

Financial Statements and Auditors' Report

AXISCADES Aerospace & Technologies Private Limited

31 March 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of AXISCADES Aerospace & Technologies Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of AXISCADES Aerospace & Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

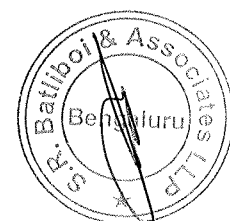
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' 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 Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going



concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

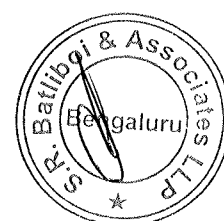
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

1. 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
 - (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:



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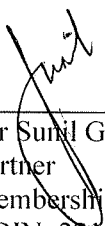
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- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44(v) to the Ind AS 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 person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 44(vi) to the Ind AS financial statements, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per Sunil Gaggar

Partner

Membership Number: 104315

UDIN: 22104315AJGYLL9885



Place of Signature: Bengaluru

Date: May 19, 2022

S.R. BATLIBOI & ASSOCIATES LLP

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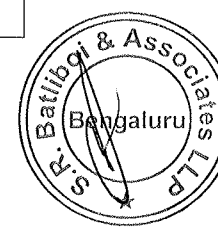
Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: AXISCADES Aerospace & Technologies Private Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, plant and equipment have not been physically verified by the Management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There are no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the Management is appropriate. No material discrepancies were noted during such physical verification.
- (b) As disclosed in note 16 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans, stood guarantee to companies as follows:

	Loans in Rs.	Guarantee in Rs.
Aggregate amount granted/ provided during the year		
- Subsidiary	1,617,000	-
- Others	-	90,000,000
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiary	1,617,000	-
- Others	-	90,000,000



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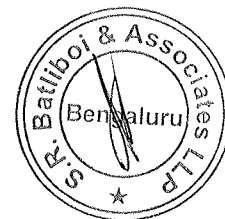
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- (b) During the year the guarantees provided and conditions of the grant of all loans and guarantees to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loan during the year to a company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) During the year, the Company had renewed loan to a Company to settle the loan granted to this party which had fallen due during the year.

The aggregate amount of such dues renewed by fresh loans and the percentage of the aggregate to the total loan granted during the year are as follows:

Name of Party	Aggregate amount of overdues of existing loans renewed in Rs.	Percentage of the aggregate to the total loans granted during the year
Axiscades Aerospace Infrastructure Private Limited	37,094,663	100%

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in many cases in deposit of withholding taxes. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, sales-tax, customs duty, excise duty, cess, and other statutory dues which have not been deposited on account of any dispute. The disputed dues on account of Income Tax, Service Tax and Value added Tax are as follows:

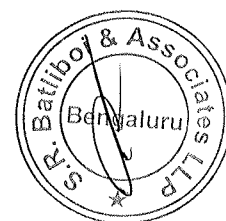


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Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Payment made under protest	Forum where the dispute is pending
Income tax Act, 1961	Income related to the unclaimed TDS credit	57,360,234	FY 2013-14	-	The Income Tax Appellate Tribunal
Income tax Act, 1961	Income Tax and interest u/s 234B	15,788,550	FY 2014-15	-	Deputy Commissioner of Income Tax
Income tax Act, 1961	Grounds are disallowance of depreciation Trade mark purchase, 14A and 115 JB computation	22,520,738	FY 2015-16	-	The Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Disallowance of depreciation on trademark, Interest u/s36(1)(iii), Selling & marketing expenses and 14A	14,342,749	FY 2016-17	-	The Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax on Business Auxiliary Services	10,579,541	FY 2008-15	8,544,837	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Availment of Cenvat credit	3,659,075	FY 2014-15	365,908	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Availment of Cenvat credit	14,387,040	FY 2012-15	1,079,028	The Commissioner of Central Tax (Appeals)

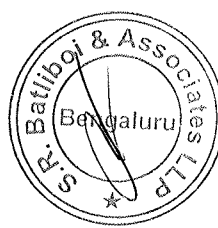
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.



