sup>th</sup> May 2024

UDIN No : 24416197BKAURI8523



For and on behalf of the Board

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

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

*Kinjal*  
**KINJAL SHAH**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : A58678)

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**AEROFLEX INDUSTRIES LIMITED**

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2024**

\*\*\*\*\*

**AUDITORS**

**SHWETA JAIN & CO**  
**CHARTERED ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of
AEROFLEX INDUSTRIES LIMITED
Mumbai

Report on the Audit of the Consolidated Financial Statements:

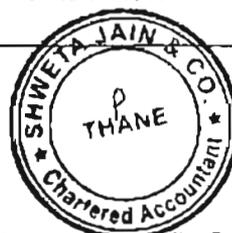
Opinion :

We have audited the Consolidated Financial Statements of **AEROFLEX INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its foreign subsidiary **Aeroflex Industries Limited**, incorporated at London UK. (the Subsidiary") (The Holding company and its subsidiary together referred as the " Group"), which comprise the consolidated Balance Sheet as at 31 March 2024, the consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements and a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, its consolidated profit including consolidated other comprehensive income, its consolidated cash flows and consolidated changes in the equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the group 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 Consolidated financial statements under the provisions of the Companies Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.





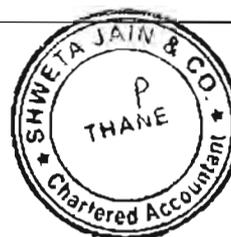
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the consolidated 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 Consolidated 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 Consolidated financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying Consolidated financial statements.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the consolidated Ind 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 the key audit matters to be communicated in our report. Our audit procedures, amongst others, include the following:

Accuracy, Completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress. The carrying value of property, plant and equipment includes of Rs 64.25 lakhs capitalized/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31 March 2024 of Rs. 537.83 lakhs. Cost Recognition of Property, Plant and Equipment as specified in IndAS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The asset capitalization is the outcome of various procurements, approvals from operations experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 1: Property, Plant and Equipment in Notes to the standalone financial statements.





Auditor's Response : Our audit procedures, amongst others, include the following :

- a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.
- b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.
- c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.
- d) We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23: Borrowing Costs.
- e) Ensuring adequacy of disclosures in the consolidated financial statements.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 consolidated financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying consolidated financial statements.

Other information :

The Holding Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but, but does not include the financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





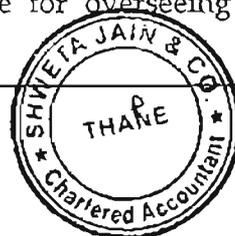
In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements:

The Holding Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the act, that give a true and fair view of the consolidated state of affairs, consolidated profit & loss including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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



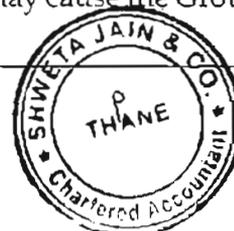


Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

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

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

1. Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 entity 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 consolidated 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.





5. Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated financial statements of which we are the independent auditors.

For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

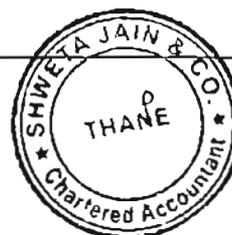
We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including 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 Consolidated financial statements for the current year 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.

Other Matters

- (a) We did not audit the financial statements of one foreign subsidiary whose financial





statements reflect total assets of ₹ 31.29 lakhs as at 31st March, 2024 total revenues of ₹ 6.33 lakhs and net cash inflows amounting to ₹ 16.71 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion in so far as it relates to the balances and affairs of one subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirements:

1.

A) 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 (xxi) of the Order to the extent applicable:

- 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 of the aforesaid consolidated financial statement.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, Consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.





- d) In our opinion, the aforesaid Consolidated 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 of the holding company as on March 31, 2024, and taken on record by the Board of Directors, of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 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 over financial reporting of the group with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the group to its directors of company incorporated in India, during the year is in accordance with the provisions of section 197 of the Act.

- B) With respect to the other matters to be included in the Auditor's Report in accordance with the rule 11 of the companies (Audit and Auditor's) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :
- i. The Group does not have any material pending litigations which would impact its financial position in financial statement.
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31 March 2024.
 - iii. There were no amounts which is required to be transferred to the Investors Education and Protection Fund by the Group companies incorporated in India during the year ended 31 March 2024.
 - iv.
 - a. The management of holding company which is the company incorporated in India in the group whose financial statements have been audited under the Act,





has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group 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 whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- b. The management of holding company which is the company incorporated in India in the group whose financial statements have been audited under the Act, has represented us, that, to the best of its knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. 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 sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. During the year the holding companies in the group which is incorporated in India has complied with Section 123 of the Act, wherever applicable, with regard to dividend declared and paid.
- vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 we here with report based on our examination which included test checks and that performed by the respective auditors of the holding company which is company incorporated in India in the group whose financial statements have been audited under the Act. The holding company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.





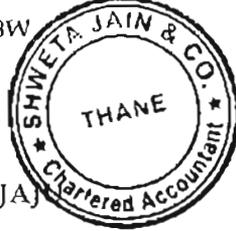
Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

FOR SHWETA JAIN & CO.

CHARTERED ACCOUNTANTS

F.R.N. : 127673W

Priyanka



PRIYANKA JAIN

(Partner)

Membership No. : 416197

Place : Mumbai

Date : 6th May 2024

UDIN No : 24416197BKAURH9655



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 31st March, 2024)

In terms of the information and explanations sought by us and given by the Company and to the best of our knowledge and belief, we state that:

- (i) With reference to the clause 3 (xxi) of the Order, there are no qualifications & adverse remark given by the respective auditor of the group companies in their auditor's report included in the consolidated financial statements.

FOR SHWETA JAIN & CO.

CHARTERED ACCOUNTANTS

F.R.N. : 127673W

Priyanka



PRIYANKA JAJU
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 6th May 2024

UDIN No : 24416197BKAURH9655



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 over financial reporting of the holding company AEROFLEX INDUSTRIES LIMITED ("hereinafter referred to as "the Holding Company") which is the company incorporated in India in conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended 31st March, 2024 .

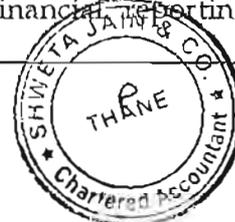
Management's Responsibility for Internal Financial Controls :

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

Auditors' Responsibility :

Our responsibility is to express an opinion on the holding Company's internal financial controls which is company incorporated in India with reference to the consolidated financial statement based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 the consolidated financial statement. 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 the consolidated financial statement 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 system over financial reporting and their operating





effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's 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 evidences we have obtained and the audit evidence obtained by the other auditors with reference to the companies under the group incorporated in India in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting :

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the other Matters paragraph below with respect to the companies in group which are companies incorporated in India, in all material respects, an adequate internal financial controls with reference to the consolidated financial statement and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal financial control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters :

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of companies in the group Incorporated in India, to the extent applicable, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

FOR SHWETA JAIN & CO.

