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**AEROFLEX INDUSTRIES LIMITED**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**  
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**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 2025, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2025 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 2025. These matters were addressed in the context of our audit of the standalone 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:

**A. 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 the assets capitalized/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31<sup>st</sup> March 2025 of Rs. 888.41 lakhs. Cost Recognition of Property, Plant and Equipment as specified in Ind AS 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 3: 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. The company has made the capitalization from the IPO funds and the internal accruals.
- e) Ensuring adequacy of disclosures in the standalone financial statements.

**B. Disclosure with regards to certain legal and tax matters including uncertain tax positions :**

Refer Note No 44.2 to the standalone financial statements.



The Company operates in the tax jurisdiction with certain tax exemption/ deduction that may be subject to challenge and audit by the tax authorities. Further, there are open tax matters under litigation with the tax authorities.

As at 31<sup>st</sup> March, 2025, the Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters.

This is a key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognizing provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements. Our audit procedures relating to provisions recognized and contingencies disclosed with regard to certain legal and tax matters included the following:

Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;

Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss as well as testing related to provisions and disclosures in the consolidated financial statements through inquiries with the management and legal counsel;

Assessing on test basis on the underlying calculation supporting the disclosure of litigation in the consolidated financial statements;

Reviewing orders and other communication from tax and regulatory authorities and management responses thereto;

Assessing the management expert's legal advice and opinion, as applicable, obtained by the Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and

Based on the above procedures performed, we did not identify any material exceptions in respect of disclosure of tax litigation in the consolidated financial statements with regard to such legal and tax matters.



**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 integrated annual report, 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. The integrated annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of Management and those charged with governance for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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.

The respective Board of Directors of the Company are responsible for the 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 which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

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 skepticism 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 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the Standalone Statement of Cash Flow 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, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025, 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 read with Schedule V to the Act 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. As per the informations given to us, the Company does not have any other material pending litigations which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in **Notes 44.2** of the standalone financial statements.
- 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, as disclosed in the notes to the Standalone Financial Statements, 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, as disclosed in the notes to the Standalone Financial Statements, 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. 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.
- vi. The declared and paid during the year by the Company is in compliance with Section 123 of the Act, as applicable.

**FOR SHWETA JAIN & CO.**

CHARTERED ACCOUNTANTS

F.R.N. : 127673W

*Priyanka*

**PRIYANKA JAJU**

(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN : 25416197BMJHAU3532



## 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, 2025) 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 has been physically verified by the Management during the year in accordance with a periodical programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
  - 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 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.



ii.

a. 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.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned or availed working capital limit in excess of rupees five crores in aggregate, from bank or financial institutions on the basis of security of current assets. Therefore the question of our commenting on whether the quarterly returns or statements has been 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.

- a) During the year, the Company has made investments of Rs 1720.86 lakhs for purchase of 100% equity shares of the company Hyd-air Engineering Pvt Ltd which is now the wholly owned subsidiary of the company. The company has further granted loan of Rs 1059.36 lakhs to the above subsidiary company for which equity shares has been allotted in lieu of and against the conversion of the said loan during the year. The company has also granted unsecured loans to its employees & Workers. The balance outstanding at the balance sheet date with respect to such loan is for Rs 67.96 lakhs.
- b) In respect of the aforesaid investments/loans, the terms and conditions under which such loans were granted/ investments were made are not prejudicial to the Company's interest.
- c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated and are also regular in repayments.
- d) In respect of the loans, there is no amount which is overdue for more than ninety days
- e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan
- f) The loans granted during the year to employees & workers were interest free loans given under normal course of the terms of the employments and has stipulated the



scheduled repayment of principal from the monthly salaries and the same were not repayable on demand.

- 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 respect of the loans and investments made, and guarantees and security provided by it.
- 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, in our opinion the company is generally regular in depositing the undisputed statutory dues in respect of Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, Income Tax, TDS and any other material statutory dues as applicable 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 2025 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, the GST department has issued show cause notice to the company with respect to the demand for Rs 7761.30 lakhs under the GST assessment for the period 2019-20 to 2024-25 which is towards the GST refunds claimed by the company in earlier years for the Input Tax credit towards export of goods. The company has filed writ petition in Bombay High Court towards the said Show cause notice. The Bombay High Court has granted Interim stay and has not confirmed any liability in the matter till the date of the balance sheet towards the said show cause notice and the matter is pending for hearing in the court.



The company has also received for demand of Rs 359.47 Lakhs from GST department for the disallowance of the GST Input credit claimed for the IPO expenses. The company has filed the detailed reply to the GST department with the explanations that the said input GST credit shall be allowable. GST Department has not confirmed any liability till the date of the balance sheet and has not called for any further clarification in this matter.

As per informations & details given to us there are no disputable demand raised on the company 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, which 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 willful 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 availed Fresh Vehicle Loan of Rs 64.00 Lakhs for Purchase of Buses for Employees & Workers of the Company and the same is applied for the purpose for which the said term loan has been availed.
  - 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 not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. However the company has raised the money by way of initial public offer in previous year and the unspent money laying with the company has been utilized for the purpose for which the money has been raised.

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 not received any complaints from whistle-blower 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 and the transactions with such related parties have been disclosed in the note 36 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 2025.

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 35 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 JAJU  
(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN : 25416197BMJHAU3532



## **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, 2025 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, 2025, 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)

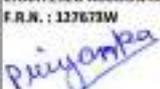
Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN No : 25416197BMJHAU3532



<b>AEROFLEX INDUSTRIES LIMITED</b>			
(CIN NO : L26110MH1993PLC076576 )			
<b>STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2025</b>			
(Rs. in lakhs)			
PARTICULARS	Note	As At March 31, 2025	As At March 31, 2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Property, Plant and Equipment	3	14,854.64	8,237.28
b) Property, Plant and Equipment - WIP	3.1	688.41	537.83
c) Investment Property			
d) Goodwill			
e) Intangible Assets	4	88.25	59.61
f) Intangible Assets - WIP	4.1	-	3.78
g) Biological Assets other than bearer plants			
h) Financial assets			
i) Investments	5	2,780.22	19.28
ii) Trade receivables			
iii) Loans			
iv) Other financial assets	6	262.84	345.84
i) Deferred tax assets net	7		
j) Other non-current assets	8	269.01	304.83
<b>Total Non-Current Assets</b>		<b>19,143.38</b>	<b>9,508.46</b>
<b>CURRENT ASSETS</b>			
a) Inventories	9	5,890.36	5,894.24
b) Financial Assets			
i) Investments			
ii) Trade Receivables	10	12,084.83	9,464.56
iii) Cash and cash equivalents	11	2,480.54	7,426.46
iv) Bank balances other than cash and cash equivalent	12	44.85	2,022.28
v) Loans			
vi) Other financial assets			
c) Current Tax Assets Net			
d) Other current assets	13	2,752.90	2,058.94
<b>Total Current Assets</b>		<b>23,273.20</b>	<b>27,076.47</b>
<b>TOTAL ASSETS</b>		<b>42,416.47</b>	<b>37,484.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	14	2,586.41	2,586.43
b) Other equity	15	31,605.95	26,739.43
<b>Total Equity</b>		<b>34,192.35</b>	<b>29,325.84</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
a) Financial liabilities			
i) Borrowings			
(A) Lease liabilities	16	32.64	6.34
ii) Trade payables			
iii) Other financial liabilities (other than those specified in item b) to be specified)			
b) Provisions			
c) Other Non-current liabilities			
d) Deferred tax Liability (Net)	7	147.47	71.95
<b>Total non-current liabilities</b>		<b>180.11</b>	<b>78.29</b>
<b>Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings			
(A) Lease liabilities	17	25.71	5.77
ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18	277.27	322.10
(B) Total outstanding dues of creditors other than micro & small enterprise	18	5,290.85	5,303.63
iii) Other financial liabilities (other than those specified in item c)			
b) Other current liabilities	19	1,018.09	2,396.53
c) Provisions			
d) Current Tax liabilities (Net)	20	532.18	289.77
<b>Total Current Liabilities</b>		<b>8,086.65</b>	<b>8,080.81</b>
<b>Total Liabilities</b>		<b>8,224.12</b>	<b>8,159.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,416.47</b>	<b>37,484.94</b>
The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 47")			
As Per Our Report of even date		for and on behalf of the Board	
<b>FOR SHWETA JAIN &amp; CO</b> <b>CHARTERED ACCOUNTANTS</b> <b>F.R.N. : 127673W</b>  <b>PRIYANKA JASU</b> (Partner) Membership No. : 418197 Place : Mumbai Dated : 30th April 2025 UDIN : 254161978MUHAJ3532		  <b>ACAD DALO</b> <b>MANAGING DIRECTOR</b> (DIN-02491395)  <b>MUSTAFA KADIWALA</b> <b>WHOLETIME DIRECTOR &amp; CFO</b> (DIN-03124453)  <b>KUNAL SHAH</b> <b>COMPANY SECRETARY AND COMPLIANCE OFFICER</b> (M.No : A58678)	

**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : L24110MH1993PLC074576 )

**STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. in lakhs)

Particulars	Note	Year Ended	Year Ended
		31.03.2025	31.03.2024
<b>REVENUES:</b>			
I Revenue from operations	21	37,290.45	31,784.03
II Other income	22	238.82	384.32
<b>TOTAL INCOME</b>		<b>37,529.27</b>	<b>32,168.72</b>
<b>EXPENSES:</b>			
III Cost of Material Consumed	23	21,350.38	20,723.88
IV. Changes in Inventories	24	1,092.79	(583.59)
V. Employee Benefit Expenses	25	3,361.77	2,630.18
VI. Finance costs	26	34.97	213.86
VII Depreciation and amortisation expense	27	1,100.26	626.19
VIII Other expenses	28	3,655.98	2,841.43
<b>TOTAL EXPENSES</b>		<b>30,596.14</b>	<b>26,441.95</b>
<b>Profit/(loss) before exceptional item and tax</b>		<b>6,933.13</b>	<b>5,726.78</b>
IX Exceptional item		-	-
Diminishing in value of investment		(19.28)	-
<b>Profit/(loss) before tax</b>		<b>6,913.85</b>	<b>5,726.78</b>
Tax expense:			
X (1) Current Tax		1,662.00	1,415.78
XI (2) Deferred tax Liability/(Assets)		75.53	43.93
XII (3) Taxation of Earlier Year		(13.49)	91.99
<b>Profit/(loss) for the year from continuing operation</b>		<b>5,189.81</b>	<b>4,175.15</b>
XIII Profit/(Loss) from discontinued operations.			
XIV Tax expense of discontinued operations			
XV Profit/(loss) from discontinued operation			
<b>Profit/(loss) for the year</b>		<b>5,189.81</b>	<b>4,175.15</b>
Other Comprehensive Income/(loss)			
XVI 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			-
XVII b) Income tax relating to item that will not be reclassified subsequently to profit or loss			-
XVIII c) Item that will be reclassified subsequently to profit or loss			-
i) Exchange differences on translation of financial statements of foreign operation			-
XIX d) Income tax relating to item that will be reclassified subsequently to profit or loss			-
<b>Total Other Comprehensive Income/(loss)</b>			-
<b>Total Comprehensive Income for the year</b>		<b>5,189.81</b>	<b>4,175.15</b>
XX Earnings per equity share : (for continued Operation) in Rs			
(1) Basic		4.01	3.39
(2) Diluted		4.01	3.39
XXI Earnings per equity share : (for discontinued Operation) in Rs			
(1) Basic			-
(2) Diluted			-
XXII Earnings per equity share : (for discontinued & continuing operations) in Rs			
(1) Basic		4.01	3.39
(2) Diluted		4.01	3.39

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 47" )

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

*Priyanka*

**PRIYANKA JAIN**  
(Partner)  
Membership No : 436197  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 254161970MHAU3532



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 AND COMPLIANCE OFFICER  
(M.No : A58678)

<b>AEROFLEX INDUSTRIES LIMITED</b>		
( CIN NO : U0411DMH1993PL070576 )		
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025		
Particulars	(Rs. in lakhs)	
	Year Ended 31.03.2025	Year Ended 31.03.2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit ( Loss ) before tax	6,311.85	5,726.78
Add : Depreciation	1,300.26	626.39
Add : Interest Paid	34.97	213.86
Add : Loss on sale, disposal, discard of property, plant and equipment (net)	28.16	1.38
Add : Loss on Amortisation of Investment	16.28	
Less : Interest Received	(228.32)	(278.22)
<b>Operating Profit before working capital changes</b>	<b>7,867.20</b>	<b>6,299.97</b>
Adjustments for :		
(Increase)/Decrease in Non Current Other Financial Assets	83.00	(289.87)
(Increase)/Decrease in Other Non Current Assets	35.82	(103.01)
(Increase)/Decrease in Change in Inventories	(96.12)	(295.94)
(Increase)/Decrease in Current Trade Receivables	(2,630.28)	(2,768.79)
(Increase)/Decrease in Other Current Assets	(642.96)	451.98
Increase/(decrease) in Other non current liabilities	-	(98.37)
Increase/(decrease) in Current Trade Payables	76.39	1,828.68
Increase/(decrease) in Other Current Liabilities	(133.12)	893.35
Cash Generated from Operations before tax	4,618.93	5,900.27
Income Tax Paid	(2,648.51)	(1,507.89)
<b>Net Cash flow from Operating Activities</b>	<b>2,970.42</b>	<b>4,392.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments & Intangibles including CWP	(8,121.21)	(3,770.04)
Investment in Subsidiary	(2,790.22)	
Movement in other bank balances (net)	2,877.43	(2,922.28)
Interest Received	229.32	278.22
<b>Net Cash flow from Investing Activities</b>	<b>(7,794.68)</b>	<b>(16,414.10)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	-	300.00
Proceeds from borrowings	64.00	
Repayment of borrowings	(17.77)	(1,498.48)
Interest Paid	(34.97)	(213.86)
Dividend Paid	(323.30)	(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>(312.04)</b>	<b>9,029.60</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(5,136.30)</b>	<b>7,008.02</b>
Cash and Cash Equivalents at the beginning of the period	7,626.46	618.43
Cash and Cash Equivalents at the end of the period	2,490.16	7,626.46
<b>Net Increase in Cash &amp; Cash Equivalents at at...</b>	<b>(5,136.30)</b>	<b>7,008.02</b>
<b>Reconciliation of cash and cash equivalents at end of the year with Balance Sheet:</b>		
Cash and cash equivalents as per balance sheet (As per note 11)		
Cash on hand	1.20	4.75
In Rupees	5.25	4.78
In Foreign Currency	-	-
Balances with banks:	936.18	524.89
- On current accounts	2,547.54	7,092.24
Fixed deposits with maturity of less than 3 months *	-	-
<b>TOTAL</b>	<b>2,490.16</b>	<b>7,626.46</b>
The accompanying notes are an integral part of these Standalone Financial Statements ( Note No. "1 to 47" )		
<p>As Per Our Report of even date FOR SHWETA JAIN &amp; CO CHARTERED ACCOUNTANTS P.R.N. : 1276799W</p> <p><i>Priyanka</i> PRIYANKA JAIN (Partner) Membership No : 435197 Place : Mumbai Dated: 30th April 2025 UDIN : 25-016197DMHAL0532</p> 		<p>For and on behalf of the Board</p> <p><i>ASAD</i> ASAD DAUD MANAGING DIRECTOR (DIN-02481536)</p> <p><i>MUSTAFA</i> MUSTAFA KACHWALA WHOLETIME DIRECTOR &amp; CFO (DIN-03126652)</p> <p><i>Rah</i> RINLA-SYAH COMPANY SECRETARY AND COMPLIANCE OFFICER (M.No : 458628)</p>

**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 : L24110MH1993PLC074576]

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025**

[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 31.03.2025	2,586.41	-	-	-	2,586.41
For the year ended on 31.03.2024	2,288.41	-	-	300.00	2,588.41

**B. Promoters Holding**

Name of Promoters	Shares held at the end of the YEAR 31.03.2025		Shares held at the end of the YEAR 31.03.2024		% of Change during the year
	No of Shares Held	% of Total Shares	No of Shares Held	% of Total Shares	
Sar Industries Limited	7,91,85,833	61.25%	7,91,83,833	61.23%	0.00%

**C. Other Equity**

	Share Application Money	Equity component of compound	Capital Reserve	Securities premium	Reserves & Surplus	Retained earnings	Debit Instruments through other	Equity Instruments through other	Effective portion of Cash Flow	Revaluation Surplus	Exchange difference on translating	Other items of other (completely)	Money received against share warrants	Total
Balance at the beginning of the reporting year- 01.04.2024	-	-	-	16,080.00	-	20,659.25	-	-	-	-	-	-	-	36,739.45
Change in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	5,109.82	-	-	-	-	-	-	-	5,109.82
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	123.30	-	-	-	-	-	-	-	(123.30)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on issue of New Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WFO expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year - 31.03.2025	-	-	-	16,080.00	-	25,769.07	-	-	-	-	-	-	-	41,849.07



Share Application Money pending allotment	Equity component of compound financial instrument	Reserves & Surplus			Debt instruments through other comprehensive income	Profit or loss 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 period - 01.04.2023	-	-	2,415.45	-	8,712.54	-	-	-	-	-	-	9,132.33
Change in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-
Revised balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	8,375.15	-	-	-	-	-	-	4,175.15
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(228.04)	-	-	-	-	-	-	(228.04)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Securities Premium on issue of New Share	-	-	15,900.00	-	-	-	-	-	-	-	-	15,900.00
FDI Expense	-	-	(2,294.43)	-	-	-	-	-	-	-	-	(2,294.43)
Balance at the end of the reporting period - 31.03.2024	-	-	16,980.02	-	10,659.35	-	-	-	-	-	-	26,729.43

As Per Our Report of even date FOR SHWETA JAIN & CO CHARTERED ACCOUNTANTS

F.A.N. : 129073W

*Pratibha*  
PRATIBHA JAIN  
(Partner)

Membership No. : 418137

Place : Mumbai

Date : 20th April 2025

SOIN : 25-16178644U503



For and on behalf of the Board

*Asad*

ASAD DAUD  
(MANAGING DIRECTOR)  
(DIN-02691236)

*MK*

MUSTAFA KACHWALA  
(WHOLETIME DIRECTOR & CFO)  
(DIN-03124451)

*Shrikant*

SHRIKANT SHARMA  
(MANAGER)  
(DIN-1508976)  
COMPANY SECRETARY AND COMPLIANCE OFFICER

## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

### **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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

**AEROFLEX INDUSTRIES LIMITED** ("The Company") is a public limited company incorporated under the provision of Companies Act, 2013 bearing Corporate Identity Number (CIN) L24110MH1993PLC074576. The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). 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 done the expansion of the manufacturing activities during the year for production of Metal Bellows & Composite hoses & related products at its unit No -2, Survey No. 49, A5B, Lodha Industrial and Logistics Park (LILP), Palava, Taluka, Narhen, Ambernath, Maharashtra -421501.