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- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to Section 177 of the Companies Act, 2013 is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

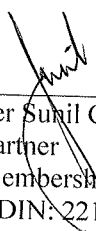


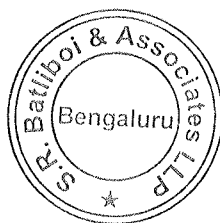
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- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 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 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 not transferred the amount remaining unspent in respect of other than ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013, till the date of the report. However, the period for such transfer i.e., six months of the expiry of the financial year as permitted under second proviso to sub-section (5) of Section 135 of the Companies Act, 2013, has not elapsed till the date of our report. This matter has been disclosed in note 40 to the financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration Number: 101049W/E300004


per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 22104315AJGYLL9885



Place of Signature: Bengaluru
Date: May 19, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF AXISCADES AEROSPACE & TECHNOLOGIES PRIVATE LIMITED

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 Ind AS financial statements of AXISCADES Aerospace & Technologies Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

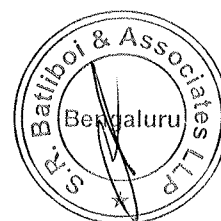
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS 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 judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.



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Chartered Accountants

Meaning of Internal Financial Controls with reference to these Ind AS Financial Statements

A Company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

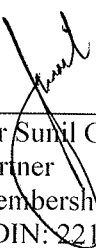
Inherent Limitations of Internal Financial Controls with reference to Ind AS Financial Statements

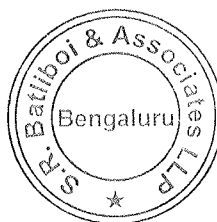
Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Sunil Gaggar
Partner
Membership Number: 104315
UDIN: 22104315AJGYLL9885



Place of Signature: Bengaluru
Date: May 19, 2022

AXISCADES Aerospace & Technologies Private Limited
Balance Sheet as at 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

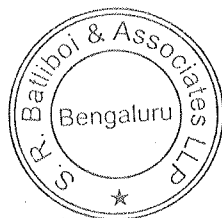
	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	508.86	550.70
Intangible assets	4	5.66	0.43
Right of use assets	33	343.67	346.71
Financial assets			
Investments	5	10,634.78	10,634.78
Other financial assets	7	683.81	1,128.14
Deferred tax asset, net	29	1,146.90	1,222.67
Non-current tax assets, net	8	344.38	501.90
		13,668.06	14,385.33
Current assets			
Inventories	10	449.80	84.83
Financial assets			
Loans	6	363.28	348.53
Trade receivables	11	1,768.93	2,117.18
Cash and cash equivalents	12	1,987.10	773.32
Bank balances other than cash and cash equivalents	13	908.81	1,454.84
Other financial assets	7	774.94	983.63
Other current assets	9	524.28	476.95
		6,777.14	6,239.28
		20,445.20	20,624.61
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,683.85	1,683.85
Other equity	15	11,673.72	11,489.48
		13,357.57	13,173.33
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	240.00	1,504.34
Lease liabilities	33	143.65	154.24
Provisions	18	52.68	55.98
		436.33	1,714.56
Current liabilities			
Financial liabilities			
Borrowings	16	1,323.60	1,213.69
Lease liabilities	33	56.17	48.13
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	19	-	-
- Total outstanding dues of creditors, other than micro enterprises and small enterprises	19	2,501.05	1,996.00
Other financial liabilities	17	80.83	411.72
Provisions	18	26.46	27.48
Other current liabilities	20	2,636.03	2,039.19
Liabilities for current tax (net)	21	27.16	0.51
		6,651.30	5,736.72
		20,445.20	20,624.61
TOTAL EQUITY AND LIABILITIES			

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration number: 101049W/E300004

per **Sunil Gaggar**
Partner
Membership Number : 104315
Bengaluru
May 19, 2022



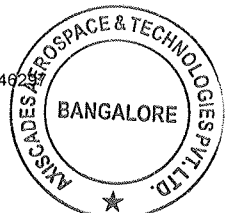
For and on behalf of the Board of Directors of
AXISCADES Aerospace & Technologies Private Limited
CIN: U72900KA2001PTC028394