CHARTERED ACCOUNTANTS

F.R.N. : 127673W

Priyanka

PRIYANKA JAIN

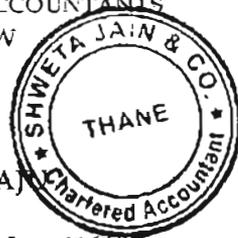
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 6th May 2024

UDIN No : 24416197BKAURH9655



AEROFLEX INDUSTRIES LIMITED
(CIN NO : U24110MH1993PLC074576)
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024

(Rs. in lakhs)			
PARTICULARS	Note	As At March 31, 2024	As at March 31, 2023
ASSETS			
NON CURRENT ASSETS			
a) Property, Plant and Equipment	3	8,237.28	5,554.33
b) Property, Plant and Equipment - WIP		537.83	64.25
c) Investment Property			
d) Goodwill			
e) Intangible Assets	4	59.63	77.44
f) Intangible Assets - WIP		3.78	-
g) Biological Assets other than bearer plants			
h) Financial assets			
i) Investments			
ii) Trade receivables			
iii) Loans			
iv) Other financial assets	5	345.84	55.97
i) Deferred tax assets net	6	-	-
j) Other non-current assets	7	204.83	201.82
Total Non-Current Assets		9,489.18	5,953.82
CURRENT ASSETS			
a) Inventories	8	5,894.24	5,600.70
b) Financial Assets			
i) Investments			
ii) Trade Receivables	9	9,472.28	6,697.02
iii) Cash and cash equivalents	10	7,650.03	613.18
iv) Bank balances other than cash and cash equivalent	11	2,922.28	12.11
v) Loans			
vi) Other financial assets			
c) Current Tax Assets Net	12	2,068.94	2,520.92
d) Other current assets			
Total Current Assets		28,007.77	15,443.93
TOTAL ASSETS		37,496.95	21,397.75
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13	2,586.41	2,286.41
b) Other equity	14	26,725.57	9,122.90
Total Equity		29,314.98	11,409.31
LIABILITIES			
Non-current Liabilities			
a) Financial liabilities			
i) Borrowings	15	6.34	1,968.63
(i) Lease Liabilities			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (b) to be specified)			
(b) Provisions			
c) Other Non current liabilities	16	-	98.57
d) Deferred tax Liability (Net)	6	71.95	28.02
Total non-current liabilities		78.29	2,095.21
Current Liabilities			
a) Financial liabilities			
i) Borrowings	17	5.77	2,531.97
(i) Lease liabilities			
ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18	322.10	885.08
(B) Total outstanding dues of creditors other than micro & small enterprise:	18	5,192.16	2,779.96
(iii) Other financial liabilities (other than those specified in item (c))			
b) Other current liabilities	19	2,396.88	1,091.05
(c) Provisions			
d) Current Tax liabilities (Net)	20	186.77	607.16
Total Current Liabilities		8,103.68	7,893.23
Total Liabilities		8,181.97	9,988.44
TOTAL EQUITY AND LIABILITIES		37,496.95	21,397.75

The accompanying notes are an integral part of these Consolidated Financial Statements | Note No. "1 to 49"

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

Priyanka
PRIYANKA JAIU
(Partner)
Membership No : 416197
Place : Mumbai
Dated : 6th May 2024
UDIN No : 24416197BKURH9655



For and on behalf of the Board

ASAD DAUB
ASAD DAUB
MANAGING DIRECTOR
(DIN-02491339)

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

KINJAL SHIRH
KINJAL SHIRH
COMPANY SECRETARY & COMPLIANCE OFFICER
(M.No. : A58678)

AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(Rs. in lakhs)

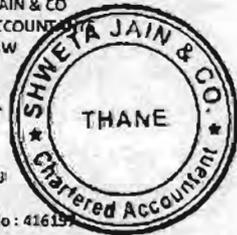
Particulars	Note	Year Ended	
		31.03.2024	31.03.2023
REVENUES:			
I Revenue from operations	21	31,790.73	26,946.10
II Other Income	22	384.32	3.90
III TOTAL INCOME		32,175.05	26,950.00
EXPENSES:			
IV Cost of Material Consumed	23	20,723.88	18,851.12
Changes in Inventories	24	(593.59)	(1,778.37)
Employee Benefit Expenses	25	2,620.18	2,315.14
Finance costs	26	213.86	343.39
Depreciation and amortisation expense	27	626.19	521.93
Other expenses	28	2,849.51	2,266.56
TOTAL EXPENSES		26,450.02	22,519.77
V. Profit/(loss) before exceptional item and tax		5,725.03	4,430.23
VI. Exceptional item			
a) FCTL Exchange Fluctuation		-	307.71
VII Profit/(loss) before tax		5,725.03	4,122.52
VIII Tax expense:			
(1) Current Tax		1,415.70	1,018.50
(2) Deferred tax Liability/(Assets)		43.93	22.21
(3) Taxation of Earlier Year		92.00	66.59
IX Profit/(loss) for the year from continuing operation		4,173.40	3,015.21
X Profit/(Loss) from discontinued operations.			
XI Tax expense of discontinued operations			
XII Profit/(loss) from discontinued operation			
XIII Profit/(loss) for the year		4,173.40	3,015.21
XIV 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			
ii) Exchange differences on translation of financial statements of foreign operations		0.33	0.44
d) Income tax relating to item that will be reclassified subsequently to profit or loss			
XV Total Other Comprehensive Income/(loss)		0.33	0.44
Total Comprehensive Income for the year		4,173.72	3,015.65
XVI Earnings per equity share : (for continued Operation) in Rs			
(1) Basic		3.39	2.64
(2) Diluted		3.39	2.64
XVII Earnings per equity share : (for discontinued Operation) in Rs			
(1) Basic			
(2) Diluted			
XVIII Earnings per equity share : (for discontinued & continuing operations) in Rs			
(1) Basic		3.39	2.64
(2) Diluted		3.39	2.64

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 49")

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

Priyanka

PRIYANKA JAIJ
(Partner)
Membership No : 416157
Place : Mumbai
Dated : 6th May 2024
UDIN No : 24416197BKAURH9655



For and on behalf of the Board

ASAD DAUD
ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

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

KINJAL SHAH
KINJAL SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER
(M.No : A58678)

AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Particulars	Year Ended	Year Ended
	31.03.2024	31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax	5,725.03	4,122.52
Add : Other Comprehensive income/(loss)	0.33	0.44
Add : Depreciation	626.19	521.93
Add : Interest Paid	213.86	343.39
Less : Interest Received	(278.22)	(0.44)
Less : Provision for Taxation	(1,415.70)	(1,018.50)
Less : Taxation of Earlier year	(92.00)	(66.59)
Operating Profit before working capital changes	4,779.48	3,902.73
Adjustments for :		
(Increase)/Decrease in Non Current Other Financial Assets	(289.87)	(55.25)
(Increase)/Decrease in Other Non Current Assets	(103.01)	(27.47)
(Increase)/Decrease in Change in Inventories	(293.54)	(2,018.51)
(Increase)/Decrease in Current Trade Receivables	(2,775.27)	(1,435.78)
(Increase)/Decrease in Current Loans	-	-
(Increase)/Decrease in Current Other Financial Assets	-	45.66
(Increase)/Decrease in Other Current Assets	451.98	653.48
Increase/(Decrease) in Other Non current liabilities	(98.57)	5.44
Increase/(Decrease) in Current Trade Payables	1,851.21	244.58
Increase/(Decrease) in Other Current Liabilities	885.44	(593.13)
	-	-
Net Cash Flow from Operating Activities	4,407.87	721.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments & Intangibles including CWIP	(3,768.68)	(945.63)
Payments to acquire financial assets	-	-
Interest Received	278.22	0.44
Net Cash Flow from Investing Activities	(3,490.46)	(945.19)
C. CASH FLOW FROM FINANCEING ACTIVITIES		
Proceeds from issuance of equity share capital	300.00	-
Proceeds from borrowings	-	-
Repayment of borrowings	(4,488.48)	587.88
Interest Paid	(213.86)	(343.39)
Dividend Paid	(228.64)	(228.64)
IPO Issue Expenses	(2,235.41)	-
Proceeds from issue of equity share capital (including securities premium)	15,900.00	-
Net Cash Flow from Financing activities	9,029.60	15.85
Net Increase in Cash & Cash Equivalents	9,947.02	(207.58)
Cash and Cash Equivalents at the beginning of the period	625.29	832.88
Cash and Cash Equivalents at the end of the period	10,572.31	625.29
Net Increase in Cash & Cash Equivalents as at ...	9,947.02	(207.58)

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 49")

As Per Our Report of even date

FOR SHWETA JAIN & CO

CHARTERED ACCOUNTANTS

F.R.N. : 127673W

Priyanka
PRIYANKA JAJU
(Partner)

Membership No : 41625

Place : Mumbai

Dated : 6th May 2024

UDIN NO : 24416197BKAURH9655



For and on behalf of the Board

ASAD
ASAD DAUD

MANAGING DIRECTOR

(DIN-02491539)

MUSTAFA
MUSTAFA A KACHWALA

WHOLETIME DIRECTOR & CFO

(DIN-03124153)

KINJAL
KINJAL SHAH

COMPANY SECRETARY & COMPLIANCE OFFICER

(M.No : A58678)

Notes:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.

(ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 20 & 21)

AEROFLEX INDUSTRIES LIMITED
(CIN NO : UZ4110MH1993PLC074576)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2024

[in Lakhs]

STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital due to prior year errors	Restated Balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended on 31/03/2024	2,286.41	-	-	300.00	2,586.41
For the year ended on 31/03/2023	2,286.41	-	-	-	2,286.41

B. Promoters Holding

Name of Promoters	Shares Held at the end of the YEAR 31/03/2024		Shares Held at the end of the YEAR 31/03/2023		% of Change during the year
	No of Shares Held	% of Total Shares	No of Shares Held	% of Total Shares	
Sat Industries Limited	7,91,81,833	61.23%	10,53,77,040	92.16%	30.95%

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 YEAR- 01.04.2023	-	-	-	2,49,49	6,703.41	-	-	-	-	-	-	9,122.90
Changes in accounting policy/ prior YEAR errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting YEAR	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	4,173.40	-	-	-	-	-	-	4,173.40
Other comprehensive income	-	-	-	-	0.33	-	-	-	-	-	-	0.33
Dividends	-	-	-	-	(228.64)	-	-	-	-	-	-	(228.64)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on Issue of New Share	-	-	-	15,900.00	-	-	-	-	-	-	-	15,900.00
Imp Expense	-	-	-	(2,239.41)	-	-	-	-	-	-	-	(2,239.41)
Balance at the end of the reporting YEAR - 31.03.2024	-	-	-	16,090.08	10,648.49	-	-	-	-	-	-	26,728.57



	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	General Reserve								
Balance at the beginning of the reporting YEAR - 01.04.2022	-	-	-	2,419.49	-	3,916.40	-	-	-	-	-	6,335.89	
Changes in accounting policy/ prior YEAR errors	-	-	-	-	-	-	-	-	-	-	-	-	
Restated balance at the beginning of the reporting YEAR	-	-	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	3,015.21	-	-	-	-	-	3,015.21	
Other comprehensive income	-	-	-	-	-	0.44	-	-	-	-	-	0.44	
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	(228.64)	-	-	-	-	-	(228.64)	
Any other Change (to be Specify)	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at the end of the reporting YEAR - 31.03.2023	-	-	-	2,419.49	-	6,703.41	-	-	-	-	-	9,122.90	

For and on behalf of the Board

As Per Our Report of even date
FOR SHWETA JAIN & CO. CHARTERED ACCOUNTANTS
F.R.N. : 327573W
Prayagka Jaju
(Partner)
Membership No : 4000
Place : Mumbai
Dated : 6th May 2024
UDIN No : 2404351978KAURH9855



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

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

Shah
SARAL SHAH
(COMPANY SECRETARY & COMPLIANCE OFFICER)
(M.No : 458678)

AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 1 : CORPORATE INFORMATION:

The Consolidated Financial Statements comprise financial statements of AEROFLEX INDUSTRIES LIMITED ("The Company" or "the Parent") and subsidiary (collectively referred to as "the Group") for the year ended 31st March 2024.

AEROFLEX INDUSTRIES LIMITED ("The Company ") is a public limited company incorporated under the provision of Companies Act, 2013. The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE) during the year. The Company's registered office is at Plot No. 41,42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh-410208. The company is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies. The Company has its holding company Sat Industries Limited, a listed company, which holds 61.23% of the equity shares of the company at the year ended .

The company has its wholly owned foreign subsidiary named Aeroflex Industries Limited at London, United Kingdom ("The Subsidiary").

The Financial Statements has been approved in accordance with a resolution passed in Board Meeting held on 6 May, 2024.

NOTE 2 : MATERIAL ACCOUNTING POLICY INFORMATION :

This note provides a list of the Material accounting policies adopted by the group in preparation of the consolidated financial statement. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary company.

A. Basis of Preparation, Presentation & Measurement of Financial Statement :

The Consolidated financial statements of the group have been prepared in accordance with the accounting principles generally accepted in India including 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 2015 , as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

Accordingly, the Consolidated financial statements have been prepared these Financial Statements which comprise the Consolidated Balance Sheet as at 31 March, 2024, the Statement of Consolidated Profit and Loss for the year ended 31 March 2024, the Statement of Consolidated Cash Flows for the year ended 31 March 2024



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies, and notes & other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements').

The Consolidated financial statements of the group are prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, as per the provisions of the Companies Act, 2013 ("the Act"), except for certain financial assets and liabilities that are measured at fair value at the end of each reporting year. 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.

Financial instruments - measured at fair value; Assets held for sale - measured at fair value less cost of sale; Plan assets under defined benefit plans - measured at fair value Liability for cash settled - measured at fair value In addition, the carrying values of recognized assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The Consolidated 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.

B. Basis of Consolidation :

- (i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements. The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries and together with the share of the total comprehensive income of associates.
- (ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Company drawn up to the same reporting date i.e 31st March 2024. Subsidiary Companies is the entity over which the Group has control.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(iii) The financial statements of the Group companies are consolidated on a line-by-line basis and all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions including unrealized gain / loss from such transactions between the Group are eliminated in full on consolidation. These financial statements are prepared by applying uniform accounting policies in use in the Group. Assets and liabilities with the functional currency other than the functional currency of the holding company have been translated using the exchange rates prevailing on the date of the balance sheet. Statement of the profit and loss account of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of Profit & Loss under other comprehensive income /losses. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

C. Significant accounting estimates , judgments and assumptions :

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. The accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty. 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 year 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.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation. 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, judgments 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



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are the areas involving critical estimates and judgments

- Impairment
 - Useful lives of property, plant and equipment :
 - Provision for litigations and contingencies:
 - Recognition of Deferred Tax
 - Fair Valuation of Financial instruments
 - Valuation of inventories
 - Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to an uncertain tax position
- Provisions and Contingencies.

Managements Judgments related to the Provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of and are further areas involving critical estimates and judgments for which detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation

D. Current or Non-current classification :

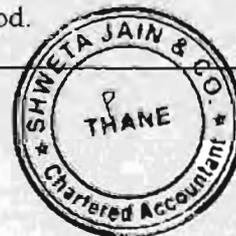
The group presents assets and liabilities in the balance sheet based on current/non-current classification.

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.
- ii) Held primarily for the purpose of trading, or
- iii) Expected to be realized within twelve months after the reporting period. Or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current when :

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



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

Further the management of the group provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as non current. Auditor has classified the same based on the prudence of the same as given by the management.

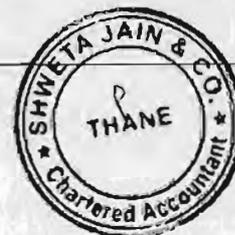
E. Property, plant and equipment and intangible assets and Depreciation / Amortisation :

a) Property, plant and equipment (PPE)

Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the consolidated Balance sheet at cost less accumulated depreciation and impairment, if any.

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 company's assets are determined by the Management at the time the asset is 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.

The cost of Property, plant and equipment comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 related to such assets which are in recurring nature and has no certainty of the useful life are charged to Statement of Profit and Loss during the year.

An item or part of Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit & Loss as and when the asset is derecognized.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialized and put to use. The same is carried at cost which is determined in the same manner as for any Property, plant and equipment.

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 related to property, plant & equipment 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.

b) Depreciation methods, estimated useful lives of PPE :

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 as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Assets class	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building	3 - 10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipment	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. No Depreciation has been provided for the land.

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.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

c) Intangible Assets :

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

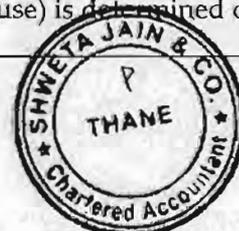
Intangible assets are stated at acquisition cost, net of accumulated amortization. The Company amortized intangible assets over their estimated useful lives using the Written Down method as per Companies Act, 2013. The Management has estimated the useful lives of intangible assets are as follows:

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and 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 the end of each reporting period.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses. The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

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



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 the asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

F. Intangible Assets Under Development :

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at the consolidated balance sheet date has been disclosed under intangible assets under development -WIP.