The company has acquired 100% equity shares of the company Hydair Engineering Pvt Ltd during the year which is now wholly owned Subsidiary of the company. The company had its other wholly owned foreign Subsidiary named Aeroflex Industries Limited UK at London, United Kingdom for which the operations has been closed and the name has been strike off from the corporate during the year.

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 30<sup>th</sup> April, 2025.

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

The material accounting policies have been applied consistently to all the periods presented in the standalone financial statements.

#### **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, 2025, the Statement of Profit and Loss for the year



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

ended 31 March 2025, the Statement of Cash Flows for the year ended 31 March 2025 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.

### **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 sell an asset 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



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

### **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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.

**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**



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#### **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 :

- 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



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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 or any other reason.

**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 to 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 has been 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.

**Capital work-in-progress :**

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. The Capital Work in progress is transferred to the respective assets head once the same is



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ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are 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. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.

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 :**

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:

<b>Assets class</b>	<b>Period of useful life of Assets</b>
Factory Building	30 Years
Addition to factory Building	3 - 10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Solar Panels	15 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 property.

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/impairment.



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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 and the 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 such 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 as follows:

Computer Software	5 years
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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. 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.



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#### **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 has investment in the equity shares of its 100% Indian subsidiary. The said investment in Indian subsidiary has been made during this financial year. The total amount of the investment in the said foreign subsidiary at the year ended was for Rs. 2780.22 Lakhs. The company further had investment in the 100% equity shares of the foreign subsidiary. The said investment has been impaired during the year due to the loss in such investment and the same has been recognized to profit & Loss account during 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.

#### **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.



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#### **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.

#### **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.

#### **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.



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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.

#### **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.



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#### **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.

#### **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.



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#### **Current Tax :**

The Current Tax payable is based on the taxable profit for the year as per Income Tax Act 1961. 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 provision has been 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.

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



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ready for their intended use, 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.

#### **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.



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#### **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 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 amortized 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.



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#### **(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 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



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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 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.



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#### **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 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



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### **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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-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 2025**

#### **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 by the life insurance corporation at the calendar year ended 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.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576)**

### **NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

#### **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. L24110MH1998PLC024526]

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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

(Rs. in lakhs)

Particulars	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 2025</b>													
Opening Gross Carrying Amount	3,558.96	2,943.81	8,742.70	440.44	61.31	204.61	34.01	283.46	524.62	80.79	385.35	25.93	15,913.44
Additions	80.00	1,382.81	5,710.33	153.45	68.15	87.14	10.10	5.63	45.46	41.95	346.97	0.78	7,712.80
Exchange Difference	-	-	(241.62)	-	(4.13)	-	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	2,228.46	4,326.63	14,111.41	602.89	424.31	291.79	44.10	289.09	576.07	131.70	512.32	26.70	1745.81
Closing Gross Carrying Amount	-	1,832.04	4,159.11	327.34	46.96	166.13	27.81	231.77	506.98	77.43	280.51	20.24	7,676.16
Accumulated Depreciation	-	288.12	609.18	35.42	17.55	29.27	3.57	31.52	10.65	32.09	43.43	2.67	1,063.46
Depreciation charge during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(210.66)	-	(3.17)	-	-	-	-	-	-	-	(213.83)
Closing Accumulated Depreciation	-	2,893.18	4,537.63	363.58	61.34	195.40	31.41	284.29	517.02	89.52	323.94	22.91	6,575.79
<b>NET CARRYING AMOUNT</b>	<b>3,228.46</b>	<b>3,226.46</b>	<b>5,653.77</b>	<b>339.73</b>	<b>63.97</b>	<b>96.35</b>	<b>12.76</b>	<b>25.79</b>	<b>58.65</b>	<b>42.18</b>	<b>208.39</b>	<b>3.80</b>	<b>14,854.64</b>
<b>Year Ended as on 31st March 2024</b>													
Opening Gross Carrying Amount	1,621.33	2,429.56	6,121.66	377.56	61.31	182.35	29.18	219.87	521.95	85.18	361.31	25.62	12,646.80
Additions	547.87	514.32	2,037.93	71.88	-	22.26	4.91	33.54	2.67	4.56	34.05	0.31	3,283.53
Exchange Difference	-	-	(16.89)	-	-	-	-	-	-	-	-	-	(16.89)
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	2,888.46	2,943.81	8,742.70	440.44	61.31	204.61	34.01	283.46	524.62	89.73	385.35	25.93	15,913.44
Accumulated Depreciation	-	1,719.41	3,820.34	307.56	37.44	133.69	34.81	186.06	504.91	68.71	236.01	15.81	7,092.46
Depreciation charge during the year	-	52.63	349.50	20.18	9.52	14.53	3.02	45.71	1.47	8.73	44.50	4.43	594.22
Assets include in a disposal group for sale	-	-	(105.93)	-	-	-	-	-	-	-	-	-	(105.93)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	1,812.04	4,139.11	327.34	46.96	166.13	27.83	231.77	506.98	77.43	280.51	20.24	7,676.16
<b>NET CARRYING AMOUNT</b>	<b>2,958.46</b>	<b>3,111.77</b>	<b>4,583.93</b>	<b>321.70</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>

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

**NOTE 3.1 : CAPITAL WORKS IN PROGRESS (CWIP) :**

The company has incurred expenses towards purchase of the machineries and equipment which are not ready for put to use till the year ended has been shown under the capital work in progress for the company. The ageing schedule of tangible assets under CWIP is as follows:

Capital Work in Progress (Tangible Assets)	Amount of CWIP for the year ended 31.03.2025			TOTAL	Amount of CWIP for the year ended 31.03.2024			TOTAL
	Less than 1 year	1 to 2 years	More than 3 years		Less than 1 year	1 to 2 years	More than 3 years	
Capital Work in Progress	888.42	-	-	888.42	517.83	-	-	517.83
Expenditure Projects in progress	-	-	-	-	-	-	-	-

(Rs. in lakhs)



**NOTE 4: Intangible Assets**

Particulars	Software & Licenses	TOTAL
<b>Year Ended on 31st March 2025</b>		
Opening Gross Carrying Amount	266.62	166.62
Additions	65.43	65.43
Exchange Difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	232.05	232.05
<b>Accumulated Depreciation</b>		
Depreciation charge during the year	106.99	106.99
Assets include in a disposal group for sale	36.80	36.80
Exchange Difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	143.80	143.80
<b>NET CARRYING AMOUNT</b>		
	88.25	88.25
<b>Year Ended on 31st March 2024</b>		
Opening Gross Carrying Amount	152.47	152.47
Additions	14.75	14.55
Exchange Difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	166.62	166.62
<b>Accumulated Depreciation</b>		
Depreciation charge during the year	75.82	75.08
Assets include in a disposal group for sale	31.97	31.07
Exchange Difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	906.99	106.99
<b>NET CARRYING AMOUNT</b>		
	59.63	59.63

**NOTE 4.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	Amount of CWIP for the year ended 31.03.2024			TOTAL	Amount of CWIP for the year ended 31.03.2025			TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years		More than 3 years	More than 3 years		
Capital Work in Progress (Intangible Assets)	-	-	-	-	-	-	-	-
New Software under Development	-	-	-	-	-	-	-	-
					3.78			3.78

(Rs. in lakhs)



**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : L24110MH1993PLC074576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 5 : NON CURRENT - INVESTMENTS**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Investment in Equity Instruments		
Unquoted		
Subsidiaries (at cost)		
Hyd - Air Engineering Pvt Ltd (It/s 4724 of Rs. 100 Each)	2,780.22	-
Aeroflex Industries Limited - UK ( E/s 2060 of E 10 each )	-	19.28
<b>TOTAL</b>	<b>2,780.22</b>	<b>19.28</b>

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

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Security Deposits	262.84	245.84
<b>TOTAL</b>	<b>262.84</b>	<b>245.84</b>

**NOTE 7 : DEFERRED TAX**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>Particulars</b>		
Opening Balance for Deferred tax Assets / ( liabilities)	(71.95)	(28.02)
Add/Less: Deferred Tax Assets/(Liabilities) for Depreciation Difference	(58.68)	(42.28)
Add/Less: Deferred Tax Assets/(Liabilities) for Gratuity	(16.85)	(1.65)
<b>DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1 &amp; 2</b>	<b>(147.47)</b>	<b>(71.95)</b>
Opening Balance for Deferred tax Assets / ( liabilities)		-
Add/Less: Deferred Tax Assets/(Liabilities) for the year		-
<b>DEFERRED TAX ASSETS -</b>		-
Net amount charged to Statement of Profit and Loss	(75.53)	(43.93)
<b>Deferred tax liabilities(net)</b>	<b>(147.47)</b>	<b>(71.95)</b>

Note -

- The Amount is arising on account of Difference between the depreciation of Companies Act and Income Tax Act.
- The Amount is arising on account of Provision for Gratuity at the year ended.

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

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Advance to Supplier	224.52	243.07
Repair & Maintenance ( To be amortized )	36.85	60.18
Retention Money	1.43	1.58
QIP Related Expenses	6.33	-
<b>TOTAL</b>	<b>269.03</b>	<b>304.83</b>

**NOTE 9 : CURRENT - INVENTORIES**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Raw Material In Stock	3,200.72	2,071.81
Work in Progress in Stock	2,393.60	3,517.56
Finished goods In Stock	336.05	304.87
<b>TOTAL</b>	<b>5,930.36</b>	<b>5,894.24</b>

\* Stock are Valued at Cost or Net realisable value whichever is Lower & has been certified by the management.



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : L24110MH1993PLCO74576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 10. TRADE RECEIVABLES**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025		As at March 31, 2024	
	Less than 6	6 months- 1 year	1-3 years	More than 3 year
(a) Trade Receivables considered good- secured		12,079.43	9,449.17	
(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		12,094.83	9,464.56	
Less: allowance for doubtful debts				
<b>Total</b>		<b>12,094.83</b>	<b>9,464.56</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 2025**

Particulars	Outstanding for following YEARS from due date of payment				Total
	Less than 6	6 months- 1 year	1-3 years	More than 3 year	
(i) Undisputed Trade receivables – considered good	30,870.10	817.22	361.67	30.45	12,079.43
(ii) Undisputed Trade receivables – which have significant increase in credit risk					
(iii) Undisputed Trade Receivables – credit impaired				15.40	15.40
(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>30,870.10</b>	<b>817.22</b>	<b>361.67</b>	<b>30.45</b>	<b>12,094.83</b>

**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	1-3 years	More than 3 year	
(i) Undisputed Trade receivables – considered good	8,567.05	647.33	200.51	19.07	9,449.17
(ii) Undisputed Trade receivables – which have significant increase in credit risk					
(iii) Undisputed Trade Receivables – credit impaired				15.40	15.40
(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>8,567.05</b>	<b>647.33</b>	<b>200.51</b>	<b>19.07</b>	<b>9,464.56</b>



**NOTE 11 : CASH & CASH EQUIVALENTS**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Cash on hand		
In Rupees	1.20	4.75
In Foreign Currency	5.25	4.78
Balances with banks:		
- On current accounts	936.18	524.69
Fixed deposits with maturity of less than 3 months *	1,547.54	7,082.24
<b>TOTAL</b>	<b>2,490.16</b>	<b>7,626.46</b>

Note : \*Includes interest accrued Rs. 47.54 lakhs (pr. yr. Rs. 117.24 lakhs)

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

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date *	44.85	2,922.28
<b>TOTAL</b>	<b>44.85</b>	<b>2,922.28</b>

Note : \*Includes interest accrued Rs. 0.07 lakhs (pr. yr. Rs. 29.43 lakhs)

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

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<u>Advances other than capital advances</u>		
Advance to Suppliers	1,196.67	818.29
<u>Other Advances</u>		
Balance with Revenue Authorities	1,317.85	1,080.90
Prepaid Expenses	110.64	97.98
Advance to Employees	87.73	72.37
<b>TOTAL</b>	<b>2,712.90</b>	<b>2,068.94</b>



**NOTE 14 : SHARE CAPITAL****a) Shares Details**

(Rs. in lakhs)

PARTICULARS	As at 31 March, 2025		As at 31 March, 2024	
	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/-	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
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 2/- each	12,93,20,370	2,586.41	12,93,20,370	2,586.41
<b>TOTAL</b>	<b>12,93,20,370</b>	<b>2,586.41</b>	<b>12,93,20,370</b>	<b>2,586.41</b>

**b) Reconciliation of Equity shares :**

(Rs. in lakhs)

PARTICULARS	As at 31 March, 2025		As at 31 March, 2024	
	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Shares outstanding at the beginning of the year	12,93,20,370	2,586.41	11,43,20,370	2,286.41
Shares issued during the year	NIL	NIL	1,50,00,000	300.00
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	12,93,20,370	2,586.41

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

Name of Shareholder	As at 31 March, 2025		As at 31 March, 2024	
	No. of Shares	%	No. of Shares	%
Sat Industries Limited	7,91,81,833	61.23%	7,91,81,833	61.23%

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

Name of Shareholder	As at 31 March, 2025		As at 31 March, 2024	
	No. of Shares	%	No. of Shares	%
Sat Industries Limited	7,91,81,833	61.23%	7,91,81,833	61.23%
Italka Global FZC	74,54,830	5.76%	74,54,830	5.76%

**Note:**

- "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."
- 14.1 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."
- 14.2 No Equity shares have been forfeited.
- 14.3 There are no calls unpaid on equity shares.
- 14.4 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, 2025	As at March 31, 2024
<b>1. SECURITIES PREMIUM</b>		
As per the last year accounts	16,080.08	2,419.49
Add: Addition during the year	-	15,900.00
Less: IPO Issue Expenses*	-	2,239.41
<b>Total (A)</b>	<b>16,080.08</b>	<b>16,080.08</b>
<b>2. RETAINED EARNINGS</b>		
As per the last year accounts	10,659.35	6,712.84
Add: Surplus for the year	5,189.81	4,175.15
	15,849.17	10,887.99
Less: Dividend on equity shares	323.30	228.64
<b>Total (B)</b>	<b>15,525.87</b>	<b>10,659.35</b>
<b>TOTAL (A+B)</b>	<b>31,605.95</b>	<b>26,739.43</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 utilised in accordance with the provisions of the Companies Act, 2013.



**NOTE 16 : NON CURRENT BORROWINGS**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	-	6.34
(b) Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	15.48	-
(c) Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	17.16	-
<b>TOTAL</b>	<b>32.64</b>	<b>6.34</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 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of Rs. 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027. Rate of Interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of Rs. 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027. Rate of Interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

**NOTE 17 : CURRENT BORROWINGS**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - Vehicle loan (Secured against hypothecation of Bus)	6.34	5.77
(b) Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	9.77	-
(c) Kotak Mahindra Bank Ltd - Vehicle Loan (Secured against hypothecation of Bus)	9.60	-
<b>TOTAL</b>	<b>25.71</b>	<b>5.77</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 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of Rs. 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027. Rate of Interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of Rs. 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027. Rate of Interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.