Sharadhi Chandra Babu Pampapathy
Chief Executive Officer & Managing Director
DIN : 02809502
Bengaluru
May 19, 2022

Shashidhar SK
Director
DIN: 02050146
Bengaluru
May 19, 2022

Suresh Kumar S
Chief Financial Officer
Bengaluru
May 19, 2022

Aayushi Agrawal
Company Secretary
Membership No. : A4624
Bengaluru
May 19, 2022



AXISCADES Aerospace & Technologies Private Limited
Statement of Profit and Loss for the Year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
INCOME			
Revenue from contracts with customers	22	5,672.17	8,298.43
Other income	23	263.97	500.52
TOTAL INCOME		5,936.14	8,798.95
EXPENSES			
Cost of materials consumed	24	3,976.47	4,821.94
Employee benefits expense	25	439.13	388.55
Finance costs	26	307.96	648.95
Depreciation and amortization expense	27	311.98	237.46
Other expenses	28	611.92	877.08
TOTAL EXPENSES		5,647.46	6,973.98
PROFIT BEFORE TAX		288.68	1,824.97
Tax expense:	29		
Current tax		48.51	305.45
Adjustment of tax relating to earlier years		28.67	(46.74)
Deferred tax charge		66.13	47.57
Total tax expense		143.31	306.28
PROFIT AFTER TAX		145.37	1,518.69
Other comprehensive income (OCI)			
Items that will not be reclassified into Statement of Profit and Loss in subsequent periods:			
a) Remeasurement gains/(losses) in defined benefit plans (refer note 36)		(0.34)	4.50
b) Income tax effect on above		0.09	(1.25)
Net other comprehensive income not to be reclassified to profit or loss in the subsequent periods		(0.25)	3.25
Items that will be reclassified into Statement of Profit or Loss in the subsequent periods			
a) Profit on cash flow hedges		34.97	73.73
b) Income tax effect on above		(9.73)	(20.51)
Net other comprehensive loss to be reclassified to Statement of Profit or Loss in subsequent periods		25.24	53.22
Other comprehensive income for the year, net of tax		24.99	56.47
Total comprehensive Income/(loss) for the year, net of tax		170.36	1,575.16
Earning per share (in ₹) [Nominal value of share ₹ 10 (31 March 2021: ₹ 10)]			
Basic and diluted	30	0.86	9.02