G. Foreign Currency Transactions :

The consolidated financial statements are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The Consolidated financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the company and the same is rounded off to the nearest Lakhs Rupees with two decimals.

For the preparation of the consolidated financial statements all the assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end and income and expense items are translated at the weighted average exchange rates prevailing during the period.

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 on initial recognition. 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.

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.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

All 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. Further the foreign exchange fluctuation for the outstanding amount of the foreign currency term loan has been shown separately under the exceptional item in the profit & loss account uniformly.

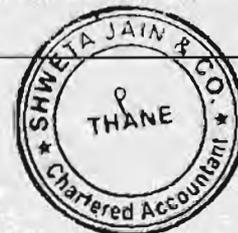
H. Revenue Recognition :

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

i) Sales of Goods :

The Company recognizes revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contracts with customers 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 revenue from sale is recognized when significant risk and reward of ownership /control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

ii) Sale of services & Other Operating Revenue :

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognized in the accounting year in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.

iii) Foreign Exchange Fluctuation in Export & Imports Import :

As the company has mainly engaged in export & import of goods therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the company.

iv) Export benefits :

Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

v) 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.

I. Inventories :

Inventories are valued at lower of 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



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 cost basis.

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.

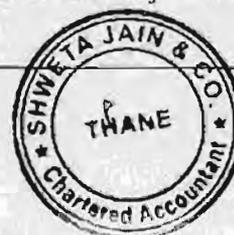
J. Cash and cash equivalents:

For the purpose of presentation in the consolidated Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

K. Taxation :

Income tax expense comprises current Tax Expenses and deferred tax expenses. Current and deferred taxes are recognized in Statement of Profit and 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.

The current tax payable is based on the taxable profit for the year based on applicable rate of taxes of the particular country to which the group entities belongs. 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 tax laws that have been enacted or substantially enacted by the



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

end of the reporting year. Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

L. 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 year in which they are accrued or incurred.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

M. Provisions :

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that the group 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 year, 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 it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

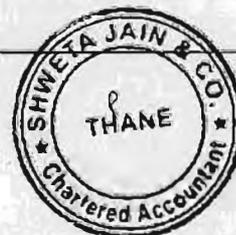
N. Financial instruments:

Financial assets and financial liabilities are recognized when the group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Management classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(a) Financial Assets measured at Amortised Cost :

A Financial Asset is measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

Impairment:

The group 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 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.

The 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.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

De-recognition of Financial Assets :

The financial asset are derecognizes 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 and the transfer qualifies for de-recognition under Ind AS 109. 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.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES:

(a) Financial liabilities measured at Fair Value through Profit or Loss :

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.

(b) Other Financial liabilities :

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognized in the Statement of Profit



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments :

Classification

Financial liabilities and equity instruments issued by the group 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 year. 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. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

Offsetting of Financial Instruments :

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Fair Value of Financial Instruments :

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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 year, 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 where the 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 to uniformly followed the practice.

De-recognition of Financial Liability :

A Financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

O. Employee Benefits :

The group has its subsidiary at different geographical location therefore under the consolidated financial statement , the employee benefits has been considered as per the applicable provisions of that geographical location of the entities as provided in the relevant standalone balance sheet has been covered under the consolidated financial statement.

Short-term Employee Benefits:

All employee Benefits such as Salaries, wages and short term compensated absences 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 consolidated balance sheet.

Post-employment benefits

a) Defined contribution plans

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Superannuation Schemes, Employees State Insurance which are defined contribution schemes. The contribution paid/payable under these schemes is recognized during the period in which the employee renders the related services which are recognized in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services."

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.

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.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

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 year, regardless of when the actual settlement is expected to occur.

Gratuity : The Group has an obligation towards gratuity. The gratuity liability of the group is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

P. CONTINGENT LIABILITIES :

Contingent liability is :

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognized because :
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.



AEROFLEX INDUSTRIES LIMITED

[CIN NO. : UZ6110MH1993PLC074576]

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 3 : PROPERTY, PLANT AND EQUIPMENTS

Particulars	[Rs in Lakhs]												
	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Air Conditioner	Computer	Electrical Installation	Testing Equipment's	Workshop Tool & Equipment's	Water Cooler	TOTAL
Year Ended as on 31st March 2024													
Opening Gross Carrying Amount	1,621.39	2,429.50	6,721.66	377.56	61.31	182.35	29.10	229.87	521.95	95.18	361.31	25.62	12,646.80
Additions	547.07	514.31	2,037.93	71.88	-	22.26	4.91	53.59	2.67	4.56	24.05	0.31	3,283.53
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	16.89	-	-	-	-	-	-	-	-	-	16.89
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	2,168.46	2,943.81	8,742.70	449.44	61.31	204.61	34.01	283.46	524.62	89.75	385.35	25.93	15,913.44
Accumulated Depreciation													
Depreciation charge during the year	-	1,739.41	3,820.14	307.56	37.44	151.60	24.81	186.06	504.91	68.71	236.01	15.81	7,092.46
Assets include in a disposal group for sale	-	92.63	349.50	20.18	9.52	14.53	3.02	45.71	1.47	8.73	44.50	4.43	594.22
Exchange Difference	-	-	10.53	-	-	-	-	-	-	-	-	-	10.53
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	1,832.04	4,159.11	327.74	46.96	166.13	27.83	231.77	506.38	77.43	280.51	20.24	7,676.16
NET CARRYING AMOUNT	2,168.46	1,111.77	4,583.59	121.70	14.35	38.48	6.17	51.68	18.24	12.31	104.84	5.69	8,237.28
Year Ended as on 31st March 2023													
Opening Gross Carrying Amount	1,621.39	2,396.68	5,382.83	356.18	61.31	166.94	25.74	190.97	521.46	87.76	348.06	15.17	11,175.36
Additions	-	32.82	1,333.39	21.38	-	15.40	3.36	38.89	0.49	0.43	12.34	10.50	1,469.00
Exchange Difference	-	-	5.44	-	-	-	-	-	-	-	-	-	5.44
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	1,621.39	2,429.50	6,721.65	377.56	61.31	182.35	29.10	229.87	521.95	85.18	361.31	25.62	12,646.80
Accumulated Depreciation													
Depreciation charge during the year	-	1,653.43	3,556.26	297.66	21.98	136.53	23.17	155.61	504.51	53.81	183.08	12.42	6,593.46
Assets include in a disposal group for sale	-	85.98	263.88	14.91	15.45	15.07	1.64	30.45	0.39	14.90	52.92	3.39	499.00
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	1,739.41	3,820.14	307.56	37.44	151.60	24.81	186.06	504.91	68.71	236.01	15.81	7,092.46
NET CARRYING AMOUNT	1,621.39	690.09	2,901.52	70.00	23.87	30.74	4.29	43.80	17.04	16.48	125.30	9.81	5,554.33

Note : The company has not revealed Property, Plant and equipments during the year.



AEROFLEX INDUSTRIES LIMITED
(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 4: Intangible Assets

(Rs. in lakhs)

Particulars	Software & Licences	TOTAL
<u>Year Ended as on 31st March 2024</u>		
Opening Gross Carrying Amount	152.47	152.47
Additions	14.15	14.15
Exchange Difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	166.62	166.62
Accumulated Depreciation	75.03	75.03
Depreciation charge during the year	31.97	31.97
Assets include in a disposal group for sale	-	-
Exchange Difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	106.99	106.99
NET CARRYING AMOUNT	59.63	59.63
<u>Year Ended as on 31st March 2023</u>		
Opening Gross Carrying Amount	81.41	81.41
Additions	71.06	71.06
Exchange Difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	152.47	152.47
Accumulated Depreciation	52.10	52.10
Depreciation charge during the year	22.92	22.92
Assets include in a disposal group for sale	-	-
Exchange Difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	75.03	75.03
NET CARRYING AMOUNT	77.44	77.44



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 5 : NON CURRENT - OTHER FINANCIAL ASSETS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Security Deposits	345.84	55.97
TOTAL	345.84	55.97

NOTE 6 : DEFERRED TAX

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Particulars		
Opening Balance for Deferred tax Assets / (liabilities)	(28.02)	(5.81)
Add/Less: Deferred Tax Assets/(Liabilities) for Depreciation Difference	(42.28)	(22.21)
Add/Less: Deferred Tax Assets/(Liabilities) for Gratuity	(1.65)	-
DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1 & 2	(71.95)	(28.02)
Opening Balance for Deferred tax Assets / (liabilities)	-	-
Add/Less: Deferred Tax Assets/(Liabilities) for the year	-	-
DEFERRED TAX ASSETS	-	-
Net amount charged to Statement of Profit and Loss	(43.93)	(22.21)
Deferred tax liabilities(net)	(71.95)	(28.02)

Note -

1. The Amount is arised on account of Difference between the depreciation of Companies Act and Income Tax Act.
2. The Amount is arised on account of Provision on Gratuity.