**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : L24110MH1993PLC074576 )

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 18. TRADE PAYABLE**

(Rs. in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro enterprises and small enterprises	277.27	312.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,290.85	5,169.63
<b>TOTAL</b>	<b>5,568.12</b>	<b>5,481.73</b>

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

**Trade payables ageing schedule as at 31st March 2025**

Particulars	Outstanding for following YEARS from due date of payment				Total
	Less than 6 Months	6 months- 1 year	1-2 years	More than 3 year	
(i) Undisputed - Micro & small enterprises	277.27	-	-	-	277.27
(ii) Undisputed Others	5,285.58	2.87	-	2.80	5,290.85
(iii) Disputed dues - Micro & small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>5,562.84</b>	<b>2.87</b>	<b>-</b>	<b>2.40</b>	<b>5,568.12</b>

**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	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	-	-	-	-	-
<b>Total</b>	<b>5,489.33</b>	<b>-</b>	<b>-</b>	<b>2.40</b>	<b>5,491.73</b>



**NOTE 19 : CURRENT - OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Statutory due payable	128.20	130.96
Advance from customer	481.68	554.95
Amount payable for capital goods	301.39	892.85
Other liabilities*	1,006.86	837.76
<b>TOTAL</b>	<b>1,918.03</b>	<b>2,396.53</b>

Note : Other Liabilities includes unpaid dividend of Rs. 0.22 Lakhs ( Previous year : NIL )

**NOTE 20 : CURRENT - CURRENT TAX LIABILITIES**

(Rs. in lakhs)

PARTICULARS	As at March 31, 2025	As at March 31, 2024
Provisions for Tax (Net of Advance Tax & TDS)	532.16	186.77
<b>TOTAL</b>	<b>532.16</b>	<b>186.77</b>



**NOTE 21 : REVENUE FROM OPERATION**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
<b>Sale of Products :</b>		
- Finished Goods - Domestic Sales	8,663.65	5,139.62
- Finished Goods - Export Sales	27,663.30	26,019.50
<b>TOTAL</b>	<b>36,326.95</b>	<b>31,159.12</b>
<b>Other operating Revenue :</b>		
Foreign Exchange Fluctuation	636.23	391.26
Misc. Operating Revenue	327.26	234.02
<b>TOTAL</b>	<b>17,290.45</b>	<b>31,786.40</b>

**NOTE 22 : OTHER INCOME**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
<b>Interest Income</b>		
- On fixed deposits designated as amortized cost	229.32	278.22
- On Others		
Other Income	9.51	106.11
<b>TOTAL</b>	<b>238.82</b>	<b>384.32</b>

**NOTE 23 : COST OF MATERIAL CONSUMED**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Opening Stock of Raw Material & Consumables	2,071.81	2,354.79
Add : Purchase of Raw Material & Consumables	22,679.29	20,440.89
	<b>24,551.10</b>	<b>22,795.68</b>
Less : Closing Stock of Raw Material & Consumables	3,200.72	2,071.81
<b>TOTAL</b>	<b>21,350.38</b>	<b>20,723.88</b>

**NOTE 24 : CHANGE IN INVENTORIES**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
<b>Inventories at the beginning of the year</b>		
-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>Less: Inventories at the end of the year</b>		
-Work-in-progress	2,393.60	3,517.56
-Finished goods	336.05	304.87
	<b>2,729.64</b>	<b>3,822.43</b>
<b>Decrease/(Increase) in Inventories</b>	<b>1,092.79</b>	<b>(583.59)</b>

**NOTE 25 : EMPLOYEES BENEFITS EXPENSES**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Salary, Wages, Bonus and Other Benefits	2,958.99	2,343.41
Contribution to Provident Fund, ESIC and other funds	128.19	103.50
Gratuity fund contributions	66.93	16.54
Staff welfare expenses	207.66	156.72
<b>TOTAL</b>	<b>3,361.77</b>	<b>2,620.18</b>



**NOTE 26 : FINANCE COST**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
(a) Interest Expense		
(i) Interest on borrowing	4.66	176.11
(ii) Interest on delayed payment of taxes	8.33	15.46
(iii) Other borrowing costs - Bank Processing Charges	2.27	15.48
(iv) Interest to Others :	19.70	6.82
<b>TOTAL</b>	<b>34.97</b>	<b>213.86</b>

**NOTE 27 : DEPRECIATION AND AMORTIZATION EXP**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Depreciation Cost	1,063.46	594.22
Amortization Cost	36.80	31.97
<b>TOTAL</b>	<b>1,100.26</b>	<b>626.19</b>

**NOTE 28 : OTHER EXPENSES**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Electricity and Power	453.29	407.29
Repair & Maintenance	725.44	765.17
Processing Labour Charges	85.71	65.88
Testing and Calibration Charges	27.99	26.69
Cylinder Rent	10.64	5.40
Export Freight, Handling, Clearing & Other Charges	528.90	376.76
Carriage Outward	125.43	65.76
Commission Expenses	113.14	50.42
Consultancy Charges	201.73	189.27
Depository Fees expense	8.36	1.56
Water Charges	8.74	4.22
Rates & Taxes	18.67	28.34
Conveyance & Travelling Expenses	364.09	342.46
Bank Charges & Commission	57.28	49.20
Office Expenses	421.43	183.27
Insurance Charges	85.27	59.35
Printing & Stationary	40.06	29.28
Telephone & Communication Expenses	40.43	30.39
Auditor Remuneration	6.00	5.50
Exhibition, Marketing & Business Promotion Expenses	114.33	19.44
Miscellaneous Expenses	44.34	30.20
CSR Activity Exp.	90.30	57.50
Loss on Sales of Fixed Assets	28.16	1.36
Balances Written off	44.41	-
Listing Fees Expense	13.85	-
Exchange Fluctuation on Foreign Currency Term Loan	-	46.73
<b>TOTAL</b>	<b>3,655.98</b>	<b>2,841.43</b>

**NOTE 29 : EARNING PER SHARE**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Net profit after taxation for the year (₹ in Lakhs)	5,189.81	4,175.15
Number of Equity shares for Basic /Diluted EPS	12,93,20,370	12,93,20,370
Nominal Value of Equity Shares (₹)	2.00	2.00
Basic /Diluted earnings per Equity Share (₹)	4.01	3.23

**NOTE 30 : REMUNERATION TO AUDITORS:**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Statutory Audit Fee	3.00	2.50
Tax Audit Fee	3.00	3.00
<b>TOTAL</b>	<b>6.00</b>	<b>5.50</b>



**NOTE 31 : RECONCILIATION OF EFFECTIVE INCOME TAX RATE :**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Profit Before Tax	6,913.85	5,726.78
Current Year Tax	1,662.00	1,415.70
Tax Using the Company's Domestic Tax Rate 25.168%	1,740.08	1,441.32
Tax effect of adjustment to reconcile expected income tax Expenses to Reported Income Tax Expenses	-	-
Tax effects of amounts which are not deductible for taxable income	1.53	16.97
Effect of Depreciation under Income Tax	(75.38)	(42.62)
	1,662.24	1,415.67
<b>Effective Tax Rate</b>	<b>24.04</b>	<b>24.72</b>

**NOTE 32 : DETAILS OF SUBSIDIARY :**

(Rs. in lakhs)

PARTICULARS	Country Of Incorporation	% of Ownership As at 31.03.2025	% of Ownership As at 31.03.2024
(1) Hyd-Air Engineering Private Limited	India	100.00%	-
(2) Aeroflex Industries Limited	London - United Kingdom	-	100.00%

**NOTE 33 : CORPORATE SOCIAL RESPONSIBILITY :**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Gross amount required to be spent by the Company during the year	90.28	57.47
Amount of expenditure incurred	90.30	57.50
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
<b>Nature of CSR activities:</b>		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above		
- Health and education & Contribution to eligible Trust for CSR Related Activities	90.30	57.50

\* Out of the above spending ₹ 88.80 lakhs (Previous Year ₹ 57.50 ) contributed to SAT Foundation which is related party.

\* The Company has not carried forward any provisions for corporate social responsibility expenses for the current year and the previous year.

**NOTE 34 : FOREIGN EXCHANGE INFLOW & OUTFLOW :****a) Foreign Exchange Outflow:**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Traveling & Hotel Expenses	216.41	139.57
Payment Towards Services & Other Expenses	54.99	14.73
<b>TOTAL</b>	<b>271.40</b>	<b>154.30</b>

**b) Foreign Exchange Inflow:**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
F.O.B Value of Exports	27,381.45	24,463.28
<b>TOTAL</b>	<b>27,381.45</b>	<b>24,463.28</b>

**c) CIF Value of Import:**

(Rs. in lakhs)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Raw Material & Fittings	4,748.17	5,080.67
Capital Goods	1,142.11	342.25
<b>TOTAL</b>	<b>5,890.28</b>	<b>5,422.92</b>



**AEROFLEX INDUSTRIES LIMITED**  
[CIN NO : L24110MH1993PLC024576]

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

**NOTE 35: RATIO ANALYSIS:**

(Rs. in lakhs)

Sl. No.	Ratios	Numerator	Denominator	Ratio Analysis		Variation in %	Reason for variation above 25% as compared to previous year
				Ratio FY 2024-25	Ratio FY 2023-24		
1	Current Ratio	Current Assets	Current Liabilities	2.89	3.46	(16.43)	N.A.
2	Debt-Equity Ratio	Borrowing + Interest Accrued	Total Equity	0.002	0.0004	313.04	Debt Equity Ratio is increased due to Fresh Vehicle Loan availed during the year
3	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non Cash operating expenses like Depreciation and other amortization + Interest + other adjustments like loss on sale of fixed assets etc	Debt Service = Interest & Lease Payments + Principal Repayments	283.24	1.08	26,236.65	Debt Service Coverage Ratio is increased due to reduction in interest cost as compare to previous year
4	Return on Equity Ratio	Net Profit After Taxes	Average's Shareholders Equity	16.34	20.49	(20.26)	N.A.
5	Inventory Turnover ratio	Sales	Average Inventory (Opening+Closing balance)/2	6.31	5.53	14.05	N.A.
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivable	3.46	3.93	(12.06)	N.A.
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.07	4.47	(8.97)	N.A.
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital (excluding Unutilised IPO Proceeds)	2.12	2.82	(24.73)	N.A.
9	Net Profit ratio	Net Profit	Total Income	13.83	12.98	6.55	N.A.
10	Return on Capital Employed	Earnings Before Interest & Tax	Average Capital Employed (excluding Unutilised IPO Proceeds)	23.60	31.33	(24.67)	N.A.
11	Return on Investment	Income Generated from Investment	Time Weighted Average Investment	NA	NA		



**NOTE 36 : RELATED PARTY DISCLOSURES:**

**I. Key Management Personnel:**

Asad Daud	: Managing Director
Mustafa Abid Kachwala	: Wholtime Director & CFO
Kinjal Shah	: Company Secretary & Compliance Officer.
Harikant Turgala	: Director

**II. Other related parties with whom there were transactions during the year:**

Hyd-Air Engineering Private Limited	: Wholly Owned Subsidiary Company
Aeroflex Industries Ltd – London UK	: Wholly Owned Subsidiary Company (Strike Off During the year)
Sat Industries Limited	: Holding Company;
Italica Global FZC	: Wholly Owned Subsidiary Company of Holding Company
M.R. Organisation Limited	: Subsidiary Company of Holding Company
SAT Foundation	: Director's relative is a trustee

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

(Rs. in lakhs)

PARTICULARS	Nature of Transaction	For the year ended 31.03.2025	For the year ended 31.03.2024
Asad Daud	Director Remuneration	115.41	95.56
	Dividend Paid	0.001	0.001
Mustafa A Kachwala	Director Remuneration	13.04	11.60
	Dividend Paid	0.001	0.001
Harikant Turgala	Dividend Paid	0.001	0.001
Italica Global FZC	Sales	283.91	581.23
	Dividend Paid	18.64	14.91
Sat Industries Ltd	Expenses paid & Recovered	-	714.42
	Financial Mgmt Charges (incl. GST)	-	53.10
	Dividend Paid	197.95	193.36
SAT Foundation	CSR fund - Donation	88.80	57.50
Aeroflex Industries Ltd UK	Commission Paid	10.02	7.62
	Consultancy Income	8.05	-
Hydair Engineering Pvt Ltd	Payment towards Initial Investment in Acquisition of Equity Shares	1,720.86	-
	Loan Given during the year & converted to Equity Shares	1,059.36	-
	Sales	666.78	-
	Purchase	53.47	-
M.R. Organisation Limited	Machine Maintenance Services	556.56	-
Kinjal Shah	Salary Paid	11.47	9.20

**NOTE 37 : DERIVATIVES & FORWARD CONTRACT INSTRUMENTS**

(Rs. in lakhs)

PARTICULARS	CURRENCY	For the year ended 31.03.2025	For the year ended 31.03.2024
<b>Amount Receivable in foreign Currency</b>			
1. Export of Goods & Services	RS	9,919.11	8,331.47
	USD	90.40	84.29
	EURO	21.29	13.58
	UKP	1.96	0.75
2. Advance to Suppliers	RS	148.98	553.47
	USD	1.74	6.64
<b>Amount Payable in Foreign Currency</b>			
1. Import of Goods & Services	RS	632.42	250.51
	USD	7.39	3.00
2. Advance - Customers	RS	523.53	575.81
	USD	5.58	5.82
	EURO	0.49	0.94
	UKP	-	0.06
3. Spares & Others	RS	4.56	21.88
	USD	-	0.15
	EURO	0.05	0.10



**NOTE 38 : 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 31st March, 2025. The following informations has been gives 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 2025.

PARTICULARS	(Rs. in lakhs)	
	For the year ended 31.03.2025	For the year ended 31.03.2024
Outstanding Amount	277.27	322.10

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 39 : 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.

**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 lying 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 and has no further liability towards the same.

**C) Amounts Recognized as Expense:**

i) **Defined Contribution Plan:** Employer's contribution to provident fund amounting to Rs. 101.09 lakhs has been included under contribution to provident funds.

ii) **Defined Benefit Plan:** Gratuity amount payable for Rs. 66.93 lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life insurance corporation.

**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.

PARTICULARS	(Rs. in lakhs)	
	For the year ended 31.03.2025	For the year ended 31.03.2024
<b>Borrowings</b>		
Long term and short term borrowings	32.64	6.34
Current maturities of Long term borrowings	25.71	5.77
Less: cash and cash equivalents	2,490.16	7,626.46
Less: Bank balances other than cash and cash equivalents	44.85	2,922.28
<b>Adjusted net debt</b>	<b>(2,476.67)</b>	<b>(10,536.62)</b>
Total Equity	34,192.35	29,325.84
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.07)</b>	<b>(0.36)</b>



## 2. CATEGORIES OF FINANCIAL INSTRUMENTS:

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	As at 31st March, 2025		As at 31st March, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets</b>				
Measured at amortized cost				
i) Cash and cash equivalent	2,490.16	2,490.16	7,626.46	7,626.46
ii) Other Bank balance	44.85	44.85	2,922.28	2,922.28
iii) Trade receivables	12,094.83	12,094.83	9,464.56	9,464.56
iv) Other Financial Assets – Non Current	262.84	262.84	345.84	345.84
v) Other financial assets - Current	2,712.90	2,712.90	2,068.94	2,068.94
<b>Total Financial assets</b>	<b>17,605.58</b>	<b>17,605.58</b>	<b>32,428.07</b>	<b>32,428.07</b>
<b>Financial Liabilities</b>				
Measured at amortized cost				
i) Cash Credit facilities	-	-	-	-
ii) Borrowings-Non current	32.64	32.64	6.34	6.34
iii) Borrowings – Current	25.71	25.71	5.77	5.77
iv) Trade payables	5,568.12	5,568.12	5,491.73	5,491.73
v) Other Financial Liabilities – Non Current	-	-	-	-
vi) Other Financial Liabilities – Current	1,918.03	1,918.03	2,396.53	2,396.53
vii) Current Tax Liabilities(Net)	532.16	532.16	186.77	186.77
<b>Total financial liabilities</b>	<b>8,076.65</b>	<b>8,076.65</b>	<b>8,087.15</b>	<b>8,087.15</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).