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

CAI Firm Registration number: 101049W/E300004

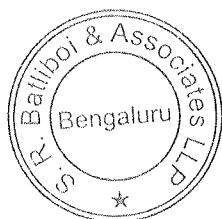
per **Sunil Gaggar**

Partner

Membership Number : 104315

Bengaluru

May 19, 2022



For and on behalf of the Board of Directors of

AXISCADES Aerospace & Technologies Private Limited

CIN: U72900KA2001PTC028394

Shashidhar Chandra Babu Pampapathy

Chief Executive Officer & Managing Director

DIN : 02809502

Bengaluru

May 19, 2022

Suresh Kumar S

Chief Financial Officer

Bengaluru

May 19, 2022

Shashidhar SK

Director

DIN: 02050146

Bengaluru

May 19, 2022

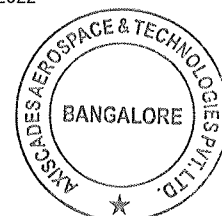
Aayushi Agrawal

Company Secretary

Membership No. : A46297

Bengaluru

May 19, 2022



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AXISCADES Aerospace & Technologies Private Limited
Statement of Cash Flow for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
A Cash flow from operating activities		
Profit before tax	288.68	1,824.97
Adjustment to reconcile profit before tax to net cash flow :		
Depreciation and amortization expense	311.98	237.46
Profit on sale of property, plant and equipment	(0.76)	(1.00)
Interest income (Including fair value change in financial instrument)	(176.37)	(233.42)
Liabilities no longer required written back	(20.40)	(34.96)
Net unrealised foreign exchange loss/(gain)	7.48	(8.88)
Provision for trade receivables	3.32	52.88
Gain on lease modification	(16.43)	-
Interest provision on delayed payment of tax	6.27	5.61
Bad debts written back	(11.29)	-
Bad debts and advances written off	-	112.72
Finance costs (including fair value change in financial instruments)	301.69	648.95
Operating profit before working capital changes	694.17	2,604.33
Movements in working capital		
Decrease/(increase) in inventories	(364.97)	341.52
Decrease/(increase) in loans	(14.75)	4.03
Decrease/(increase) in trade receivables	(485.22)	1,653.62
Decrease in other assets	429.49	1,414.17
Increase/(decrease) in trade payables and other liabilities	1,548.92	(1,776.03)
(Decrease) in provisions	(4.67)	(0.95)
Cash generated from operating activities	1,802.97	4,240.69
Direct taxes paid (net of refunds)	106.99	(248.52)
Net cash generated in operating activities (A)	1,909.96	3,992.17
B Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(187.63)	(32.97)
Intercompany deposit given	(16.17)	(7.23)
Proceeds received from/(Investment in) fixed deposits	858.41	(468.85)
Proceeds from sale of property, plant and equipment	0.92	1.53
Interest received	184.58	25.65
Net cash generated from/(used in) investment activities (B)	840.11	(481.87)
C Cash flow from financing activities		
Repayment from borrowings (net)	(1,194.98)	(3,685.83)
Interest paid	(281.31)	(672.72)
Payment of principal portion of lease liabilities	(42.88)	(40.21)
Interest payment on lease liabilities	(17.12)	(19.79)
Net cash used in financing activities (C)	(1,536.29)	(4,418.55)
Net Increase in cash and cash equivalents (A+B+C)	1,213.78	(908.25)
Cash and cash equivalents as at beginning of the year	773.32	1,681.57
Cash and cash equivalents as at end of the year (refer note 12)	1,987.10	773.32


The accompanying notes are integral part of Ind AS financial statements

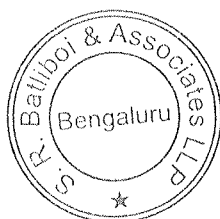
As per our report of even date

For S.R. Batliboi & Associates LLP

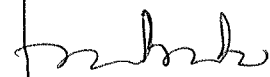
Chartered Accountants

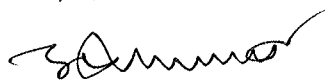
ICAI Firm Registration number: 101049W/E300004



per Sunil Gaggar
Partner
Membership Number : 104315
Bengaluru
May 19, 2022

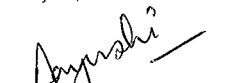


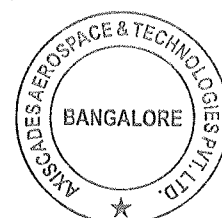
For and on behalf of the Board of Directors of
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CIN: U72900KA2001PTC028394


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May 19, 2022


Aayushi Agrawal
Company Secretary
Membership No. : A46297
Bengaluru
May 19, 2022





AXISCADES Aerospace & Technologies Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
 (All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Number of equity shares	Amount
Equity shares of ₹ 10 each (31 March 2021 : ₹ 10 each) issued, subscribed and fully paid up		
As at 1 April 2020	168.39	1,683.85
Add: Issued and subscribed during the year	-	-
As at 31 March 2021	168.39	1,683.85
Add: Issued and subscribed during the year	-	-
As at 31 March 2022	168.39	1,683.85