NOTE 7 : NON CURRENT - OTHER NON CURRENT ASSETS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Advance to Supplier	243.07	2.01
Repair & Maintenance (To be amortised)	60.18	162.55
Retention Money	1.58	1.88
IPO Related Expenses	-	35.38
TOTAL	304.83	201.82

NOTE 8 : CURRENT - INVENTORIES

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Raw Material In Stock	2,071.81	2,361.85
Work In Progress In Stock	3,517.56	2,935.92
Finished goods In Stock	304.87	302.92
TOTAL	5,894.24	5,600.70

* Stock are Valued at Cost or Net realisable value whichever is Lower



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 9 : TRADE RECEIVABLES

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
(a) Trade Receivables considered good- secured	9,456.89	6,681.62
(b) Trade Receivables considered good- unsecured	15.40	15.40
(c) Trade Receivables which have significant increase in Credit Risk		
(d) Trade Receivables - Credit impaired	9,472.28	6,697.02
Less: Allowance for doubtful debts		
Total	9,472.28	6,697.02

Note 9.1 : No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

Trade receivables ageing schedule as at 31st March, 2024

PARTICULARS	Outstanding for following YEARS from due date of payment				Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	8,574.78	647.33	200.51	19.07	9,456.89
(ii) Undisputed Trade receivables – which have significant increase in credit risk					15.40
(iii) Undisputed Trade Receivables – credit impaired					
(iv) Disputed Trade Receivables					
(v) Disputed Trade Receivables – credit impaired					
(vi) Disputed Trade Receivables- which have significant increase in credit risk					
Total	8,574.78	647.33	200.51	19.07	9,472.28

Trade receivables ageing schedule as at 31st March 2023

PARTICULARS	Outstanding for following YEARS from due date of payment				Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	5,501.14	1,103.21	19.07	33.40	6,681.62
(ii) Undisputed Trade receivables – which have significant increase in credit risk					15.40
(iii) Undisputed Trade Receivables – credit impaired					
(iv) Disputed Trade Receivables – considered good					
(v) Disputed Trade Receivables – credit impaired					
(vi) Disputed Trade Receivables- which have significant increase in credit risk					
Total	5,501.14	1,103.21	19.07	33.40	6,697.02



NOTE 10 : CASH & CASH EQUIVALENTS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Cash on hand		
In Rupees	4.75	0.31
In Foreign Currency	4.78	5.57
Balances with banks:		
- On current accounts	548.26	607.30
Fixed deposits with maturity of less than 3 months	7,092.24	-
TOTAL	7,650.03	613.18

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

*Includes interest accrued Rs. 117.24 lakhs (pr. yr. Rs. 0.00 lakhs).

NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	2,922.28	12.11
TOTAL	2,922.28	12.11

*Includes interest accrued Rs. 29.43 lakhs (pr. yr. Rs. 0.10 lakhs).

NOTE 12 : CURRENT - OTHER CURRENT ASSETS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
Advance to Suppliers	818.29	2,164.78
Other Advances		
Balance with Revenue Authorities	1,080.30	252.05
Prepaid Expenses	97.98	42.75
Advance to Employees	72.37	61.34
TOTAL	2,068.94	2,520.92



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 13 : SHARE CAPITAL

a) Shares Details

PARTICULARS	As at 31st March, 2024		As at 31 March, 2023	
	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Authorised Share Capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
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/- each	10,00,000	2,000.00	10,00,000	2,000.00
	17,70,00,000	5,600.00	17,70,00,000	5,600.00
Issued, Subscribed & Paid up				
Equity Shares of ₹ 2/- each	12,93,20,370	2,586.41	11,43,20,370	2,286.41
TOTAL	12,93,20,370	2,586.41	11,43,20,370	2,286.41

b) Reconciliation of Equity shares :

PARTICULARS	As at 31st March, 2024		As at 31 March, 2023	
	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Shares outstanding at the beginning of the year/Quarter	11,43,20,370	2,286.41	2,28,64,074	2,286.41
Cancelled shares	NIL	NIL	(2,28,64,074)	(2,286.41)
Fresh shares issued on account of split of shares at face value of ₹ 2/- each (*)	NIL	NIL	11,43,20,370	2,286.41
Shares issued during the year	1,50,00,000	300.00	NIL	NIL
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	12,93,20,370	2,586.41	11,43,20,370	2,286.41

c) Shares held by Its holding Companies:

Name of Shareholder	As at 31st March, 2024		As at 31 March, 2023	
	No. of Shares	%	No. of Shares	%
Sat Industries Limited	7,91,81,833	61.23%	10,53,77,040	92.18%

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

Name of Shareholder	As at 31st March, 2024		As at 31 March, 2023	
	No. of Shares	%	No. of Shares	%
Sat Industries Limited	7,91,81,833	61.23%	10,53,77,040	92.18%
Italica Global FZC	74,54,830	5.76%	74,54,830	6.52%

Note: 13.2. "The Company has only one class of shares referred to as the equity shares having face value of Rs. 2/- each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting."

13.3. No Equity shares have been forfeited.

13.4. There are no calls unpaid on equity shares.

13.5 The Company has not allotted any shares pursuant to contract without payment being received in cash.



Note 14 : OTHER EQUITY

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
1. SECURITIES PREMIUM		
As per the last year accounts	2,419.49	2,419.49
Add: Addition during the year	15,900.00	-
Less: IPO Issue Expenses*	2,239.41	-
	16,080.08	2,419.49
2. RETAINED EARNINGS		
As per the last year accounts	6,702.92	3,916.34
Add: Surplus for the year	4,173.40	3,015.21
	10,876.31	6,931.56
Less : Dividend on equity shares	228.64	228.64
	10,647.67	6,702.92
3) Equity Instruments through Other Comprehensive Income:		
As per the last year accounts	0.49	0.05
Add: Addition during the year	0.33	0.44
	0.82	0.49
TOTAL	26,728.57	9,122.90

*** Securities Premium :**

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

*** Retained Earnings :**

This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013

NOTE 15 : NON CURRENT BORROWINGS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
Kotak Mahindra Bank Ltd - Foreign Currency Loan	-	145.00
(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		
Kotak Mahindra Bank Ltd - Foreign Currency Loan	-	1,522.19
(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		
Kotak Mahindra Bank Ltd - ECLGS	-	289.32
(Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		
Kotak Mahindra Bank Ltd - Vehicle Loan	6.34	12.12
(Secured against hypothecation of Bus)		
TOTAL	6.34	1,968.63

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 Rate of Interest as on 31.03.2024 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.



NOTE 16 : NON CURRENT - TRADE PAYABLES

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of creditors towards Capital Goods	-	98.57
TOTAL	-	98.57

NOTE 17 : CURRENT BORROWINGS

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)	-	1,153.58
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)	-	362.48
Kotak Mahindra Bank Ltd - ECLGS (Secured against mortgage of Land & Building, Plant & Machinery & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)	-	294.25
Kotak Mahindra Bank Ltd - Car Loan (Secured against hypothecation of Motor Car)	-	10.82
Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	5.77	5.25
Unsecured Loans:		
From Related Parties	-	-
From Non Related Parties	-	705.59
TOTAL	5.77	2,531.97

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 Rate of Interest as on 31.03.2024 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.