## 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 of three type of risk interest rate risk, price risk and currency rate risk. financial instrument affected by market risk includes borrowings and investments. The group 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 borrowing has mainly in fixed rate of interest which is repayable in instalments 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 which are exposed to foreign exchange risk. The group mitigates the foreign exchange risk by setting appropriate exposure limits, periodically 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 group 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 company has the following financial assets and financial liabilities as at 31st March, 2025 :

Particulars	Exposure Currency	For the year ended	For the year ended
		31.03.2025	31.03.2024
Financial Assets	USD	7,892.39	7,936.33
	EURO	1,977.37	1,250.35
	GBP	218.24	101.73
	AED	-	0.14
	YUAN	1.97	0.11
	RUBEL	0.60	-
<b>TOTAL</b>		<b>10,090.57</b>	<b>9,268.66</b>
Financial Liabilities	USD	1,110.34	748.90
	EURO	45.62	93.44
	GBP	-	5.84
<b>TOTAL</b>		<b>1,155.96</b>	<b>848.18</b>



**III) Management of price risk :**

The Company has no surplus for investment in debt mutual funds, deposits etc. The group does make very material deposit with the Banks to provide security/margin against guarantee given by the banks. Deposit is made in Fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

**IV) Management of Credit Risk :**

Credit risk refers to the risk of default on its obligations by a counterparty to the group resulting in a financial loss to the group. The group is exposed to credit risk from its operating activities in 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 group'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, the track record of the counterparty etc. Loss allowances and impairment is recognised, 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	For the year ended 31.03.2025	For the year ended 31.03.2024
Unsecured - Considered good	12,094.83	9,464.56
<b>Gross Trade Receivables</b>	<b>12,094.83</b>	<b>9,464.56</b>
Less: Loss Allowance	-	-
<b>Net Trade Receivables</b>	<b>12,094.83</b>	<b>9,464.56</b>

**V) 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. 23,273.76 lakhs (FY 2024-Rs. 27,976.47 Lakhs) including cash and cash equivalents and other bank balances of Rs. 2,535.01 lakhs (2024-Rs. 10,548.74 Lakhs) against an aggregate current liability of Rs. 8,044.67 lakhs (2024-Rs. 8,080.81 lakhs) and non-current liabilities due between one year to three years amounting to Rs. NIL lakhs (2024- NIL) and non-current liabilities due after three years amounting to NIL (2024 - NIL) on the reporting date. Further, while the company's total equity stands at Rs. 34,192.35 Lakhs (2024-Rs. 29,325.84 Lakhs), it has non-current borrowings of Rs. 32.64 lakhs (2024-Rs. 6.34 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 : DIVIDEND :**

The company has declared dividend for the FY 2023-24 in the Annual General meeting of the company held on 8th July 2024. The dividend so declared has been accounted and adjusted during the year towards the brought forward balances of the profit & loss account.

**NOTE 42 : SEGMENT INFORMATION :**

The segment-wise reporting is not applicable for the company as required in accordance with Ind AS 108 for the year ended 31.03.2025.

**NOTE 43 : EVENTS AFTER REPORTING DATE :**

The Board of Directors at their Board meeting held on 30th April, 2025 have recommended final dividend of ₹ 0.30 per fully paid up equity share of ₹ 2/- each for the financial year ended 31st March, 2025, subject to approval of shareholders at ensuing Annual General Meeting of the Company

**NOTE 44 : OTHER DISCLOSURES**

- 44.1 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. There are the disputable receivables for Rs 15.40 lakhs for which the said parties are under NCLT. The management is of the opinion that the said amount is estimated at fair chance of the recovery and has not been identified as bad-debts or contingent recovery.
- 44.2 The Company has received Show cause notice for GST liability of Rs 7761.30 lakhs raised since FY 2019-20 to 2024-25 which is towards the GST refunds claimed by the company for the Input Tax credit availed towards export of goods. The GST department has issued the said SCN under the contention that the refund so claimed under rule 89(4) & 96(10) of CGST Rules 2017 is erroneous. The company has filed writ petition in Bombay High Court against the said Show cause notice. The Bombay High Court has granted Interim stay and no demand has been confirmed against the said Show cause notice till the date of the Balance sheet and the matter is still subjudice. The company has further received show cause notice from the GST department for Demand of Rs 359.47 Lakhs towards the disallowance of the GST Input credit claimed for the IPO expenses. The company has filed the reply to the GST department with required documents & explanations for allowability of the said input GST credit. GST Department has not called for any further clarification and no demand has been confirmed in the matter till the date of the Balance sheet.
- 44.3 Additional liability if any, arising pursuant to respective assessment under various fiscal statutes, 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.
- 44.4 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.



- 44.5 The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 44.6 As per information 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.
- 44.7 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.
- 44.8 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.
- 44.9 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.
- 44.10 The company has not been declared as willful defaulter by any bank or financial institution or any other lender during the financial year.
- 44.11 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.
- 44.12 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.
- 44.13 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.
- 44.14 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.
- 44.15 The Company has over due receivables against the export realization of goods for INR equivalent to 5337.13 Lakhs due to the various business reasons. 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 realization however till the date of the balance sheet such extension has not been made.
- 44.16 The company's fixed assets & investment which has been impaired and has become non useful to the company has been recognized to the profit & loss account for the value over and above the recovered value of such assets and investments.
- 44.17 With respect to disclosures Pursuant to Section 185 (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 except the loan of Rs 1055.36 lakhs given to the subsidiary company for which equity shares has been allotted in lieu of and against the conversion of the said loan during the year. During the year, the Company has made investments of Rs 1720.86 lakhs for purchase of 300% equity shares of the company Hyd-air Engineering Pvt Ltd which is now the wholly owned subsidiary of the company. Further the investment in foreign subsidiary has been impaired and has been recognized to the profit & Loss account during the year as the said foreign subsidiary has been strike off and become non operation during the year.
- 44.18 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.

**NOTE 45:**

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:**

The financial statements has been authorized for issue by the Board of directors on dated 30th April, 2025.

**NOTE 47:**

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

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

*Priyanka*  
PRIYANKA JAJI  
(Partner)  
Membership No : 416197  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 25416197BMUHAL3532



For and on behalf of the Board

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

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

*Shah*  
KINMAL SHAH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : A58678)

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**AEROFLEX INDUSTRIES LIMITED**

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

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**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 accompanying Consolidated Financial Statements of **AEROFLEX INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") which includes the financial statements/financial information in respect of subsidiaries (Indian Subsidiary Hyd-air Engineering Pvt Ltd and foreign subsidiary Aeroflex Industries Limited, incorporated at London UK. (the Subsidiaries") ( The Holding company and its subsidiary together referred as the " the company/ Group"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2025, 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 and based on the consideration of the reports of other auditors of the subsidiary companies, 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<sup>st</sup> March 2025, its consolidated profits 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



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 and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs of the Other Matters section below 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<sup>st</sup> March 2025. 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.

**A. 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 the assets capitalized/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31<sup>st</sup> March 2025 of Rs. 888.41 lakhs. Cost Recognition of Property, Plant and Equipment as specified in Ind AS 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 3: 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. The company has made the capitalization from the IPO funds and the internal accruals.

e) Ensuring adequacy of disclosures in the standalone financial statements.

**B. Disclosure with regards to certain legal and tax matters including uncertain tax positions :**

Refer Note No 44.2 to the consolidated financial statements.

The Holding Company operates in a complex tax jurisdiction with certain tax exemption/ deduction that may be subject to challenge and audit by the tax authorities. Further, there are open tax matters under litigation with the tax authorities.

As at 31<sup>st</sup> March, 2025, the Holding Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters.

This is a key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognizing provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements.

Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following:

Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;

Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss as well as testing related to provisions and disclosures in the consolidated financial statements through inquiries with the management and legal counsel;

Assessing on test basis on the underlying calculation supporting the disclosure of litigation in the consolidated financial statements;

Reviewing orders and other communication from tax and regulatory authorities and management responses thereto;



Assessing the management expert's legal advice and opinion, as applicable, obtained by the Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and

Based on the above procedures performed, we did not identify any material exceptions in respect of disclosure of tax litigation in the consolidated financial statements with regard to such legal and tax matters.

**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 of Director's report including Annexures to Board of Director'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. When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance 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 respective companies.

**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. 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 Indian subsidiary Hyd-air Engineering Pvt Ltd whose financial statements reflect total assets of ₹ 3711.14 lakhs as at 31st March, 2025 total revenues of ₹ 1075.18 lakhs and net cash inflows amounting to ₹ (88.00) 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.
- (b) We did not audit the financial statements of one foreign subsidiary Aeroflex Industries Limited UK whose financial statements reflect total assets of ₹ NIL as at 31st March, 2025 total revenues of ₹ (6.62) lakhs and net cash inflows amounting to ₹ NIL lakhs for the year ended on that date, as considered in the consolidated financial statements. This foreign subsidiary company has been strikes off and the operations has winded up during the year. Therefore there are no assets & liabilities at the year ended which to be included in the consolidated financial statement except the balances of profit & loss account, which has been duly considered in the consolidated financial statement. 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 this 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 and the financial information certified by the Management.

**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, 2025, 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 2025 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 other material pending litigations which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in Notes 44.2 of the consolidated financial statements
- 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<sup>st</sup> March 2025.
- 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<sup>st</sup> March 2025.
- 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

E.R.N. : 127673W

*Priyanka*



PRIYANKA JAJU

(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN : 25416197BMJHAV1944

**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, 2025)

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

E.R.N. : 127673W

*Priyanka*



PRIYANKA JAJU

(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN : 25416197BMJHAV1944

## **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, 2025 .

### **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, 2025, 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 JAJU

(Partner)

Membership No. : 416197

Place : Mumbai

Date : 30<sup>th</sup> April 2025

UDIN : 25416197BMJHAV1944



| <b>AEROFLEX INDUSTRIES LIMITED</b>                                                       |      |                      |                      |
|------------------------------------------------------------------------------------------|------|----------------------|----------------------|
| (CIN NO : L24110MH12003PLC074576 )                                                       |      |                      |                      |
| CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2025                                        |      |                      |                      |
| (Rs. in lakhs)                                                                           |      |                      |                      |
| PARTICULARS                                                                              | Note | As At March 31, 2025 | As At March 31, 2024 |
| <b>ASSETS</b>                                                                            |      |                      |                      |
| <b>NON-CURRENT ASSETS</b>                                                                |      |                      |                      |
| a) Property, Plant and Equipment                                                         | 3    | 36,965.10            | 8,237.28             |
| b) Property, Plant and Equipment - WIP                                                   | 3.1  | 884.22               | 517.53               |
| c) Investment Property                                                                   |      |                      |                      |
| d) Goodwill                                                                              |      | 128.75               |                      |
| e) Intangible Assets                                                                     | 4    | 88.20                | 59.63                |
| f) Intangible Assets - WIP                                                               | 4.1  | -                    | 1.78                 |
| g) Biological Assets other than bearer plants                                            |      |                      |                      |
| h) Financial assets                                                                      |      |                      |                      |
| i) Trade receivables                                                                     |      |                      |                      |
| j) Loans                                                                                 |      |                      |                      |
| k) Other financial assets                                                                | 5    | 272.62               | 345.94               |
| i) Deferred tax assets - net                                                             | 6    | -                    | -                    |
| j) Other non-current assets                                                              | 7    | 269.89               | 204.83               |
| <b>Total Non-Current Assets</b>                                                          |      | <b>38,706.95</b>     | <b>9,485.18</b>      |
| <b>CURRENT ASSETS</b>                                                                    |      |                      |                      |
| a) Inventories                                                                           | 8    | 6,608.28             | 5,894.24             |
| b) Financial Assets                                                                      |      |                      |                      |
| i) Investments                                                                           |      |                      |                      |
| ii) Trade Receivables                                                                    | 9    | 11,651.70            | 9,472.28             |
| iii) Cash and cash equivalents                                                           | 10   | 2,620.39             | 7,650.89             |
| iv) Bank balances other than cash and cash equivalents                                   | 11   | 44.85                | 2,921.28             |
| v) Loans                                                                                 |      |                      |                      |
| vi) Other financial assets                                                               |      |                      |                      |
| c) Current Tax Assets - Net                                                              |      |                      |                      |
| d) Other current assets                                                                  | 12   | 2,923.04             | 2,068.94             |
| <b>Total Current Assets</b>                                                              |      | <b>23,846.25</b>     | <b>28,007.77</b>     |
| <b>TOTAL ASSETS</b>                                                                      |      | <b>62,553.21</b>     | <b>37,492.95</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                            |      |                      |                      |
| <b>EQUITY</b>                                                                            |      |                      |                      |
| a) Equity share capital                                                                  | 13   | 2,586.41             | 2,586.41             |
| b) Other equity                                                                          | 14   | 31,855.27            | 26,728.57            |
| <b>Total Equity</b>                                                                      |      | <b>34,441.68</b>     | <b>29,314.98</b>     |
| <b>LIABILITIES</b>                                                                       |      |                      |                      |
| <b>Non-current liabilities</b>                                                           |      |                      |                      |
| a) Financial liabilities                                                                 |      |                      |                      |
| i) Borrowings                                                                            |      |                      |                      |
| (A) Lease liabilities                                                                    | 15   | 32.64                | 6.34                 |
| (B) Trade payables                                                                       |      |                      |                      |
| (C) Other financial liabilities (other than those specified in item (b) to be specified) |      |                      |                      |
| b) Provisions                                                                            |      |                      |                      |
| c) Other Non-current liabilities                                                         |      |                      |                      |
| d) Deferred tax liability (Net)                                                          | 6    | 136.09               | 71.55                |
| <b>Total Non-current Liabilities</b>                                                     |      | <b>168.73</b>        | <b>77.89</b>         |
| <b>Current liabilities</b>                                                               |      |                      |                      |
| a) Financial liabilities                                                                 |      |                      |                      |
| i) Borrowings                                                                            |      |                      |                      |
| (A) Lease liabilities                                                                    | 16   | 25.71                | 5.77                 |
| (B) Trade Payables                                                                       |      |                      |                      |
| (A) Total outstanding dues of micro enterprises and small enterprises                    | 17   | 425.09               | 322.10               |
| (B) Total outstanding dues of creditors other than micro & small enterprises             | 17   | 5,257.95             | 5,292.16             |
| ii) Other financial liabilities (other than those specified in item (i))                 |      |                      |                      |
| b) Other current liabilities                                                             | 18   | 1,674.07             | 1,394.86             |
| c) Provisions                                                                            |      |                      |                      |
| d) Current Tax liabilities (Net)                                                         | 19   | 138.75               | 186.77               |
| <b>Total Current Liabilities</b>                                                         |      | <b>6,224.39</b>      | <b>6,103.66</b>      |
| <b>Total Liabilities</b>                                                                 |      | <b>8,413.09</b>      | <b>8,181.55</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                      |      | <b>42,854.77</b>     | <b>37,496.53</b>     |

The accompanying notes are an integral part of these CONSOLIDATED Financial Statements ( Note No. "3 to 4")

As Per Our Report of even date

FOR SHWETA JAIN & CO  
CHARTERED ACCOUNTANTS  
F.R.N. : L27673W

*Priyanka*

PRYANKA JAIN  
(Partner)  
Membership No : 418259  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 25410397DMJHAY1944



For and on behalf of the Board

*Asad*  
ASAD DABO  
MANAGING DIRECTOR  
(DIN-02498555)

*MK*  
MUSTAFA RACHWALA  
WHOLETIME DIRECTOR & CFO  
(DIN-0312450)

*Bhushan*  
BHUSHAN SHAH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : 658578)