B. Other equity (refer note 15)

Particulars	Reserves and Surplus					Total
	Securities premium	Retained earnings	Other equity share based payment	Capital contribution reserve	Cash Flow Hedge Reserve	
Balance as at 1 April 2020	9,320.16	569.35	-	117.15	(92.34)	9,914.32
Profit for the year	-	1,518.69	-	-	-	1,518.69
Remesurement of defined benefit plan, net of tax	-	3.25	-	-	-	3.25
Fair value of changes on derivative instruments, net of tax	-	-	-	-	53.22	53.22
Total Comprehensive Income for the year	-	1,521.94	-	-	53.22	1,575.16
Balance as at 31 March 2021	9,320.16	2,091.29	-	117.15	(39.12)	11,489.48
Profit for the year	-	145.37	-	-	-	145.37
Fair value of changes on derivative instruments, net of tax	-	-	-	-	39.12	39.12
Remesurement of defined benefit plan, net of tax	-	(0.25)	-	-	-	(0.25)
Total comprehensive income for the year	-	145.12	-	-	39.12	184.24
Compensation cost related to employee share based payment plans (refer note 35)	-	-	47.10	-	-	47.10
Cross charge from holding company for employee share based payment plans (refer note 35)	-	-	(47.10)	-	-	(47.10)
Balance as at 31 March 2022	9,320.16	2,236.41	-	117.15	-	11,673.72

The accompanying notes are an integral part of the Ind AS financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration number: 101049W/E300004

per Sunil Gaggar

Partner

Membership Number : 104315

Bengaluru

May 19, 2022

For and on behalf of the Board of Directors of

AXISCADES Aerospace & Technologies Private Limited

CIN: U72900KA2001PTC028394

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Chief Executive Officer & Managing Director

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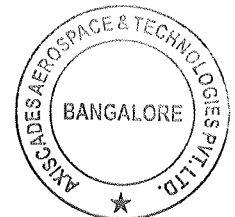
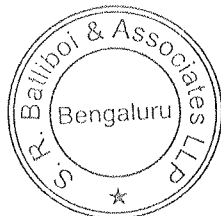
Aayushi Agrawal

Company Secretary

Membership No. : A46297

Bengaluru

May 19, 2022



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

1 General Information:

AXISCADES Aerospace & Technologies Private Limited ('the Company') was incorporated under the provisions of the Companies Act, 1956 ('the Act') on 3 January 2001. The Company is engaged in system integration activities for defense & offsets business. The Company is partnering with major original equipment manufacturers (OEM's) in the areas of strategic electronics, avionics, radar data processing and electronic warfare etc.

During the year ended 31 March 2017, pursuant to the approval by the Hon'ble Court of Karnataka on 4 November 2016 of scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956 for the amalgamation of Indian Aviation Training Institute Private Limited ('IAT') with AXISCADES Technologies Limited ('ACTL') (formerly known as AXISCADES Engineering Technologies Limited), with effect from 1 April 2016, appointed date, the Company has become a 100% wholly owned subsidiary of ACTL, a listed company for trading on the National Stock Exchange of India Limited and BSE Limited in India.

The registered office of the Company is "PLOT NO. 14/15, 2nd Cross 2nd Main, Electronic City, 1 Phase, Bangalore 560 100, Karnataka, India".

2 (i) Summary of significant accounting policies

(a) Basis of accounting and preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 19 May 2022.

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in ₹ and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

(b) Changes in accounting policies and disclosures
New and amended standards

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.

(ii) Amendments to Ind AS 103 Business Combinations

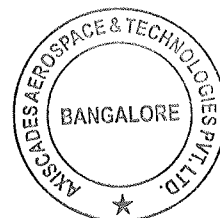
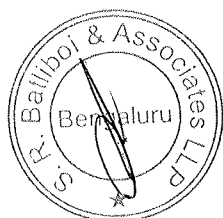
The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company's financial statements.



AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the Company's financial statements. The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied. These amendments are applicable for annual periods beginning on or after the 1 April 2020. These amendments are not expected to have a significant impact on the Company's financial statements.

(c) Use of judgements, estimates & assumptions

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

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provision for litigations and contingencies

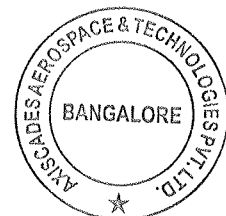
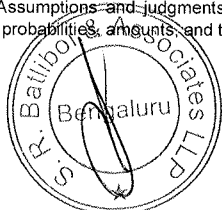
The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the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

Provision for warranty

The Company, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the specified warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years.