NOTE 18: TRADE PAYABLE

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	322.10	883.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,192.15	2,779.96
TOTAL	5,514.25	3,663.05

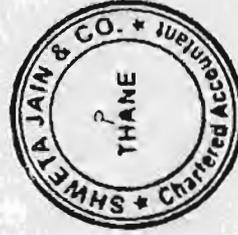
Note : There are no unbilled and Not due trade payables, hence the same are not disclosed in the ageing schedule

Trade payables ageing schedule as at 31st March 2024

PARTICULARS	Outstanding for following YEARS from due date of payment				Total
	Less than 6 Months	6 months- 1 year	1-2 years	2-3 years	
(i) Undisputed -Micro & small enterprises	322.10	-	-	-	322.10
(ii) Undisputed Others	5,189.76	-	-	-	5,192.16
(iii) Disputed dues - Micro & small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	5,511.86	-	-	-	5,514.26

Trade payables ageing schedule as at 31st March 2023

PARTICULARS	Outstanding for following YEARS from due date of payment				Total
	Less than 6 Months	6 months- 1 year	1-2 years	2-3 years	
(i) Undisputed -Micro & small enterprises	883.08	-	-	-	883.08
(ii) Undisputed Others	2,777.56	-	-	-	2,779.96
(iii) Disputed dues - Micro & small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	3,660.64	-	-	-	3,663.05



NOTE 19 : CURRENT - OTHER CURRENT LIABILITIES

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Statutory due payable	110.96	34.90
Advance from customer	554.95	473.21
Amount payable for capital goods	892.85	39.32
Other liabilities*	838.11	543.63
TOTAL	2,396.88	1,091.05

NOTE 20 : CURRENT - CURRENT TAX LIABILITIES

(Rs. in lakhs)

PARTICULARS	As at March 31, 2024	As at March 31, 2023
Provisions for Tax (Net of Advance Tax & TDS)	186.77	607.16
TOTAL	186.77	607.16

NOTE 21 : REVENUE FROM OPERATION

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Sale of Products :		
- Finished Goods - Domestic Sales	5,139.62	4,553.95
- Finished Goods - Export Sales	26,019.50	21,718.02
TOTAL	31,159.12	26,271.97
Other operating Revenue :		
Foreign Exchange Fluctuation	391.26	531.33
Misc. Operating Revenue	240.35	142.80
TOTAL	31,790.73	26,946.10

NOTE 22 : OTHER INCOME

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Interest Income		
- On fixed deposits designated as amortized cost	278.22	0.44
- On Others	-	1.27
Profit on sale of Fixed Assets	-	0.50
Insurance Claim Received	-	-
Income Tax Refund	-	1.69
Other Income	106.11	-
TOTAL	384.32	3.90

NOTE 23 : COST OF MATERIAL CONSUMED

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Opening Stock of Raw Material & Consumables	2,354.79	2,121.71
Add : Purchase of Raw Material & Consumables	20,440.89	19,084.20
	22,795.68	21,205.91
Less : Closing Stock of Raw Material & Consumables	2,071.81	2,354.79
TOTAL	20,723.88	18,851.12

NOTE 24 : CHANGE IN INVENTORIES

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Inventories at the beginning of the year		
-Work-in-progress	2,935.92	738.74
-Finished goods	302.92	721.73
	3,238.84	1,460.47
Less: Inventories at the end of the year		
-Work-in-progress	3,517.56	2,935.92
-Finished goods	304.87	302.92
	3,822.43	3,238.84
Decrease/(increase) in Inventories	(583.59)	(1,778.37)



NOTE 25 : EMPLOYEES BENEFITS EXPENSES

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Salary, Wages, Bonus and Other Benefits	2,343.41	2,016.28
Contribution to Provident Fund, ESIC and other funds	103.50	84.00
Gratuity fund contributions	16.54	89.64
Staff welfare expenses	156.72	125.22
TOTAL	2,620.18	2,315.14

NOTE 26 : FINANCE COST

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
(a) Interest Expense		
(i) Interest on borrowing	176.11	284.55
(ii) Interest on delayed payment of taxes	15.46	0.16
(iii) Foreign Exchange Fluctuation on Packing Credit	-	-
(b) Other borrowing costs - Bank Processing Charges	15.48	43.99
(c) Interest to Others	6.82	14.69
TOTAL	213.86	343.39

NOTE 27 : DEPRECIATION AND AMORTIZATION EXP

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Depreciation Cost	594.22	499.00
Amortization Cost	31.97	22.92
TOTAL	626	521.93

NOTE 28 : OTHER EXPENSES

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2024	For the year ended 31.03.2023
Electricity and Power	407.29	257.57
Repair & Maintenance	765.17	575.38
Processing Labour Charges	65.88	72.76
Testing and Calibration Charges	26.69	13.71
Cylinder Rent	5.40	5.40
Export Freight, Handling, Clearing & Other Charges	376.76	225.83
Carriage Outward	65.76	105.26
Commission Expenses	50.42	38.50
Consultancy Charges	193.37	258.24
Depository Fees expense	1.56	0.56
Water Charges	4.22	6.83
Rates & Taxes	28.34	15.75
Conveyance & Travelling Expenses	342.46	234.82
Bank Charges & Commission	49.47	32.77
Office Expenses	183.27	181.23
Insurance Charges	59.35	57.13
Printing & Stationary	29.28	22.09
Telephone & Communication Expenses	30.39	22.75
Auditor Remuneration	8.62	11.98
Miscellaneous Expenses	37.39	52.17
Advertisement and Publicity	7.04	4.05
Business Promotion Expenses	5.80	1.94
CSR Activity Exp.	57.50	38.25
Loss on Sales of Fixed Assets	1.36	-
Exchange Fluctuation on Foreign Currency Term Loan	46.73	-
Sundry Balances Written off	-	31.59
TOTAL	2,849.51	2,266.56



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 29 : EARNING PER SHARE :

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
Net profit after taxation for the year (₹ in Lakhs)	4,173.72	3,015.65
Number of Equity shares for Basic /Diluted EPS	12,93,20,370	11,43,20,370
Nominal Value of Equity Shares (₹)	2	2
Basic /Diluted earnings per Equity Share (₹)	3.39	2.64

NOTE 30 : REMUNERATION TO AUDITORS :

(₹ in Lakhs)

PARTICULARS	As at 31 st March 2024	As at 31 st March 2023
Statutory Audit Fee	5.62	5.98
Other Matters	7.05	6.00

NOTE 31 : DETAILS OF SUBSIDIARY :

PARTICULARS	Country Of Incorporation	% of Ownership Interest As at 31.03.2024	% of Ownership Interest As at 31.03.2023
Aeroflex Industries Limited	United Kingdom	100%	100%

NOTE 32 : CORPORATE SOCIAL RESPONSIBILITY :

Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 57.50 Lakhs (Previous Year : 31.50 Lakhs)

PARTICULARS	As at	As at
	31.03.2024	31.03.2023
(i) Gross amount required to be spent by the Company during the year	57.46	31.05
(ii) amount of expenditure incurred	57.50	38.25
(iii) Shortfall at the end of the year	0	0
(iv) Total of previous years shortfall	0	6.75
(v) Nature of CSR activities:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - Health and education & Contribution to eligible Trust for CSR Related Activities.	57.50	38.25

(vi) Out of the above spending, ₹ 57.50 lakhs (Previous Year ₹ 30.50) contributed to SAT Foundation (Formerly Known as : Taha Charitable Trust) which is related party.

(vii) The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 33 : INITIAL PUBLIC OFFER DURING THE YEAR :

During the year ended 31st March 2024, the company has completed its Initial Public Offer (IPO) of 1,50,00,000 equity shares of face value of 2/- each at an issue price of 108 per share (including a share premium of Rs 106 per share). The issue comprised of a fresh issue of 1,50,00,000 equity shares and offer for sale of 1,75,00,000 equity shares by selling shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 31, 2023. The offer expenses incurred by the company is for Rs 2,239.41 lakhs which has been adjusted to securities premium.