**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : L24110MH1993PLC074576 )

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025**

(Rs. in lakhs)

| Particulars                                                                                     | Note | Year Ended       | Year Ended       |
|-------------------------------------------------------------------------------------------------|------|------------------|------------------|
|                                                                                                 |      | 31.03.2025       | 31.03.2024       |
| <b>REVENUES:</b>                                                                                |      |                  |                  |
| I Revenue from operations                                                                       | 20   | 37,622.79        | 31,790.73        |
| II Other Income                                                                                 | 21   | 252.45           | 384.32           |
| <b>TOTAL INCOME</b>                                                                             |      | <b>37,875.24</b> | <b>32,175.05</b> |
| <b>EXPENSES:</b>                                                                                |      |                  |                  |
| III Cost of Material Consumed                                                                   | 22   | 22,005.04        | 20,723.88        |
| IV Changes in Inventories                                                                       | 23   | 373.35           | (583.50)         |
| V Employee Benefit Expenses                                                                     | 24   | 3,578.15         | 2,620.18         |
| VI Finance costs                                                                                | 25   | 35.92            | 215.86           |
| VII Depreciation and amortisation expense                                                       | 26   | 1,127.23         | 626.19           |
| VIII Other expenses                                                                             | 27   | 3,810.74         | 2,849.51         |
| <b>TOTAL EXPENSES</b>                                                                           |      | <b>30,861.43</b> | <b>26,450.62</b> |
| <b>Profit/(loss) before exceptional item and tax</b>                                            |      | <b>6,994.81</b>  | <b>5,725.63</b>  |
| IX Exceptional item                                                                             |      | -                | -                |
| <b>Profit/(loss) before tax</b>                                                                 |      | <b>6,994.81</b>  | <b>5,725.63</b>  |
| Tax expense:                                                                                    |      |                  |                  |
| X (1) Current Tax                                                                               |      | 1,679.00         | 1,415.70         |
| XI (2) Deferred tax Liability/(Assets)                                                          |      | 84.54            | 43.93            |
| XII (3) Taxation of Earlier Year                                                                |      | (13.49)          | 92.00            |
| <b>Profit/(loss) for the year from continuing operation</b>                                     |      | <b>5,250.76</b>  | <b>4,173.40</b>  |
| XIII Profit/(Loss) from discontinued operations                                                 |      |                  |                  |
| XIV Tax expense of discontinued operations                                                      |      |                  |                  |
| XV Profit/(loss) from discontinued operation                                                    |      |                  |                  |
| <b>Profit/(loss) for the year</b>                                                               |      | <b>5,250.76</b>  | <b>4,173.40</b>  |
| Other Comprehensive Income/(loss)                                                               |      |                  |                  |
| XVI 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  |      |                  | -                |
| XVI b) Income tax relating to item that will not be reclassified subsequently to profit or loss |      |                  | -                |
| XVIII c) Item that will be reclassified subsequently to profit or loss                          |      |                  |                  |
| i) Exchange differences on translation of financial statements of foreign operations            |      | 0.22             | 0.33             |
| XIX d) Income tax relating to item that will be reclassified subsequently to profit or loss     |      |                  | -                |
| <b>Total Other Comprehensive Income/(loss)</b>                                                  |      | <b>0.22</b>      | <b>0.33</b>      |
| <b>Total Comprehensive Income for the year</b>                                                  |      | <b>5,250.99</b>  | <b>4,173.72</b>  |
| XX Earnings per equity share : (for continued Operation) in Rs                                  |      |                  |                  |
| (1) Basic                                                                                       |      | 4.06             | 3.39             |
| (2) Diluted                                                                                     |      | 4.06             | 3.39             |
| XXI Earnings per equity share : (for discontinued Operation) in Rs                              |      |                  |                  |
| (1) Basic                                                                                       |      | -                | -                |
| (2) Diluted                                                                                     |      | -                | -                |
| XXII Earnings per equity share : (for discontinued & continuing operations) in Rs               |      |                  |                  |
| (1) Basic                                                                                       |      | 4.06             | 3.39             |
| (2) Diluted                                                                                     |      | 4.06             | 3.39             |

The accompanying notes are an integral part of these CONSOLIDATED Financial Statements (Note No. "1 to 47")

As Per Our Report of even date  
FOR SHWETA JAIN & CO  
CHARTERED ACCOUNTANTS  
F.R.N. : 127573W

*Priyanka*

PRİYANKA JAJU  
(Partner)  
Membership No : 416197  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 25416197BMHAY1944



and on behalf of the Board  
*ASAD DAUD*  
ASAD DAUD  
MANAGING DIRECTOR  
(DIN-02493539)

*MUSTAFA A KACHWALA*  
MUSTAFA A KACHWALA  
WHOLETIME DIRECTOR & CFO  
(DIN-03120453)

*KINJAL SHAM*  
KINJAL SHAM  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : AS8678)

**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : UD4310MH1993PLC074576)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

(Rs. In lakhs)

| Particulars                                                                               | Year Ended        | Year Ended        |
|-------------------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                           | 31.03.2025        | 31.03.2024        |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                             |                   |                   |
| Net Profit (Less) before Tax                                                              | 6,094.81          | 5,725.03          |
| Add : Other Comprehensive income/(loss)                                                   | 0.22              | 0.55              |
| Add : Depreciation                                                                        | 1,127.23          | 626.19            |
| Add : Interest Paid                                                                       | 26.32             | 213.86            |
| Add : loss on sale, disposal, discard of property, plant and equipment (net)              | 19.00             | 1.36              |
| less : Realised Exchange gain on Impairment of Investment                                 | (1.04)            | -                 |
| less : Interest Received                                                                  | (738.27)          | (278.21)          |
| <b>Operating Profit before working capital changes</b>                                    | <b>7,945.77</b>   | <b>6,288.53</b>   |
| Adjustments for :                                                                         |                   |                   |
| (Increase)/Decrease in Non Current Other Financial Assets                                 | 72.22             | (289.87)          |
| (Increase)/Decrease in Other Non Current Assets                                           | 25.82             | (103.01)          |
| (Increase)/Decrease in Change in Inventories                                              | (774.05)          | (293.54)          |
| (Increase)/Decrease in Current Trade Receivables                                          | (2,179.51)        | (1,775.27)        |
| (Increase)/Decrease in Other Current Assets                                               | (884.10)          | 451.98            |
| Increase/(Decrease) in Other Non current liabilities                                      | -                 | (86.57)           |
| Increase/(Decrease) in Current Trade Payables                                             | 168.78            | 1,251.21          |
| Increase/(Decrease) in Other Current Liabilities                                          | (89.02)           | 885.44            |
| <b>Cash Generated from Operations before tax</b>                                          | <b>4,327.90</b>   | <b>5,966.96</b>   |
| Income Tax Paid                                                                           | (1,872.51)        | (1,562.20)        |
| <b>Net Cash Flow from Operating Activities</b>                                            | <b>2,455.39</b>   | <b>4,404.76</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                             |                   |                   |
| Purchase of Property, Plant & Equipments including CWP                                    | (10,346.28)       | (1,770.04)        |
| Goodwill in Subsidiary                                                                    | (126.75)          | -                 |
| Movement in other bank balances (net)                                                     | 2,877.43          | (2,890.17)        |
| Interest Received                                                                         | (20.37)           | 278.22            |
| <b>Net Cash Flow from Investing Activities</b>                                            | <b>(7,315.97)</b> | <b>(4,381.99)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                             |                   |                   |
| Proceeds from issuance of equity share capital                                            | -                 | 300.00            |
| Proceeds from borrowings                                                                  | 64.00             | -                 |
| Repayment of borrowings                                                                   | (31.77)           | (6,488.48)        |
| Interest Paid                                                                             | (25.02)           | (213.86)          |
| Dividend Paid                                                                             | (123.30)          | (228.94)          |
| IPD Issue Expenses                                                                        | -                 | (2,230.43)        |
| Proceeds from issue of equity share capital (including securities premium)                | -                 | 15,900.00         |
| <b>Net Cash Flow from Financing activities</b>                                            | <b>(312.99)</b>   | <b>5,039.69</b>   |
| <b>Net Increase in Cash &amp; Cash Equivalents</b>                                        | <b>(5,013.60)</b> | <b>7,016.85</b>   |
| Cash and Cash Equivalents at the beginning of the year                                    | 7,459.08          | 615.18            |
| Cash and Cash Equivalents at the end of the year                                          | 2,445.48          | 7,632.03          |
| <b>Net Increase in Cash &amp; Cash Equivalents as at -</b>                                | <b>(5,013.60)</b> | <b>7,016.85</b>   |
| <b>Reconciliation of cash and cash equivalents at end of the year with Balance Sheet:</b> |                   |                   |
| Cash and cash equivalents as per balance sheet (As per Note 10)                           |                   |                   |
| Cash on hand                                                                              | 1.30              | 4.75              |
| in Rupee                                                                                  | 5.26              | 4.75              |
| in Foreign Currency                                                                       | -                 | -                 |
| Balances with banks                                                                       | 1,076.21          | 548.20            |
| - On current accounts                                                                     | 1,587.54          | 7,182.24          |
| Fixed deposits with maturity of less than 3 months *                                      | -                 | -                 |
| <b>TOTAL</b>                                                                              | <b>2,830.29</b>   | <b>7,650.62</b>   |

The accompanying notes are an integral part of these CONSOLIDATED Financial Statements (Note No. "3" to 5)

As Per Our Report of even date  
FOR SHWETA JAIN & CO  
CHARTERED ACCOUNTANTS  
F.R.N. : 127672W

*Priyanka*  
PRIYANKA JAJU  
(Partner)  
Membership No. : 416197  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 25485297BMGHAV3944



For and on behalf of the Board

*Manoj*  
MANOJ D. SHARMA  
MANAGING DIRECTOR  
(DIN-02451535)

*M.K.I.*  
MUSTAFA K. KADIMALLA  
WHOLETIME DIRECTOR & CFO  
(DIN-03124453)

*Shah*  
KIRAN SHAH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No : 658578)

Notes:

- 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 Standards) Rules, 2015 as amended.
- Cash and Cash Equivalents comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 11 & 12)

**AEROFLEX INDUSTRIES LIMITED**

[CIN NO. : L24110MH01993PL0074576.]

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025**

[Rs. In Lakhs]

**STATEMENT OF CHANGE IN EQUITY**

**A. Equity Share Capital**

| Particulars                      | Balance at the beginning of the reporting Year | Change in equity share capital due to prior year errors | Change in equity share capital during the year | Balance at the end of the reporting Year |
|----------------------------------|------------------------------------------------|---------------------------------------------------------|------------------------------------------------|------------------------------------------|
| For the year ended on 31/03/2025 | 2,266.41                                       | -                                                       | -                                              | 2,266.41                                 |
| For the year ended on 31/03/2024 | 2,266.41                                       | -                                                       | 930.00                                         | 2,266.41                                 |

**B. Preference Holdings**

| Name of Preference Shares | Shares held at the end of the year 31/03/2025 |                   | Shares held at the end of the year 31/03/2024 |                   | % of Change during the year |
|---------------------------|-----------------------------------------------|-------------------|-----------------------------------------------|-------------------|-----------------------------|
|                           | No. of Shares held                            | % of Total Shares | No. of Shares held                            | % of Total Shares |                             |
| For Industries Limited    | 7,51,81,283                                   | 63.27%            | 7,51,81,283                                   | 61.25%            | 9.00%                       |

**C. Other Equity**

|                                                                         | Share Application Money | Equity (Component of compound) | Capital Reserve    |                 | Reserves & Surplus |                   | Total     |
|-------------------------------------------------------------------------|-------------------------|--------------------------------|--------------------|-----------------|--------------------|-------------------|-----------|
|                                                                         |                         |                                | Securities premium | General Reserve | Securities premium | Retained earnings |           |
| Balance at the beginning of the reporting year 01.04.2024               | -                       | -                              | -                  | -               | 25,000.00          | 10,048.48         | 34,728.57 |
| Change in accounting policy/ prior year errors                          | -                       | -                              | -                  | -               | -                  | -                 | -         |
| Revised balance at the beginning of the reporting year                  | -                       | -                              | -                  | -               | -                  | -                 | -         |
| Other comprehensive income                                              | -                       | -                              | -                  | -               | -                  | 3,250.70          | 3,250.70  |
| Total Comprehensive Income for the year                                 | -                       | -                              | -                  | -               | -                  | (9,843)           | (9,843)   |
| Dividends                                                               | -                       | -                              | -                  | -               | -                  | (123,30)          | (123,30)  |
| Transfer to retained earnings for equity premium on issue of new shares | -                       | -                              | -                  | -               | -                  | -                 | -         |
| PO Expense                                                              | -                       | -                              | -                  | -               | -                  | -                 | -         |
| Balance at the end of the reporting year 31.03.2025                     | -                       | -                              | -                  | -               | 35,000.00          | 15,575.51         | 31,455.32 |





## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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

The Consolidated Financial Statements comprise financial statements of **AEROFLEX INDUSTRIES LIMITED** ("The Company" or "the Parent") bearing Corporate Identity Number (CIN) L24110MH1993PLC074576 and subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2025.

**AEROFLEX INDUSTRIES LIMITED** ("The holding 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). The holding 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 done the expansion of the manufacturing activities during the year for production of Metal Bellows & Composite hoses & related products at its unit No -2, Survey No. 49, ASB, Lodha Industrial and Logistics Park (LILP), Palava, Taluka, Narhen, Ambernath, Maharashtra -421501.

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 .

#### **Subsidiaries :**

1. The company has acquired 100% equity shares of the company Hydair Engineering Pvt Ltd ("The **Subsidiary**") during the year which is now wholly owned Subsidiary of the company. The company is having principal place of Business in India and engaged in manufacturing of engineering goods.
2. The company had its wholly owned foreign Subsidiary named Aeroflex industries Limited UK at London, United Kingdom ("The foreign **Subsidiary**") for which the operations has been closed during the year and the name of the company has been strike off from the corporate during the year.

The consolidated financial statements ("the financial statements") have been approved for issue by the Board of Directors of the Company in their meeting held on 30<sup>th</sup> April 2025, presents the financial position of the Group.

#### **NOTE 2 : 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 subsidiaries.



## **AEROFLEX INDUSTRIES LIMITED**

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### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

#### **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.

The Consolidated financial statements comprises the Consolidated Balance Sheet as at 31 March, 2025, the Statement of Consolidated Profit and Loss for the year ended 31 March 2025, the Statement of Consolidated Cash Flows for the year ended 31 March 2025 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.



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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

- (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 2025. Subsidiary Companies is the entity over which the holding company has control.
- (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



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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.

The following are the areas involving critical estimates and judgments

- Useful lives of property, plant and equipment :
- Provision for litigations and contingencies:
- Recognition of Deferred Tax
- Fair Valuation of Financial instruments
- Valuation of inventories
- Impairments
- 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 & Tax litigations.

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



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- 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 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



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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.

The Group based on the technical assessment made by the technical expert/management estimate, depreciates certain items of building, plant and equipments over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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.

#### **Capital work-in-progress :**

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. The Capital Work in progress is transferred to the respective assets head once the same is ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are 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. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.



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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:

| <b>Assets class</b>          | <b>Period of useful life of Assets</b> |
|------------------------------|----------------------------------------|
| Factory Building             | 30 Years                               |
| Addition to factory Building | 3 - 10 Years                           |
| Server and Networks          | 6 Years                                |
| Plant & Machinery            | 25 Years                               |
| Solar Panels                 | 15 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.



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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) 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

#### **d) 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 of group has estimated the useful lives of intangible assets as follows:



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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 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.

**e) Goodwill :**

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination.



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Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

#### **Critical accounting judgement and key sources of estimation uncertainty**

The recoverable amount is determined based on value in use or fair value less cost to sell calculations which require the use of assumptions as directly observable market prices generally do not exist for the Group's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

#### **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 :**

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

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 group and the same is rounded off to the nearest Lakhs Rupees with two decimals.

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

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.



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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.

#### **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 group 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 group 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 group expects to be entitled in exchange for



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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 group has been 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



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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.

#### **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



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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 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 it 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.



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**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. 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.

**O. 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.



# **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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

The Management classifies financial assets, subsequently at amortized 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 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



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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 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 amortized 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.



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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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 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.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

#### **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.

#### **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.



## **AEROFLEX INDUSTRIES LIMITED**

**( CIN NO : U24110MH1993PLC074576 )**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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.

**P. 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 THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

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 group 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. In case of subsidiary in the group, the gratuity provision is identified by the respective management and provided accordingly and has been considered under the group.