Decommissioning liability

The estimated valuation of decommissioning liability are based on management's historical experience and best estimate of restoring the premises on lease in its original condition. Assumptions and judgments made by management when assessing an decommissioning liability include i) the existence of a legal obligation; ii) estimated probabilities, amounts and timing of settlements; iii) the credit-adjusted risk-free rate to be used.



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(d) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of respective asset if the recognition criteria for a provision are met.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised 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 and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

	Useful lives (in years)
Computers	3
Furniture and fixtures *	7
Plant & Machinery*	7
Office equipment *	7
Electrical installations *	7
Lease Hold Improvements	##
Vehicles *	5

The life of Lease hold improvement is a period of Agreement with lessor but not more than 15 year.

* Based on an internal assessment, the management believes that the useful lives as given above represents the period over which management expects to use the assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16, Property, Plant and Equipment and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

Leasehold improvements are depreciated over its lease period including renewable period or estimated useful life, whichever is shorter, on a straight-line basis.

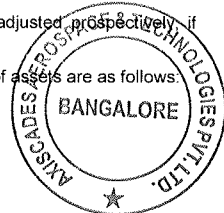
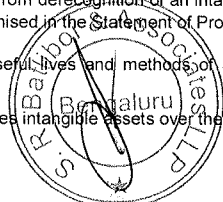
(f) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company depreciates intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Useful lives
(in years)

Software's

3

(g) Impairment of non financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. An asset's recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(h) Revenue recognition

The Company earns revenue from contract with customer primarily from sale of goods and services.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer Note 2(h) – Significant accounting policies – Revenue Recognition - in the annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 22.

Sale of goods and services:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of products and services is recognised upon transfer of control of promised goods and services. Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from sale of products, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Variable Consideration:

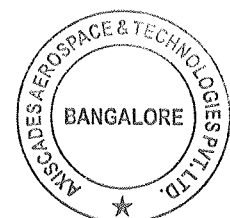
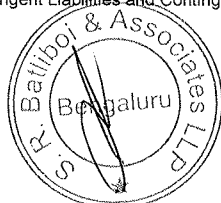
Rights of return, volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Significant financing component :

The Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, it does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Warranty obligations:

It provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in use of judgements, estimates & assumptions.



AXISCADES Aerospace & Technologies Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Finance income:

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Contract balances

Contract assets:

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by providing services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Revenues in excess of invoicing are classified as contract assets (which we refer to as Unbilled Revenue)

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 2 (q) Financial instruments – initial recognition and subsequent measurement. Trade Receivables.

(i) Retirement and other employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan:

Gratuity:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to Statement of Profit and Loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Compensated absences:

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term employee benefits:

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

(j) Inventories

Inventories comprising of project work in progress and finished goods, are valued at lower of cost and net realisable value. Cost includes direct material, direct labour and related production expenses. Cost is determined on First In First Out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Obsolete and defective inventories are duly provided for basis the management estimates.

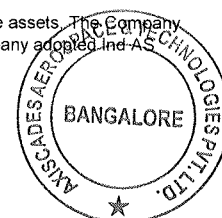
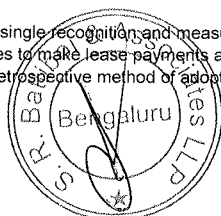
(k) Leases

The Company has lease contracts for buildings used in its operations. Lease terms generally ranges between 3 and 6 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019



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AXISCADES Aerospace & Technologies Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term which is six years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(q) for policy on impairment of non-financial assets.

Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(l) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupee (₹).

Transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

- Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

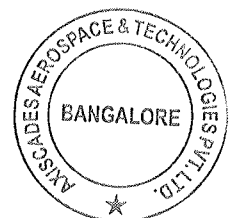
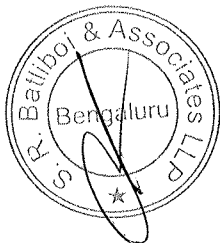
- Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(n) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(o) Income Tax

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(p) Provisions and contingencies

Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities:

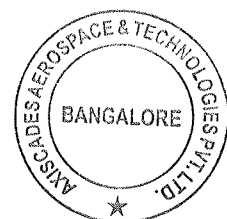
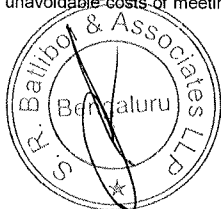
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets:

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

Onerous contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

(q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument to other entity.

Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

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

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL); and
- iv. Equity investments

i. Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

ii. Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iv. Equity investments:

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 Business Combinations, applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

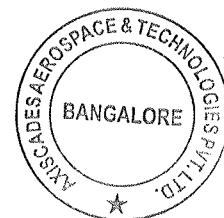
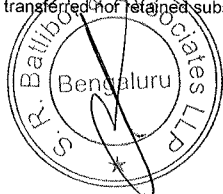
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



AXISCADES Aerospace & Technologies Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through Profit and Loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 Financial Instruments and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability 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 in the respective carrying amounts is recognised in the Statement of Profit and Loss.

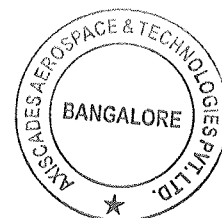
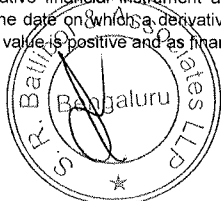
Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and Hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks arising from highly probable future forecasted sales. This derivative financial instrument are designated in a cash flow hedge relationship. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss and is reclassified to underlying hedged item.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, life time ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- b. Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- c. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Trade receivables:

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets:

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

(r) Fair value measurement

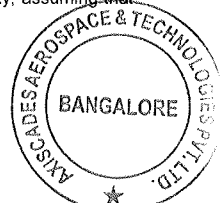
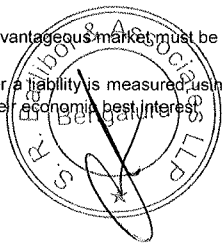
The company measures financial instruments, such as derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of Fair value disclosures, the Company has determined the classes of assets and liabilities on the basis of nature, characteristics and risks of the assets or liabilities and the level of fair value hierarchy as explained above.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in Strategic Technology Solutions, which constitutes its single reportable segment.

(u) Earnings per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

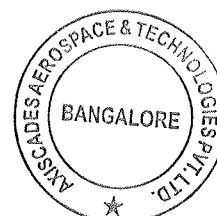
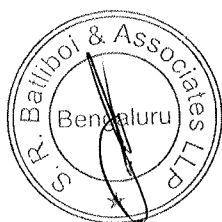
(v) Business combinations

Business combinations between entities under common control is accounted for at carrying value under the provisions of Ind AS 103, Business Combinations

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

(w) Corporate Social Responsibility (CSR) expenditure

CSR expenditure as per provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is charged to the Statement of Profit and Loss as expense as when incurred.



AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

3 Property, plant and equipment

	Computers	Lease hold Improvement	Electrical fittings	Furniture & fixtures	Plant & machinery	Office equipment	Vehicles	Total
Cost								
Balance as at 1 April 2020	308.85	-	12.18	54.39	1,524.87	63.45	11.65	1,975.39
Additions	32.67	-	-	-	-	0.30	-	32.97
Disposals	-	-	-	-	-	-	11.65	11.65
Balance as at 31 March 2021	341.52	-	12.18	54.39	1,524.87	63.75	-	1,996.71
Additions	3.45	149.71	-	4.75	14.15	8.70	-	180.76
Disposals	4.73	-	-	-	-	3.26	-	7.99
Balance as at 31 March 2022	340.24	149.71	12.18	59.14	1,539.02	69.19	-	2,169.48
Accumulated depreciation								
Balance as at 1 April 2020	300.37	-	10.30	52.77	879.30	54.17	11.12	1,308.03
Charge for the year	13.46	-	0.83	0.99	130.12	3.70	-	149.10
Disposals	-	-	-	-	-	-	11.12	11.12
Balance as at 31 March 2021	313.83	-	11.13	53.76	1,009.42	57.87	-	1,446.01
Charge for the year	12.63	-	0.39	0.45	206.92	2.05	-	222.44
Disposals	4.73	-	-	-	-	3.10	-	7.83
Balance as at 31 March 2022	321.73	-	11.52	54.21	1,216.34	56.82	-	1,660.62
Net Block								
As at 31 March 2021	27.69	-	1.05	0.63	515.45	5.88	-	550.70
As at 31 March 2022	18.51	149.71	0.66	4.93	322.68	12.37	-	508.86