(₹ in Lakhs)

PARTICULARS	Objects of the issue as per prospectus	Objects of the issue revised	Utilized till 31 st March 24	Unutilized amount as at 31 st March 24
Repayment and/or pre-payment, in full or part, of certain borrowings availed by Company	3200.00	3200.00	3200.00	-
Funding working capital requirements of our Company	8400.00	8400.00	4965.40	3434.60
General corporate purposes	2001.10	2001.10	535.00	1466.10
TOTAL	13601.10	13601.10	8700.40	4900.70

- Net proceeds which were unutilized as at 31st March 2024 were kept in escrow account with Kotak Mahindra bank under Bank Balance & Fixed Deposits.

NOTE 34 : CAPITAL WORK IN PROGRESS (CWIP) :

The Group 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 expenses so incurred for the New project -work in progress and which is not ready for put to use till the year ended is for Rs. 537.83 lakhs. The Ageing schedule of tangible assets under CWIP is as follows:

(₹ in Lakhs)

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31.03.2024				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Expansion Projects in progress	537.83	-	-	-	537.83



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31.03.2023				(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
Expansion Projects in progress	64.25	-	-	-	64.25

NOTE 35 : INTANGIBLE ASSETS UNDER DEVELOPMENT :

The expenses so incurred is for Rs 3.78 Lakhs which has been shown under the intangible assets WIP is towards new software development in process which will be completed in the coming year and the same will be capitalized in the year in which the development of the same will be completed and put to use for the company.

Capital Work In Progress (Intangible Assets)	Amount of CWIP for the year ended 31.03.2024				(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
New Software under development	3.78	-	-	-	3.78

Capital Work In Progress (Intangible Assets)	Amount of CWIP for the year ended 31.03.2023				(₹ in Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	TOTAL
New Software under development	-	-	-	-	-

NOTE 36 : RELATED PARTY DISCLOSURES :

- i. Key Management Personnel :
 - Asad Daud : Managing Director
 - Mustafa Abid Kachwala : Wholetime Director & CFO
 - Kinjal Shah : Company Secretary & Compliance Officer
- ii. Wholly Owned Subsidiary Company of the Holding company: Italica Global FZC
- iii. Holding Company : Sat Industries Limited
- iv. SAT Foundation : Director's relative is a trustee



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

During the year following transactions were carried out with the related parties in the ordinary course of business at arm's length price:

(₹ in Lakhs)

PARTICULARS	NATURE OF TRANSACTION	AS AT 31.03.2024 AMOUNT (₹)	AS AT 31.03.2023 AMOUNT (₹)
Asad Daud	Director Remuneration	95.56	83.10
	Dividend Paid	0.001	0.001
Mustafa A Kachwala	Director Remuneration	11.60	10.64
	Dividend Paid	0.001	0.001
Sat Industries Ltd	Interest on Loan	-	7.69
	Expenses Paid & Recovered	714.41	400.00
	Financial Management Charges with GST	53.10	111.82
	Dividend Paid	193.36	210.75
Kinjal Shah	Salary Paid	9.20	5.87
Deepak Kalera	Salary Paid	-	16.00
Italica Global FZC	Sales	581.23	374.03
	Dividend Paid	14.91	14.91
SAT Foundation	CSR Expenditure	57.50	30.50

NOTE 37 : INFORMATIONS RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES:

The Group has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31st March, 2024. 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 31st March 2024 :

(₹ in Lakhs)

PARTICULARS	As at 31 st March 2024	As at 31 st March 2023
Outstanding Amount	322.10 Lakhs	883.08 Lakhs

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the company has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the company has any dispute related to the principal or interest towards the delay payments so happened during the year over and above the agreed terms of payment.

NOTE 38 : DIVIDEND :

The holding company has declared dividend for the FY 2022-23 in the Annual General meeting of the company held on 8th July 2023. The dividend so declared has been accounted and adjusted during the year from the brought forward balances of the profit & loss account.

NOTE 39 : FINANCIAL INSTRUMENTS, AND RELATED DISCLOSURES :

1. CAPITAL MANAGEMENT:

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The group funds its operations through internal accruals, borrowings etc. The group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

(₹ in Lakhs)

PARTICULARS	As at 31st March 2024	As at 31st March 2023
Borrowings		
Long term and Short term borrowings	6.34	2,674.22
Current maturities of Long term borrowings	5.77	1,826.38
Less: cash and cash equivalents	7,650.03	613.18
Less: Bank balances other than cash and cash equivalents	2,922.28	12.11
Adjusted net debt	(10,560.20)	3,875.31
Total Equity	29,314.98	11,409.31
Adjusted net debt to adjusted equity ratio	(0.36)	0.34



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

2. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE :

The Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented below. It does not include fair value information for those financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

PARTICULARS	NOTE	As at 31 st March, 2024		As at 31 st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Measured at amortized cost					
i) Cash and cash equivalent	10	7,650.03	7,650.03	613.18	613.18
ii) Other Bank balance	11	2,922.28	2,922.28	12.11	12.11
iii) Trade receivables	9	9,472.28	9,472.28	6,697.02	6,697.02
iv) Other Financial Assets - Non Current	5	345.84	345.84	55.97	55.97
v) Other financial assets - Current	12	2,068.94	2,068.94	2,520.92	2,520.92
Total Financial assets		22,459.37	22,459.37	9,899.20	9,899.20
Financial Liabilities					
Measured at amortized cost					
i) Cash Credit facilities	-	-	-	-	-
ii) Borrowings-Non current	15	6.34	6.34	1,968.63	1,968.63
iii) Borrowings - Current	17	5.77	5.77	2,531.97	2,531.97
iv) Trade payables	18	5,514.26	5,514.26	3,663.05	3,663.05
v) Other Financial Liabilities - Non Current	16	-	-	98.57	98.57
vi) Other Financial Liabilities - Current	19	2,396.86	2,396.86	1,091.05	1,091.05
vii) Current Tax Liabilities (Net)	20	186.77	186.77	607.16	607.16
Total financial liabilities		8,110.03	8,110.03	9,960.42	9,960.42

The financial instruments are categorized into following levels based on the inputs used to arrive at fair value measurements described below:

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2 : Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

3. FINANCIAL RISK MANAGEMENT:

The activities of the Group expose it to a number of financial risks namely market risk, credit risk and liquidity risk. The company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The Group does regularly monitor, analyze and manage the risks faced by the company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A) Management of Market Risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three type of risk ie. interest rate risk, price risk and currency rate risk. Financial instrument affected by market risk includes borrowings and investments. The company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

i) Management of interest rate risk :

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group is having least interest rate risk since its has repaid the major borrowing during the year. Further the outstanding borrowing has the fixed rate of interest which is repayable in installments for the term loan availed by it from bank.

ii) Management of currency risk :

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade receivables and payable and advances given to suppliers and received from customers. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk : The Group has exposure mainly in USD/EURO/GBP converted to functional currency i.e. INR. The Group has the following financial assets and financial liabilities as at March 31, 2024 :



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

(Rs. In Lakhs)

PARTICULARS	Exposure Currency	As at 31.03.2024	As at 31.03.2023
Financial Assets	USD	7,936.33	5,631.05
	EURO	1,230.35	1,099.98
	GBP	109.45	122.20
	AED	0.14	0.14
	YUAN	0.11	0.11
TOTAL		9,276.38	6,853.47
Financial Liabilities	USD	748.90	1,052.75
	EURO	93.44	3,281.82
	GBP	28.71	4.00
TOTAL		871.05	4,338.57

iii) Management of price risk :

The group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes and also future market position in accordance with the risk management policy. Further the group invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by investing the funds in various tenors depending on the liquidity needs of the group.

B) Management of Credit Risk :

Credit risk refers to the risk of default on its obligations by a counter party to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and financial instruments. Credit risk from trade receivables is managed through the company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed. The company's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management. The Group has receivable at the year ended where in the debtor's parties are under NCLT. The total amount receivable from such debtors is for Rs 15.40 Lakhs. The management is hopeful to receive the same therefore the same has been considered good at the year ended.