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO.: L2510MH1998PLC024576)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 3.1. PROPERTY, PLANT AND EQUIPMENTS**

(Rs. in lakhs)

| Particulars                                 | 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            |
|---------------------------------------------|-----------------|--------------------|---------------------|------------------------|--------------|-------------------|-----------------|--------------|-------------------------|--------------------|----------------------------|--------------|------------------|
| Year Ended as on 31st March 2025            |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Opening Gross Carrying Amount               | 2,168.46        | 2,943.83           | 8,743.70            | 449.44                 | 61.31        | 204.62            | 34.81           | 283.46       | 534.62                  | 89.75              | 385.35                     | 25.03        | 15,913.44        |
| Additions                                   | 1,176.00        | 1,858.05           | 6,600.32            | 160.40                 | 85.72        | 206.83            | 10.10           | 19.96        | 45.46                   | 47.95              | 346.97                     | 0.75         | 18,268.73        |
| Exchange Difference                         |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Assets include in a disposal group for sale |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Disposals                                   |                 |                    | (1256.62)           |                        | (14.66)      |                   |                 |              |                         |                    |                            |              | (271.20)         |
| Closing Gross Carrying Amount               | 3,344.46        | 4,801.88           | 15,288.29           | 609.84                 | 132.29       | 338.64            | 44.91           | 303.42       | 570.07                  | 137.70             | 532.32                     | 26.78        | 35,905.90        |
| Accumulated Depreciation                    |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 2,079.03           | 4,290.43            | 329.43                 | 57.09        | 174.83            | 37.83           | 341.72       | 166.38                  | 77.49              | 280.51                     | 20.24        | 8,260.50         |
| Assets include in a disposal group for sale |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Exchange Difference                         |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Disposals                                   |                 |                    | (225.86)            |                        | (11.40)      |                   |                 |              |                         |                    |                            |              | (287.13)         |
| Closing Accumulated Depreciation            | -               | 2,365.24           | 4,680.78            | 385.13                 | 65.39        | 364.77            | 31.43           | 279.71       | 317.02                  | 80.52              | 321.94                     | 22.01        | 8,339.80         |
| <b>NET CARRYING AMOUNT</b>                  | <b>3,344.46</b> | <b>2,436.64</b>    | <b>10,607.51</b>    | <b>224.71</b>          | <b>67.00</b> | <b>105.87</b>     | <b>13.48</b>    | <b>23.71</b> | <b>253.05</b>           | <b>57.18</b>       | <b>210.38</b>              | <b>4.77</b>  | <b>17,566.10</b> |
| Year Ended as on 31st March 2024            |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Opening Gross Carrying Amount               | 1,631.39        | 2,423.50           | 6,721.86            | 377.56                 | 61.31        | 182.35            | 23.10           | 229.87       | 321.35                  | 85.18              | 361.31                     | 25.62        | 12,948.80        |
| Additions                                   | 547.87          | 514.81             | 3,037.93            | 71.88                  | -            | 22.20             | 4.91            | 53.59        | 2.67                    | 4.56               | 34.65                      | 0.31         | 4,298.54         |
| Exchange Difference                         |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Assets include in a disposal group for sale |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Disposals                                   |                 |                    | (116.89)            |                        |              |                   |                 |              |                         |                    |                            |              | (86.89)          |
| Closing Gross Carrying Amount               | 2,188.46        | 2,943.83           | 8,743.70            | 449.44                 | 61.31        | 204.62            | 34.81           | 283.46       | 534.62                  | 89.75              | 385.35                     | 25.93        | 15,913.44        |
| Accumulated Depreciation                    |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Depreciation charge during the year         | -               | 2,788.41           | 3,820.34            | 307.56                 | 27.46        | 151.80            | 24.81           | 186.06       | 584.91                  | 68.71              | 216.01                     | 25.81        | 7,092.46         |
| Assets include in a disposal group for sale |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Exchange Difference                         |                 |                    |                     |                        |              |                   |                 |              |                         |                    |                            |              |                  |
| Disposals                                   |                 |                    | (10.53)             |                        |              |                   |                 |              |                         |                    |                            |              | (89.53)          |
| Closing Accumulated Depreciation            | -               | 1,852.04           | 4,158.11            | 327.34                 | 66.96        | 166.13            | 27.83           | 231.77       | 505.28                  | 77.43              | 280.51                     | 20.24        | 7,076.16         |
| <b>NET CARRYING AMOUNT</b>                  | <b>2,188.46</b> | <b>1,111.79</b>    | <b>4,585.59</b>     | <b>122.10</b>          | <b>14.35</b> | <b>38.49</b>      | <b>6.17</b>     | <b>51.69</b> | <b>18.24</b>            | <b>12.31</b>       | <b>104.84</b>              | <b>5.69</b>  | <b>8,137.28</b>  |

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

**NOTE 3.1. CAPITAL WORK IN PROGRESS (CWIP):**

The Group has incurred expense towards purchase of the machinery and equipment which are not ready for put to use till the year ended 31st March 2025. The Aging schedule of tangible assets under CWIP is as follows:

| Capital Work in Progress (Tangible Assets) | Amount of CWIP for the year ended 31.03.2025 |              |                   | Amount of CWIP for the year ended 31.03.2024 |              |                   |
|--------------------------------------------|----------------------------------------------|--------------|-------------------|----------------------------------------------|--------------|-------------------|
|                                            | Less than 1 year                             | 1 to 2 years | More than 2 years | Less than 1 year                             | 1 to 2 years | More than 2 years |
| Expansion Projects in progress             | 584.22                                       |              |                   | 537.83                                       |              |                   |
| <b>TOTAL</b>                               | <b>584.22</b>                                |              |                   | <b>537.83</b>                                |              |                   |
| <b>TOTAL</b>                               |                                              |              |                   |                                              |              | <b>537.83</b>     |

(Rs. in lakhs)





**NOTE 4: Intangible Assets**

| Particulars                                 | Software & Licenses | TOTAL         |
|---------------------------------------------|---------------------|---------------|
| <b>Year Ended as on 31st March 2015</b>     |                     |               |
| Opening Gross Carrying Amount               | 166.62              | 166.62        |
| Additions                                   | 65.43               | 65.43         |
| Exchange Difference                         | -                   | -             |
| Assets include in a disposal group for sale | -                   | -             |
| Disposals                                   | -                   | -             |
| <b>Closing Gross Carrying Amount</b>        | <b>232.05</b>       | <b>232.05</b> |
| <b>Accumulated Depreciation</b>             |                     |               |
| Depreciation charge during the year         | 356.99              | 105.99        |
| Assets include in a disposal group for sale | (36.80)             | 35.89         |
| Exchange Difference                         | -                   | -             |
| Disposals                                   | -                   | -             |
| Closing Accumulated Depreciation            | 541.80              | 149.89        |
| <b>NET CARRYING AMOUNT</b>                  | <b>88.25</b>        | <b>88.26</b>  |
| <b>Year Ended as on 31st March 2016</b>     |                     |               |
| Opening Gross Carrying Amount               | 252.07              | 152.47        |
| Additions                                   | 14.15               | 34.15         |
| 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>             |                     |               |
| Depreciation charge during the year         | 75.05               | 75.05         |
| Assets include in a disposal group for sale | (31.07)             | 31.57         |
| Exchange Difference                         | -                   | -             |
| Disposals                                   | -                   | -             |
| Closing Accumulated Depreciation            | 104.99              | 206.69        |
| <b>NET CARRYING AMOUNT</b>                  | <b>55.63</b>        | <b>55.63</b>  |

**NOTE 5.1.1: INTANGIBLE ASSETS UNDER DEVELOPMENT :**

| Capital Work In Progress (Intangible Assets) | Amount of CWIP for the year ended 31.03.2015 |              |              |                   |       | Amount of CWIP for the year ended 31.03.2014 |              |              | TOTAL |                   |
|----------------------------------------------|----------------------------------------------|--------------|--------------|-------------------|-------|----------------------------------------------|--------------|--------------|-------|-------------------|
|                                              | Less than 1 year                             | 1 to 2 years | 2 to 3 years | More than 3 years | TOTAL | Less than 1 year                             | 1 to 2 years | 2 to 3 years |       | More than 3 years |
|                                              | ₹                                            | ₹            | ₹            | ₹                 | ₹     | ₹                                            | ₹            | ₹            |       | ₹                 |
| New Software under development               | -                                            | -            | -            | -                 | -     | 3.78                                         | -            | -            | -     | 3.78              |

(Rs. in lakhs)

**AEROFLEX INDUSTRIES LIMITED**

( CIN NO : L24110MH1993PLC074574 )

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 5 : NON CURRENT - OTHER FINANCIAL ASSETS**

(Rs. in lakhs)

| PARTICULARS       | As at March 31, 2025 | As at March 31, 2024 |
|-------------------|----------------------|----------------------|
| Security Deposits | 272.62               | 145.84               |
| <b>TOTAL</b>      | <b>272.62</b>        | <b>145.84</b>        |

**NOTE 6 : DEFERRED TAX**

(Rs. in lakhs)

| PARTICULARS                                                             | As at March 31, 2025 | As at March 31, 2024 |
|-------------------------------------------------------------------------|----------------------|----------------------|
| <b>Particulars</b>                                                      |                      |                      |
| Opening Balance for Deferred tax Assets / (Liabilities)                 | (71.95)              | (25.02)              |
| Add/Less: Deferred Tax Assets/(Liabilities) for Depreciation Difference | (57.47)              | (42.28)              |
| Add/Less: Deferred Tax Assets/(Liabilities) for Gratuity                | (16.85)              | (5.65)               |
| <b>DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 1 &amp; 2</b>           | <b>(156.49)</b>      | <b>(71.95)</b>       |
| Opening Balance for Deferred tax Assets / (Liabilities)                 |                      | -                    |
| Add/Less: Deferred Tax Assets/(Liabilities) for the year                |                      | -                    |
| <b>DEFERRED TAX ASSETS -</b>                                            |                      |                      |
| <b>Net amount charged to Statement of Profit and Loss</b>               | <b>(84.54)</b>       | <b>(63.92)</b>       |
| <b>Deferred tax liabilities(net)</b>                                    | <b>(156.49)</b>      | <b>(71.95)</b>       |

Note -

- The Amount is arisen on account of Difference between the replication of Companies Act and Income Tax Act.
- The Amount is arisen on account of Provision for Gratuity at the year ended.

**NOTE 7 : NON CURRENT - OTHER NON CURRENT ASSETS**

(Rs. in lakhs)

| PARTICULARS                              | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------------------|----------------------|----------------------|
| Advance to Supplier                      | 224.52               | 143.07               |
| Repair & Maintenance ( To be amortised ) | 34.03                | 60.16                |
| Retention Money                          | 1.03                 | 1.58                 |
| QIP Related Expenses                     | 6.23                 | -                    |
| <b>TOTAL</b>                             | <b>269.01</b>        | <b>304.81</b>        |

**NOTE 8 : CURRENT - INVENTORIES**

(Rs. in lakhs)

| PARTICULARS               | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|----------------------|----------------------|
| Raw Material In Stock     | 2,215.55             | 2,077.01             |
| Work In Progress In Stock | 2,396.02             | 3,537.56             |
| Finished goods In Stock   | 1,056.71             | 904.87               |
| <b>TOTAL</b>              | <b>6,668.28</b>      | <b>5,594.24</b>      |

\* Stock are Valued at Cost or Net realisable value whichever is lower & has been certified by the management.



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : L24110MH1993PLC074576 )

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2025**

**NOTE 9 :TRADE RECEIVABLES**

(Rs. in lakhs)

| PARTICULARS                                                          | As at March 31, 2025 |                   | As at March 31, 2024 |                   |
|----------------------------------------------------------------------|----------------------|-------------------|----------------------|-------------------|
|                                                                      | Less than 6 months   | 6 months - 1 year | 3-2 years            | More than 3 years |
| (a) Trade Receivables considered good - secured                      |                      | 11,636.00         |                      | 9,456.89          |
| (b) Trade Receivables considered good - unsecured                    |                      | 25.00             |                      | 15.40             |
| (c) Trade Receivables which have significant increase in Credit Risk |                      |                   |                      | 15.40             |
| (d) Trade Receivables -Credit Impaired                               |                      |                   |                      | 9,472.28          |
| Less: Allowance for doubtful debts                                   |                      |                   |                      |                   |
| <b>Total</b>                                                         |                      | <b>11,661.00</b>  |                      | <b>9,472.28</b>   |

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 2025**

| Particulars                                                                        | Outstanding for following YEARS from due date of payment |                   |               |                   | Total            |
|------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|---------------|-------------------|------------------|
|                                                                                    | Less than 6 months                                       | 6 months - 1 year | 2-3 years     | More than 3 years |                  |
| (i) Undisputed Trade receivables - considered good                                 | 10,422.68                                                | 820.54            | 362.72        | 30.45             | 11,636.40        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk |                                                          |                   |               |                   | -                |
| (iii) Undisputed Trade Receivables - credit impaired                               |                                                          |                   |               |                   |                  |
| (iv) Disputed Trade Receivables                                                    |                                                          |                   |               | 15.40             | 15.40            |
| (v) Disputed Trade Receivables - credit impaired                                   |                                                          |                   |               |                   |                  |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk    |                                                          |                   |               |                   |                  |
| <b>Total</b>                                                                       | <b>10,422.68</b>                                         | <b>820.54</b>     | <b>362.72</b> | <b>30.45</b>      | <b>11,636.40</b> |

**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 | 2-3 years     | More than 3 years |                 |
| (i) Undisputed Trade receivables - considered good                                 | 8,574.78                                                 | 647.33            | 200.51        | 15.07             | 9,456.80        |
| (ii) Undisputed Trade receivables - which have significant increase in credit risk |                                                          |                   |               |                   |                 |
| (iii) Undisputed Trade Receivables - credit impaired                               |                                                          |                   |               |                   |                 |
| (iv) Disputed Trade Receivables                                                    |                                                          |                   |               | 15.40             | 15.40           |
| (v) Disputed Trade Receivables - credit impaired                                   |                                                          |                   |               |                   |                 |
| (vi) Disputed Trade Receivables- which have significant increase in credit risk    |                                                          |                   |               |                   |                 |
| <b>Total</b>                                                                       | <b>8,574.78</b>                                          | <b>647.33</b>     | <b>200.51</b> | <b>30.59</b>      | <b>9,472.28</b> |



**NOTE 10 : CASH & CASH EQUIVALENTS**

(Rs. in lakhs)

| PARTICULARS                                          | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------------------------------|----------------------|----------------------|
| Cash on hand                                         |                      |                      |
| In Rupees                                            | 1.20                 | 4.76                 |
| In Foreign Currency                                  | 5.25                 | 4.78                 |
| Balances with banks:                                 |                      |                      |
| - On current accounts                                | 1,076.21             | 548.26               |
| Fixed deposits with maturity of less than 3 months * | 1,547.54             | 7,092.24             |
| <b>TOTAL</b>                                         | <b>2,630.19</b>      | <b>7,650.03</b>      |

Note : \*Includes interest accrued Rs. 47.54 lakhs (pr. yr. Rs. 117.24 lakhs)

**NOTE 11 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT**

(Rs. in lakhs)

| PARTICULARS                                                                                             | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date * | 44.85                | 1,922.28             |
| <b>TOTAL</b>                                                                                            | <b>44.85</b>         | <b>1,922.28</b>      |

Note : \*Includes interest accrued Rs. 0.07 lakhs (pr. yr. Rs. 29.43 lakhs)

**NOTE 12 : CURRENT - OTHER CURRENT ASSETS**

(Rs. in lakhs)

| PARTICULARS                                  | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------------------|----------------------|----------------------|
| <b>Advances other than capital advances.</b> |                      |                      |
| Advance to Suppliers                         | 1,101.72             | 818.79               |
| <b>Other Advances</b>                        |                      |                      |
| Balance with Revenue Authorities             | 1,050.33             | 1,080.30             |
| Prepaid Expenses                             | 115.25               | 97.98                |
| Advance to Employees                         | 87.74                | 72.37                |
| <b>TOTAL</b>                                 | <b>2,355.04</b>      | <b>2,068.44</b>      |



**NOTE 13: SHARE CAPITAL****a) Share Details**

(Rs. in lakhs)

| PARTICULARS                                                            | As at 31 March, 2025 |                 | As at 31 March, 2024 |                 |
|------------------------------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                                                        | 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/-     | 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                                            | 12,03,20,370         | 2,586.41        | 12,03,20,370         | 2,586.41        |
| <b>TOTAL</b>                                                           | <b>12,03,20,370</b>  | <b>2,586.41</b> | <b>12,03,20,370</b>  | <b>2,586.41</b> |

**b) Reconciliation of Equity shares:**

(Rs. in lakhs)

| PARTICULARS                                      | As at 31 March, 2025 |                 | As at 31 March, 2024 |                 |
|--------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                                  | No. of Shares        | AMOUNT (₹)      | No. of Shares        | AMOUNT (₹)      |
| Shares outstanding at the beginning of the year  | 12,03,20,370         | 2,586.41        | 11,45,20,370         | 2,386.41        |
| Shares issued during the year                    | Nil                  | Nil             | 1,50,00,000          | 100.00          |
| Shares bought back during the year               | Nil                  | Nil             | Nil                  | Nil             |
| <b>Shares outstanding at the end of the year</b> | <b>12,03,20,370</b>  | <b>2,586.41</b> | <b>12,03,20,370</b>  | <b>2,586.41</b> |

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

| Name of Shareholder    | As at 31 March, 2025 |        | As at 31 March, 2024 |        |
|------------------------|----------------------|--------|----------------------|--------|
|                        | No. of Shares        | %      | No. of Shares        | %      |
| Sat Industries Limited | 7,91,81,833          | 61.23% | 7,91,81,833          | 61.23% |

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

| Name of Shareholder    | As at 31 March, 2025 |        | As at 31 March, 2024 |        |
|------------------------|----------------------|--------|----------------------|--------|
|                        | No. of Shares        | %      | No. of Shares        | %      |
| Sat Industries Limited | 7,91,81,833          | 61.23% | 7,91,81,833          | 61.23% |
| Barica Global FZC      | 74,54,830            | 5.76%  | 74,54,830            | 5.76%  |

**Note:**

- 13.1 "The Holding 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."
- 13.2 No Equity shares have been forfeited.
- 13.3 There are no calls unpaid on equity shares.
- 13.4 The group 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, 2025 | As at March 31, 2024 |
|------------------------------------------------------------------|----------------------|----------------------|
| <b>1. SECURITIES PREMIUM</b>                                     |                      |                      |
| As per the last year accounts                                    | 16,080.08            | 2,419.49             |
| Add: Addition during the year                                    | -                    | 17,900.00            |
| Less: IPO Issue Expenses*                                        | -                    | 2,239.41             |
| <b>Total (A)</b>                                                 | <b>16,080.08</b>     | <b>16,080.08</b>     |
| <b>2. RETAINED EARNINGS</b>                                      |                      |                      |
| As per the last year accounts                                    | 30,647.67            | 6,700.92             |
| Add: Surplus for the year                                        | 3,290.76             | 4,173.00             |
| Less: Dividend on equity shares                                  | 15,898.04            | 10,874.21            |
|                                                                  | 323.30               | 228.64               |
| <b>Total (B)</b>                                                 | <b>25,573.13</b>     | <b>10,647.67</b>     |
| <b>3) Equity Instruments through Other Comprehensive Income:</b> |                      |                      |
| As per the last year accounts                                    | 0.32                 | 0.41                 |
| Add: Addition during the year                                    | 0.22                 | 0.33                 |
| Less: Realised Exchange gain on impairment of investment         | 1.04                 | 0.82                 |
|                                                                  | (1.06)               | -                    |
| <b>Total (C)</b>                                                 | <b>-</b>             | <b>0.82</b>          |
| <b>TOTAL (A+B+C)</b>                                             | <b>31,653.21</b>     | <b>26,728.57</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 utilised in accordance with the provisions of the Companies Act, 2013.



## NOTE 15 : NON CURRENT BORROWINGS

(Rs. in lakhs)

| PARTICULARS                                                                          | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Secured Loans:</b>                                                                |                      |                      |
| <b>From Bank &amp; Financial Institution</b>                                         |                      |                      |
| <b>Term Loan</b>                                                                     |                      |                      |
| (a) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | -                    | 6.34                 |
| (b) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | 15.48                | -                    |
| (c) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | 17.16                | -                    |
| <b>TOTAL</b>                                                                         | <b>32.64</b>         | <b>6.34</b>          |

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 EM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 15,624/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026. Rate of interest as on 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7658. The loan is repayable in 38 equated monthly instalments of Rs. 37,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027. Rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of Rs. 37,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027. Rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

## NOTE 16 : CURRENT BORROWINGS

(Rs. in lakhs)

| PARTICULARS                                                                          | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Secured Loans:</b>                                                                |                      |                      |
| <b>From Bank &amp; Financial Institution</b>                                         |                      |                      |
| <b>Term Loan</b>                                                                     |                      |                      |
| (a) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | 6.34                 | 5.77                 |
| (b) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | 9.37                 | -                    |
| (c) Kotak Mahindra Bank Ltd - Vehicle Loan<br>(Secured against hypothecation of Bus) | 9.60                 | -                    |
| <b>TOTAL</b>                                                                         | <b>25.31</b>         | <b>5.77</b>          |

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 EM 7420. The loan is repayable in 60 equated monthly instalments of Rs. 15,624/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026. Rate of interest as on 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7658. The loan is repayable in 38 equated monthly instalments of Rs. 37,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027. Rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of Rs. 37,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027. Rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.



**AEROFLEX INDUSTRIES LIMITED**

(CIN NO : L2411DMH1993PLC076576)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 12: TRADE PAYABLE**

(Rs. in lakhs)

| Particulars                                                                            | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | 425.69               | 322.10               |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,257.35             | 5,192.16             |
| <b>TOTAL</b>                                                                           | <b>5,683.04</b>      | <b>5,514.26</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 2025**

| 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        | 425.69                                                   | -                | -         | -           | 425.69          |
| (ii) Undisputed Others                          | 5,252.68                                                 | 2.87             | -         | -           | 5,257.35        |
| (iii) Disputed dues - Micro & small enterprises | -                                                        | -                | -         | 2.40        | 2.40            |
| (iv) Disputed dues - Others                     | -                                                        | -                | -         | -           | -               |
| <b>Total</b>                                    | <b>5,678.37</b>                                          | <b>2.87</b>      | <b>-</b>  | <b>2.40</b> | <b>5,683.64</b> |

**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 | More than 3 year |                 |
| (i) Undisputed Micro & small enterprises        | 322.10                                                   | -                | -         | -                | 322.10          |
| (ii) Undisputed Others                          | 5,189.78                                                 | -                | -         | -                | 5,189.78        |
| (iii) Disputed dues - Micro & small enterprises | -                                                        | -                | -         | 2.40             | 2.40            |
| (iv) Disputed dues - Others                     | -                                                        | -                | -         | -                | -               |
| <b>Total</b>                                    | <b>5,511.88</b>                                          | <b>-</b>         | <b>-</b>  | <b>2.40</b>      | <b>5,514.28</b> |



**NOTE 18 : CURRENT - OTHER CURRENT LIABILITIES**

(Rs. in lakhs)

| PARTICULARS                      | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------|----------------------|----------------------|
| Statutory due payable            | 138.79               | 110.90               |
| Advance from customer            | 482.40               | 554.95               |
| Amount payable for capital goods | 301.29               | 802.85               |
| Other liabilities*               | 1,054.30             | 818.11               |
| <b>TOTAL</b>                     | <b>1,976.87</b>      | <b>2,286.81</b>      |

Note : Other Liabilities includes unpaid dividend of Rs. 0.22 lakhs (Previous year : Nil.)

**NOTE 19 : CURRENT - CURRENT TAX LIABILITIES**

(Rs. in lakhs)

| PARTICULARS                                   | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------------------------|----------------------|----------------------|
| Provisions for Tax (Net of Advance Tax & TDS) | 538.75               | 186.77               |
| <b>TOTAL</b>                                  | <b>538.75</b>        | <b>186.77</b>        |



## NOTE 20: REVENUE FROM OPERATION

(Rs. in lakhs)

| PARTICULARS                       | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-----------------------------------|----------------------------------|----------------------------------|
| <b>Sale of Products:</b>          |                                  |                                  |
| - Finished Goods - Domestic Sales | 8,993.12                         | 5,139.62                         |
| - Finished Goods - Export Sales   | 27,675.52                        | 25,019.50                        |
| <b>TOTAL</b>                      | <b>36,668.64</b>                 | <b>31,159.12</b>                 |
| <b>Other operating Revenue:</b>   |                                  |                                  |
| Foreign Exchange Fluctuation      | 636.34                           | 191.26                           |
| Misc. Operating Revenue           | 327.26                           | 140.35                           |
| <b>TOTAL</b>                      | <b>37,622.79</b>                 | <b>31,790.73</b>                 |

## NOTE 21: OTHER INCOME

(Rs. in lakhs)

| PARTICULARS                                      | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|--------------------------------------------------|----------------------------------|----------------------------------|
| <b>Interest Income</b>                           |                                  |                                  |
| - On fixed deposits designated as amortized cost | 230.37                           | 270.22                           |
| - On Others                                      |                                  |                                  |
| <b>Other Income</b>                              | <b>23.08</b>                     | <b>106.11</b>                    |
| <b>TOTAL</b>                                     | <b>253.45</b>                    | <b>376.33</b>                    |

## NOTE 22: COST OF MATERIAL CONSUMED

(Rs. in lakhs)

| PARTICULARS                                       | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|---------------------------------------------------|----------------------------------|----------------------------------|
| Opening Stock of Raw Material & Consumables       | 2,142.05                         | 2,304.79                         |
| Add: Purchase of Raw Material & Consumables       | 23,075.55                        | 20,440.89                        |
| Less: Closing Stock of Raw Material & Consumables | 3,213.55                         | 2,071.81                         |
| <b>TOTAL</b>                                      | <b>22,004.05</b>                 | <b>20,773.87</b>                 |

## NOTE 23: CHANGE IN INVENTORIES

(Rs. in lakhs)

| PARTICULARS                                     | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------------------------------------|----------------------------------|----------------------------------|
| <b>Inventories at the beginning of the year</b> |                                  |                                  |
| - Work-in-progress                              | 3,521.21                         | 2,935.82                         |
| - Finished goods                                | 304.87                           | 302.92                           |
| <b>Less: Inventories at the end of the year</b> | <b>3,826.88</b>                  | <b>3,238.84</b>                  |
| - Work-in-progress                              | 2,306.02                         | 3,517.56                         |
| - Finished goods                                | 1,520.71                         | 304.87                           |
|                                                 | <b>3,452.73</b>                  | <b>3,822.43</b>                  |
| <b>Decrease/(Increase) in Inventories</b>       | <b>373.35</b>                    | <b>(583.59)</b>                  |

## NOTE 24: EMPLOYEES BENEFITS EXPENSE

(Rs. in lakhs)

| PARTICULARS                                          | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|------------------------------------------------------|----------------------------------|----------------------------------|
| Salary, Wages, Bonus and Other Benefits              | 3,110.62                         | 2,343.41                         |
| Contribution to Provident Fund, ESIC and other Funds | 134.15                           | 103.50                           |
| Gratuity fund contributions                          | 71.40                            | 56.54                            |
| Staff welfare expenses                               | 111.98                           | 156.72                           |
| <b>TOTAL</b>                                         | <b>3,428.15</b>                  | <b>2,660.17</b>                  |

## NOTE 25: FINANCE COST

(Rs. in lakhs)

| PARTICULARS                                           | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| <b>(a) Interest Expense</b>                           |                                  |                                  |
| (i) Interest on borrowing                             | 5.00                             | 176.11                           |
| (ii) Interest on delayed payment of taxes             | 8.94                             | 25.46                            |
| (iii) Other borrowing costs - Bank Processing Charges | 2.27                             | 35.48                            |
| (iv) Interest to Others                               | 19.76                            | 6.82                             |
| <b>TOTAL</b>                                          | <b>35.97</b>                     | <b>243.87</b>                    |



## NOTE 26 : DEPRECIATION AND AMORTIZATION EXP

(Rs. in lakhs)

| PARTICULARS       | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------|----------------------------------|----------------------------------|
| Depreciation Cost | 1,090.43                         | 598.21                           |
| Amortisation Cost | 36.80                            | 33.97                            |
| <b>TOTAL</b>      | <b>1,127.23</b>                  | <b>632.18</b>                    |

## NOTE 27 : OTHER EXPENSES

(Rs. in lakhs)

| PARTICULARS                                         | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| Electricity and Power                               | 471.09                           | 407.29                           |
| Repair & Maintenance                                | 731.21                           | 365.17                           |
| Processing Labour Charges                           | 159.84                           | 65.88                            |
| Testing and Calibration Charges                     | 35.55                            | 26.59                            |
| Cylinder Rent                                       | 10.64                            | 5.80                             |
| Export Freight, Handling, Clearing & Other Charges  | 531.88                           | 379.76                           |
| Carriage Outward                                    | 110.84                           | 65.76                            |
| Commission Expenses                                 | 110.42                           | 50.42                            |
| Consultancy Charges                                 | 211.86                           | 199.37                           |
| Depository Fees expense                             | 8.35                             | 1.56                             |
| Water Charges                                       | 5.80                             | 4.22                             |
| Rates & Taxes                                       | 19.54                            | 28.34                            |
| Conveyance & Travelling Expenses                    | 368.66                           | 342.46                           |
| Bank Charges & Commission                           | 57.88                            | 46.47                            |
| Office Expenses                                     | 433.74                           | 283.27                           |
| Insurance Charges                                   | 86.38                            | 58.35                            |
| Printing & Stationery                               | 41.08                            | 29.28                            |
| Telephone & Communication Expenses                  | 41.23                            | 30.39                            |
| Auditor Remuneration                                | 9.08                             | 8.62                             |
| Exhibition, Marketing & Business Promotion Expenses | 158.10                           | 19.44                            |
| Miscellaneous Expenses                              | 44.30                            | 30.38                            |
| CSR Activity Exp                                    | 90.30                            | 57.50                            |
| Loss on Sales of Fixed Assets                       | 19.00                            | 1.36                             |
| Balance Written off                                 | 64.41                            | -                                |
| Listing Fees Expense                                | 13.85                            | -                                |
| Office Rent Paid                                    | 0.92                             | -                                |
| Exchange Fluctuation on Foreign Currency Term Loan  | -                                | 46.75                            |
| <b>TOTAL</b>                                        | <b>5,839.74</b>                  | <b>2,849.51</b>                  |

## NOTE 28 : EARNING PER SHARE

(Rs. in lakhs)

| PARTICULARS                                           | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| Net profit after taxation for the year (Rs. in lakhs) | 5,250.25                         | 4,173.72                         |
| Number of Equity Shares for Basic/Diluted EPS         | 12,91,20,170                     | 12,91,20,170                     |
| Nominal Value of Equity Shares (₹)                    | 3.00                             | 2.00                             |
| Basic /Diluted earnings per Equity Share (₹)          | 4.05                             | 3.23                             |

## NOTE 29 : REMUNERATION TO AUDITORS

(Rs. in lakhs)

| PARTICULARS         | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|---------------------|----------------------------------|----------------------------------|
| Statutory Audit Fee | 5.68                             | 5.62                             |
| Tax Audit Fee       | 3.90                             | 3.00                             |
| <b>TOTAL</b>        | <b>9.58</b>                      | <b>8.62</b>                      |

## NOTE 30 : RECONCILIATION OF EFFECTIVE INCOME TAX RATE

(Rs. in lakhs)

| PARTICULARS                                                                           | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|---------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Profit Before Tax                                                                     | 6,994.61                         | 5,725.03                         |
| Current Year Tax                                                                      | 1,673.00                         | 1,435.70                         |
| Tax Using the Company's Domestic Tax Rate 25.166%                                     | 1,760.45                         | 1,440.88                         |
| Tax effect of adjustment to reconcile expected income tax Expenses to Reported Income | -                                | -                                |
| Tax effects of amounts which are not deductible for taxable income                    | 1.53                             | 84.97                            |
| Effect of Depreciation under Income Tax                                               | (75.38)                          | (42.62)                          |
| <b>Effective Tax Rate</b>                                                             | <b>24.06</b>                     | <b>26.72</b>                     |



**NOTE 31 : DETAILS OF SUBSIDIARY :**

(Rs. in lakhs)

| PARTICULARS                             | Country of Incorporation | % of Ownership As at 31.03.2025 | % of Ownership As at 31.03.2024 |
|-----------------------------------------|--------------------------|---------------------------------|---------------------------------|
| (1) Hyd-Air Engineering Private Limited | India                    | 100.00%                         | -                               |
| (2) Aeroflex Industries Limited         | London - United Kingdom  | -                               | 100.00%                         |

**NOTE 32 : CORPORATE SOCIAL RESPONSIBILITY :**

(Rs. in lakhs)

| PARTICULARS                                                                        | For the year ended 31.03.2025 | For the year ended 31.03.2024 |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Gross amount required to be spent by the Company during the year                   | 90.28                         | 57.47                         |
| Amount of expenditure incurred                                                     | 90.30                         | 57.50                         |
| Shortfall at the end of the year                                                   | -                             | -                             |
| Total of previous years shortfall                                                  | -                             | -                             |
| Nature of CSR activities:                                                          |                               |                               |
| (i) Construction/acquisition of any asset                                          |                               |                               |
| (ii) Or purposes other than (i) above                                              |                               |                               |
| - Health and education & Contribution to eligible Trust for CSR Related Activities | 90.30                         | 57.50                         |

\* Out of the above spending ₹ 88.80 lakhs (Previous Year ₹ 57.50) contributed to SAT Foundation which is related party.

\* The Holding Company has not carried forward any provisions for corporate social responsibility expenses for the current and previous year.

**NOTE 33 : RELATED PARTY DISCLOSURES:**

**L. Key Management Personnel:**

|                          |                                           |
|--------------------------|-------------------------------------------|
| Amit Dood                | : Managing Director                       |
| Muzaffar Akbar Kachhala  | : Wholtime Director & CEO                 |
| Kirjal Shah              | : Company Secretary & Compliance Officer. |
| Harikant Turgalka        | : Director                                |
| Nadir Sheroon Karachhala | : Wholtime Director of Subsidiary Company |

**M. Other related parties with whom there were transactions during the year:**

|                           |                                                      |
|---------------------------|------------------------------------------------------|
| Set Industries Limited    | : Holding Company                                    |
| Italia Global FZE         | : Wholly Owned Subsidiary Company of Holding Company |
| M.R. Organisation limited | : Subsidiary Company of Holding Company              |
| SAT Foundation            | : Director's relative is a trustee                   |

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

(Rs. in lakhs)

| PARTICULARS               | Nature of Transaction              | For the year ended 31.03.2025 | For the year ended 31.03.2024 |
|---------------------------|------------------------------------|-------------------------------|-------------------------------|
| Amit Dood                 | Director Remuneration              | 115.41                        | 95.56                         |
|                           | Dividend Paid                      | 0.001                         | 0.001                         |
| Muzaffar A Kachhala       | Director Remuneration              | 13.04                         | 11.60                         |
|                           | Dividend Paid                      | 0.001                         | 0.001                         |
| Harikant Turgalka         | Dividend Paid                      | 0.001                         | 0.001                         |
| Nadir Sheroon Karachhala  | Director Remuneration              | 12.00                         | -                             |
|                           | Sale of Car                        | 3.36                          | -                             |
| Italia Global FZE         | Sales                              | 283.84                        | 581.23                        |
|                           | Dividend Paid                      | 18.64                         | 54.91                         |
| Set Industries Ltd        | Expenses paid & Recovered          | -                             | 744.42                        |
|                           | Financial Mgmt Charges (incl. GST) | -                             | 53.10                         |
| SAT Foundation            | Dividend Paid                      | 197.29                        | 193.36                        |
| M.R. Organisation limited | CSR fund - Donation                | 88.80                         | 57.50                         |
| Kirjal Shah               | Machine Maintenance Services       | 358.36                        | -                             |
|                           | Salary Paid                        | 11.67                         | 9.26                          |

**NOTE 34 : INFORMATION RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES**

The group has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSME) as at 31st March, 2025. The following information 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 (MSME) as at 31st March 2025.