PARTICULARS	As at 31 st March 2024	As at 31 st March 2023
Unsecured		
- Considered good	9,472.28	6,697.02
Gross Trade Receivables	9,472.28	6,697.02
Less: Loss Allowance	-	-
Net Trade Receivables	9,472.28	6,697.02

C) Management of Liquidity Risk :

Liquidity risk is the risk that the Group may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Group's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The Group closely monitors its liquidity position and has a cash management system. The company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimized cost. The Group's current assets aggregate to Rs. 28,007.77 lakhs (PY 2023- Rs. 15,443.93 Lakhs) including cash and cash equivalents and other bank balances of Rs. 10,572.31 lakhs (PY 2023-Rs. 625.29 lakhs) against an aggregate current liability of Rs. 8,103.68 lakhs (PY 2023-Rs. 7,893.23 lakhs) non-current liabilities due between one year to three years amounting to Rs. NIL (PY 2023- 98.57) and non-current liabilities due after three years amounting to NIL (PY 2023 - NIL) on the reporting date. Further, while the group's total equity stands at Rs. 29,314.98 lakhs (PY 2023-Rs. 11409.31), it has non-current borrowings of Rs. 6.34 lakhs (PY 2023-Rs. 1968.63). In such circumstances, liquidity risk or the risk that the group may not be able to settle or meet its obligation as they become due does not exist.

NOTE 40 : EMPLOYEE BENEFITS :

A) Defined Contribution Plan

Provident Fund: The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

B) Defined Benefit Plan

Gratuity: The Group participates in the employee's group gratuity-scheme of life insurance corporation limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the payment of gratuity (Amendment) act, 1997, or as per company's scheme whichever is more beneficial to the employees. The Group made payments for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the Group to such gratuity fund has been considered as expenditure for the year and the fund laying with LIC under the gratuity fund is not been accounted as assets as the same is towards the defined future liability of the company.

Provident fund: The Group makes provident fund contribution to the government administered provident fund. The Group has no part to play in this respect.

C) Amounts Recognized as Expense:

- i) **Defined Contribution Plan:** Employer's contribution to provident fund amounting to Rs. 89.44 lakhs has been included under contribution to provident funds.
- ii) **Defined Benefit Plan:** Gratuity amount payable for Rs. 16.54 lakhs till the year ended out of which Rs 10 Lakhs has been Paid to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life insurance corporation and the balance amount has been shown as payable at the year ended.

NOTE 41 : FOREIGN EXCHANGE INFLOW & OUTFLOW :

The following are the total inflow and outflow of the foreign Exchange :

a) Foreign Exchange inflow:

(₹ in Lakhs)

<u>PARTICULARS</u>	AS AT 31.03.2024 AMOUNT (₹)	AS AT 31.03.2023 AMOUNT (₹)
F.O.B Value of Exports	24,463.28	21,404.67
TOTAL	24,463.28	21,404.67



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

b) Foreign Exchange Outflow:

(₹ in Lakhs)

<u>PARTICULARS</u>	AS AT 31.03.2024 AMOUNT (₹)	AS AT 31.03.2023 AMOUNT (₹)
Traveling & Hotel Expenses	139.57	129.94
Payment Towards Services & Other Expenses	14.73	54.45
TOTAL	195.64	184.39

c) CIF Value of Import:

(₹ in Lakhs)

<u>PARTICULARS</u>	AS AT 31.03.2024 AMOUNT (₹)	AS AT 31.03.2023 AMOUNT (₹)
Raw Material & Fittings	5,080.67	8,343.93
Capital Goods	342.25	261.23
TOTAL	5,422.92	8,605.16

NOTE 42 : DERIVATIVES & FORWARD CONTRACT INSTRUMENTS

There are no outstanding derivative instruments as on 31st March, 2024. Foreign currency Exposures are at the year-end has not been hedged by the Group by any derivative instrument or otherwise are given below :

(₹ in Lakhs)

<u>PARTICULARS</u>	<u>CURRENCY</u>	AS AT 31.03.2024 AMOUNT (₹)	AS AT 31.03.2023 AMOUNT (₹)
Amount Receivable in foreign Currency			
1. For Export of Goods	RS	8,339.22	6,011.94
	USD	84.29	60.12
	EURO	13.58	10.57
	UKP	0.82	1.20
2. Advance to Suppliers	RS	553.33	119.00
	USD	6.64	1.46
	EURO	-	-
	UKP	-	-



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

Amount Payable in Foreign Currency			
1. Import of Goods	RS	273.38	938.03
	USD	3.00	11.36
	UKP	0.22	0.04
2. Advance - Customers	RS	575.81	504.17
	USD	5.82	6.00
	EURO	0.94	0.12
	UKP	0.06	
3. Spares & Others	RS	21.86	98.57
	USD	0.15	-
	EURO	0.10	1.10
4. Foreign Currency Term Loan	RS	-	3,183.25
	EURO	-	35.52

NOTE 43 : SEGMENT INFORMATION

The group operates in a single segment i.e. manufacturing of product, hence segment-wise reporting is not applicable as required in accordance with Ind AS 108.

NOTE 44 : UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM :

- i) The group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) the Intermediary (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii) The group has not received any fund from any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 45 : OTHER DISCLOSURES :

- I. In the opinion of the Board of Directors of the group, 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 by the group 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. The group has not traded or invested in crypto currency or virtual currency during the financial year.
- IV. 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.
- V. All the immovable properties held by the holding company. The Title deeds of all the immovable properties held by the company are in the name of the holding company which is possessing the immovable property. No revaluation of the property, plant and equipment's and intangible assets held by the group 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 group is not holding any leased assets which are required to be disclosed separately.
- VI. The group do not hold any benami property and no proceedings has been initiated or pending against the group for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.
- VII. As per the informations & details available on records and the disclosure given by the management, the group 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.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- VIII. The group had foreign currency loan availed from Kotak Mahindra Bank Ltd and also working capital Term loan availed during the preceding years and the same has been fully repaid during the year. All the charges registered with the ROC against the said loans has been duly discharged during the year. The group has outstanding term loan availed from Kotak Mahindra Bank the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.
- IX. The group has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.
- X. The group 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.
- XI. The holding company has over due receivables against the export realization of goods for INR equivalent to 3234.65 Lakhs due to the various business reasons. Further as per the information's available and as intimated by the management, the holding company is in process of availing extension from RBI through its authorized dealers for the overdue realizations however till the date of the balance sheet such extension has not been approved.
- XII. As per the informations & details available on records and the disclosure given by the management, the group 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 group has not received any funds from any person, entity including the foreign entity with the understanding that the group shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- XIII. With Respect to disclosures Pursuant To Section 186 (4) of the Companies Act, 2013 the group has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year. The group do not have any Investment.
- XIV. There is no impairment of any assets during the reporting period.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

- XV. There are no amounts due to be credited to investor education and protection fund in accordance with section 125 of the companies act, 2013 as at the year end.
- XVI. No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.
- XVII. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.

NOTE 46 : EVENTS AFTER REPORTING DATE

- a) The Board of Directors of the holding company at their Board meeting held on 6th May, 2024 have recommended final dividend of ₹ 0.25/- per fully paid up equity share of ₹ 2/- each for the financial year ended March 31, 2024, subject to approval of shareholders at ensuing Annual General Meeting of the Company.
- b) The Holding Company has signed Share purchased agreement after the balance sheet date for purchase of 100% equity shares of Hyd-Air Engineering Private Limited engaged in the business activities of Precision Engineering on April 02, 2024.



AEROFLEX INDUSTRIES LIMITED

(CIN NO : U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE 48 : The consolidated financial statements has been authorized for issue by the Board of directors on dated 6th May 2024.

NOTE 49 : Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes from "1 " to " 49 " form an integral part of the Financial Statement.

As per our Report of even date attached

FOR SHWETA JAIN & CO

CHARTERED ACCOUNTANTS
F.R.N. : 127673W

Priyanka

PRIYANKA JAIN
(Partner)

Membership No : 416197

Place : Mumbai

Dated : 6th May 2024

UDIN No : 24416197BKAURH9655



For and on behalf of the Board

Asad

ASAD DAUD
(MANAGING DIRECTOR)
(DIN-02491539)

Mustafa

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

Kinjal

KINJAL SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER
(M. No : A58678)