(Rs. in lakhs)

| PARTICULARS        | For the year ended 31.03.2025 | For the year ended 31.03.2024 |
|--------------------|-------------------------------|-------------------------------|
| Outstanding Amount | 3,211.23                      | 323.10                        |

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 related 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.



**AEROFLEX INDUSTRIES LIMITED**  
[CIN NO : L24110MH1993PLC074576]

**NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025**

**NOTE 35 : DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III :**

(Rs. in lakhs)

| Name of the entity in the Group                                                                      | Net Assets, i.e., total assets minus total liabilities |               | Share in profit or loss             |                 | Share in other comprehensive income             |        | Share in Total Comprehensive Income             |                 |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------|-------------------------------------|-----------------|-------------------------------------------------|--------|-------------------------------------------------|-----------------|
|                                                                                                      | As % of consolidated net assets                        | Amount        | As % of consolidated profit or loss | Amount          | As % of consolidated other comprehensive income | Amount | As % of consolidated other comprehensive income | Amount          |
| <b>Parent Company</b><br>Aeroflex Industries Limited                                                 | 99.86%                                                 | 34,192.35     | 98.84%                              | 5,189.81        | -                                               | -      | 98.84%                                          | 5,189.81        |
| <b>Subsidiary Company</b><br>Aeroflex Industries Limited - UK<br>Hyd Air Engineering Private Limited | 0.00%<br>7.83%                                         | -<br>2,702.73 | -0.14%<br>0.94%                     | (7.60)<br>49.27 | 100.00%                                         | 0.22   | -0.14%<br>0.94%                                 | (7.37)<br>49.27 |
| Consolidation Adjustments                                                                            | -7.75%                                                 | (2,653.46)    | 0.37%                               | 19.28           | 0.00%                                           | -      | 0.37%                                           | 19.28           |
|                                                                                                      | 100.00%                                                | 34,741.62     | 100.00%                             | 5,250.76        | 100.00%                                         | 0.22   | 100.00%                                         | 5,250.99        |



**NOTE 26 : FOREIGN EXCHANGE INFLOW & OUTFLOW:****a) Foreign Exchange Outflow:**

(Rs. in lakhs)

| PARTICULARS                               | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------------------------------|----------------------------------|----------------------------------|
| Traveling & Hotel Expenses                | 216.41                           | 139.57                           |
| Payment Towards Services & Other Expenses | 54.50                            | 34.73                            |
| <b>TOTAL</b>                              | <b>271.90</b>                    | <b>174.30</b>                    |

**b) Foreign Exchange Inflow:**

(Rs. in lakhs)

| PARTICULARS            | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|------------------------|----------------------------------|----------------------------------|
| F.O.B Value of Exports | 27,381.45                        | 24,463.28                        |
| <b>TOTAL</b>           | <b>27,381.45</b>                 | <b>24,463.28</b>                 |

**c) CIF Value of Import:**

(Rs. in lakhs)

| PARTICULARS             | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|-------------------------|----------------------------------|----------------------------------|
| Raw Material & fittings | 4,745.17                         | 5,080.67                         |
| Capital Goods           | 3,142.11                         | 341.25                           |
| <b>TOTAL</b>            | <b>5,887.28</b>                  | <b>5,422.92</b>                  |

**NOTE 27 : DERIVATIVES & FORWARD CONTRACT INSTRUMENTS**

(Rs. in lakhs)

| PARTICULARS                                  | CURRENCY | For the year ended<br>31.03.2025 | For the year ended<br>31.03.2024 |
|----------------------------------------------|----------|----------------------------------|----------------------------------|
| <b>Amount Receivable in Foreign Currency</b> |          |                                  |                                  |
| <b>1. Export of Goods &amp; Services</b>     |          |                                  |                                  |
|                                              | RS       | 9,910.11                         | 8,119.32                         |
|                                              | USD      | 90.40                            | 84.29                            |
|                                              | EURO     | 21.26                            | 13.58                            |
|                                              | UKP      | 1.96                             | 0.82                             |
| <b>2. Advance to Suppliers</b>               |          |                                  |                                  |
|                                              | RS       | 148.18                           | 553.59                           |
|                                              | USD      | 1.74                             | 6.64                             |
| <b>Amount Payable in Foreign Currency</b>    |          |                                  |                                  |
| <b>1. Import of Goods &amp; Services</b>     |          |                                  |                                  |
|                                              | RS       | 632.42                           | 273.38                           |
|                                              | USD      | 7.39                             | 3.00                             |
|                                              | UKP      | -                                | 0.22                             |
| <b>2. Advance - Customers</b>                |          |                                  |                                  |
|                                              | RS       | 523.53                           | 975.81                           |
|                                              | USD      | 5.58                             | 5.82                             |
|                                              | EURO     | 0.49                             | 0.94                             |
|                                              | UKP      | -                                | 0.06                             |
| <b>3. Spares &amp; Others</b>                |          |                                  |                                  |
|                                              | RS       | 4.96                             | 21.80                            |
|                                              | USD      | -                                | 0.15                             |
|                                              | EURO     | 0.05                             | 0.10                             |

**NOTE 28 : 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.

**B) Defined Benefit Plan**

**Gratuity:** The holding 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 group made payments for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the U.C 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 lying with LIC under the gratuity fund is not been accounted as assets as the same is towards the defined future liability of the company. In case of India subsidiary, the company has identified the provisions towards the gratuity liability and the same has been taken in consideration accordingly.

**Provident fund:** The group makes provident fund contribution to the government administered provident fund and has no further liability towards the same.

**C) Amounts Recognized as Expense:**

**1) Defined Contribution Plan:** Employer's contribution to provident fund amounting to Rs. 107.05 lakhs has been included under contribution to provident funds.



ii) Defined Benefit Plan: Gratuity amount payable for Rs. 71.49 lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life Insurance Corporation.

**NOTE 38 - 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 company funds its operations through internal resources, borrowings etc. The group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

| PARTICULARS                                              | (Rs. In lakhs)                   |                                  |
|----------------------------------------------------------|----------------------------------|----------------------------------|
|                                                          | For the year ended<br>31.03.2023 | For the year ended<br>31.03.2024 |
| <b>Borrowings</b>                                        |                                  |                                  |
| Long term and Short term borrowings                      | 32.64                            | 6.34                             |
| Current maturities of Long term borrowings               | 25.71                            | 5.77                             |
| Less: cash and cash equivalents                          | 2,530.19                         | 7,650.08                         |
| Less: Bank balances other than cash and cash equivalents | 44.85                            | 2,922.28                         |
| <b>Adjusted net debt</b>                                 | <b>(2,498.70)</b>                | <b>(10,566.30)</b>               |
| Total Equity                                             | 36,241.02                        | 29,314.98                        |
| <b>Adjusted net debt to adjusted equity ratio</b>        | <b>(0.06)</b>                    | <b>(0.36)</b>                    |

**2. CATEGORIES OF FINANCIAL INSTRUMENTS:**

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                                   | As at 31st March, 2023 |                  | As at 31st March, 2024 |                  |
|-----------------------------------------------|------------------------|------------------|------------------------|------------------|
|                                               | Carrying Value         | Fair Value       | Carrying Value         | Fair Value       |
| <b>Financial assets</b>                       |                        |                  |                        |                  |
| Measured at amortized cost                    |                        |                  |                        |                  |
| (i) Cash and cash equivalent                  | 3,630.19               | 3,630.19         | 7,650.03               | 7,650.08         |
| (ii) Other bank balance                       | 44.85                  | 44.85            | 2,922.28               | 2,922.28         |
| (iii) Trade receivables                       | 11,651.79              | 11,651.79        | 9,472.28               | 9,472.28         |
| (iv) Other Financial Assets - Non Current     | 272.62                 | 272.62           | 345.84                 | 345.84           |
| (v) Other financial assets - Current          | 1,953.04               | 1,953.04         | 2,088.04               | 2,088.94         |
| <b>Total Financial assets</b>                 | <b>17,552.49</b>       | <b>17,552.49</b> | <b>22,459.37</b>       | <b>22,469.32</b> |
| <b>Financial Liabilities</b>                  |                        |                  |                        |                  |
| Measured at amortized cost                    |                        |                  |                        |                  |
| (i) Cash Credit facilities                    | -                      | -                | -                      | -                |
| (ii) Borrowings-Non current                   | 32.64                  | 32.64            | 6.34                   | 6.34             |
| (iii) Borrowings - Current                    | 25.71                  | 25.71            | 5.77                   | 5.77             |
| (iv) Trade payables                           | 5,683.04               | 5,683.04         | 5,514.26               | 5,514.20         |
| (v) Other financial liabilities - Non Current | -                      | -                | -                      | -                |
| (vi) Other financial liabilities - Current    | 1,976.87               | 1,976.87         | 1,256.88               | 2,336.88         |
| (vii) Current Tax Liabilities(Net)            | 538.75                 | 538.75           | 186.77                 | 186.77           |
| <b>Total Financial liabilities</b>            | <b>8,257.90</b>        | <b>8,257.90</b>  | <b>8,123.02</b>        | <b>8,110.03</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 prices 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).

**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 flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three type of risk is, 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 risk.

**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 it 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/EUR/GBP converted to functional currency i.e. INR. The Group has the following financial assets and financial liabilities as at 31st March, 2025:

| Particulars           | Exposure Currency | For the year ended | For the year ended |
|-----------------------|-------------------|--------------------|--------------------|
|                       |                   | 31.03.2025         | 31.03.2024         |
| Financial Assets      | USD               | 7,892.99           | 7,996.33           |
|                       | EURO              | 1,977.37           | 1,280.35           |
|                       | GBP               | 218.24             | 100.45             |
|                       | AED               | -                  | 0.14               |
|                       | YUAN              | 1.57               | 0.11               |
|                       | RUBEL             | 6.60               | -                  |
| <b>TOTAL</b>          |                   | <b>10,096.87</b>   | <b>9,276.38</b>    |
| Financial Liabilities | USD               | 1,110.34           | 748.90             |
|                       | EURO              | 45.62              | 33.44              |
|                       | GBP               | -                  | 28.73              |
| <b>TOTAL</b>          |                   | <b>1,155.96</b>    | <b>811.07</b>      |

**B0 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.

**B1 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 i.e. 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. 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 no 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             | For the year ended | For the year ended |
|-------------------------|--------------------|--------------------|
|                         | 31.03.2025         | 31.03.2024         |
| Unsecured               |                    |                    |
| - Considered good       | 11,651.79          | 9,472.28           |
| Gross Trade Receivables | 11,651.79          | 9,472.28           |
| Less: Loss Allowance    | -                  | -                  |
| Net Trade Receivables   | 11,651.79          | 9,472.28           |

**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. 23,948.15 lakhs (FY 2024- Rs. 28,067.77 lakhs) including cash and cash equivalents and other bank balances of Rs. 2,675.04 lakhs (FY 2024- Rs. 10,572.31 lakhs) against an aggregate current liability of Rs. 8,234.36 lakhs (FY 2024- Rs. 9,105.88 lakhs) non-current liabilities due between one year to three years amounting to Rs. NIL (FY 2024- NIL) and non-current liabilities due after three years amounting to NIL (FY 2024 - NIL) on the reporting date. Further, while the group's total equity stands at Rs. 34,241.63 lakhs (FY 2024- Rs. 29,314.58), it has non-current borrowings of Rs. 52.84 lakhs (FY 2023- Rs. 6.24). 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 48: GOODWILL**

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists, if the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

| PARTICULARS                      | For the year ended | For the year ended |
|----------------------------------|--------------------|--------------------|
|                                  | 31.03.2025         | 31.03.2024         |
| Goodwill                         |                    |                    |
| Opening Balance for the year     | -                  | -                  |
| Add: Addition due to acquisition | 326.75             | -                  |
| Less: Exchange differences       | -                  | -                  |
| Closing Balance for the year     | 326.75             | -                  |

**NOTE 51: DIVIDEND:**

The Holding company has declared dividend for the FY 2023-24 in the Annual General meeting of the company held on 8th July 2024. The dividend so declared has been accounted and a adjusted during the year towards the brought forward balances of the profit & loss account.



**NOTE 42 : SEGMENT INFORMATION :**

The segment-wise reporting is not applicable for the Group as required in accordance with led A1 108 for the year ended 31.03.2025.

**NOTE 43 : EVENTS AFTER REPORTING DATE :**

The Board of Directors of the holding company at their Board meeting held on 30th April, 2025 have recommended final dividend of ₹ 0.50/- per fully paid up equity share of ₹ 2/- each for the financial year ended 31st March, 2025, subject to approval of shareholders at ensuing Annual General Meeting of the Company.

**NOTE 44 : OTHER DISCLOSURES**

- 44.1 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. There are the disputable receivables for Rs.13.60 lakhs for which the said parties are under NCLT. The management is of the opinion that the said amount is estimated at fair chance of the recovery and has not been identified as bad debts or contingent recovery.
- 44.2 The company has received show cause notice for GST liability of Rs. 7761.39 lakhs raised since FY 2019-20 to 2024-25 which is towards the GST refunds claimed by the company for the input tax credit availed towards export of goods. The GST department has issued the said SCN under the contention that the refund so claimed under rule 89(4) & 96(3a) of CGST Rules 2017 is incorrect. The company has filed writ petition in Bombay High Court against the said Show cause notice. The Bombay High Court has granted interim stay and no demand has been confirmed against the said Show cause notice till the date of the balance sheet and the matter is still sub-judice. The company has further received show cause notice from the GST department for Demand of Rs. 250.47 lakhs towards the disallowance of the GST input credit claimed for the ITO expenses. The company has filed the reply to the GST department with required documents & explanations for allowability of the said input GST credit. GST Department has not called for any further clarification and no demand has been confirmed in the matter till the date of the balance sheet.
- 44.3 Additional liability if any, arising pursuant to respective assessment under various fiscal statutes, 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.
- 44.4 Balance of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.
- 44.5 The group has not traded or invested in crypto currency or virtual currency during the financial year.
- 44.6 As per information available, the company has no transactions which are not recorded in the books of accounts and which are demanded or disclosed as income during the year in the tax assessment or in search or seizure or under any other relevant provisions of the Income Tax Act, 1961.
- 44.7 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.
- 44.8 Title deeds of all the immovable properties held by the Group are in the name of the group companies. 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 of holding company is of 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.
- 44.9 The group has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge to the same is duly registered with Registrar of Companies within statutory period.
- 44.10 The group has not been declared as willful defaulter by any bank or financial institution or any other lender during the financial year.
- 44.11 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.
- 44.12 As per the information & details available on records and the disclosure given by the management, the group has complied with the number of layers prescribed under clause (f7) of section 2 of the companies Act read with the Companies (Restriction on number of layers) Rules 2017.
- 44.13 As per the information & details available on records and the disclosure given by the management of the holding company, 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 group 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 company shall directly or indirectly lend, invest or guarantee, security or like in manner on behalf of the funding party.
- 44.14 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.
- 44.15 The holding Company has over due receivables against the export realization of goods for INR equivalent to 5339.13 lakhs due to the various business reasons. As per the information's available and as intimated by the management, the holding company is in process of awaiting extension from RBI through its authorized dealers for the overdue realization however till the date of the balance sheet such extension has not been made.
- 44.16 The company's fixed assets & investment which has been impaired and has become not useful to the group has been recognized to the profit & loss account for the value over and above the recovered value of such assets and investments.
- 44.17 With respect to disclosures Pursuant to Section 106 (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.
- 44.18 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.



**NOTE 45:**

The consolidated financial statements has been authorized for issue by the Board of directors on dated 30th April 2025.

**NOTE 46:**

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of schedule II to the companies act, 2013, unless otherwise stated.

**NOTE 47:**

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

As Per Our Report of even date  
FOR SHWETA JAIN & CO  
CHARTERED ACCOUNTANTS  
F.R.N. : 127493W

*Priyanka*

PRIYANKA JAIN  
(Partner)  
Membership No : 416397  
Place : Mumbai  
Dated : 30th April 2025  
UDIN : 25416397M/HAV1544



For and on behalf of the Board

*Asad*  
ASAD DAUD  
MANAGING DIRECTOR  
(DIN-0242389)

*Mustafa*  
MUSTAFA A KACHWALA  
WHOLETIME DIRECTOR & CFO  
(DIN-0222455)

*Kinjal*  
KINJAL SHAR  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M. No : AS0678)