Note:
a. Contractual obligations

There are no contractual commitments for the acquisition of property, plant and equipment.

b. Decommissioning cost

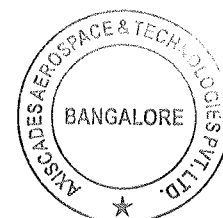
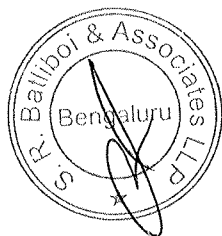
A provision has been recognised for decommissioning costs associated with the premises taken on lease. The Company is committed to decommissioning the premises as a result of improvements made to the premises (Refer Note 18(a)).

c. Property, plant and equipment pledged as security

Details of properties pledged have been provided in Note 16(b).

4 Intangible assets

	Software	Goodwill	Total
Cost			
Balance as at 1 April 2020	8.48	2.33	10.81
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2021	8.48	2.33	10.81
Additions	6.87	-	6.87
Disposals	-	-	-
Balance as at 31 March 2022	15.35	2.33	17.68
Accumulated amortisation			
Balance as at 1 April 2020	6.37	2.33	8.70
Charge for the year	1.68	-	1.68
Disposals	-	-	-
Balance as at 31 March 2021	8.05	2.33	10.38
Charge for the year	1.64	-	1.64
Disposals	-	-	-
Balance as at 31 March 2022	9.69	2.33	12.02
Net Block			
As at 31 March 2021	0.43	-	0.43
As at 31 March 2022	5.66	-	5.66



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

5 Investments

	As at 31 March 2022	As at 31 March 2021
In Subsidiaries: (at cost unless otherwise stated)		
Unquoted equity shares		
Enertec Controls Limited 707,999 (31 March 2021: 707,999) equity shares ₹10 each fully paid up	2,655.00	2,655.00
AXISCADES Aerospace Infrastructure Private Limited 4,172,519 (31 March 2021: 4,172,519) equity shares ₹10 each fully paid up	7,979.78	7,979.78
	10,634.78	10,634.78
Other investments: (at fair value through profit or loss account)		
Unquoted equity instrument:		
Raaga Axis Aviacom Private Limited (refer note (i) below) 1,000 (31 March 2021: 1,000) equity shares of ₹10 each fully paid up	-	-
	10,634.78	10,634.78
Aggregate value of unquoted investments	10,634.78	10,634.78
Aggregate amount of impairment in value of investments	0.10	0.10

Note:

(i) In the financial year 2017-18, the Company has impaired the investment in Raaga Axis Aviacom Private Limited of ₹ 0.10 lakhs, as this entity has become dormant under section 455 of Companies Act, 2013.

6 Loans

	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, considered good		
Loans to employees	-	1.42
Intercorporate deposit (ICD) to related party (refer note (i) below) (refer note 31)	363.28	347.11
	363.28	348.53

(i) During the year ended 31 March 2022, the Company has given additional inter-corporate deposit ('ICD') to AXISCADES Aerospace Infrastructure Private Limited (AAIPL), a wholly owned subsidiary, amounting to ₹ 16.17 Lakhs. The closing balance is ₹ 363.28 lakhs (31 March 2021 : ₹ 347.11 lakhs). The ICD carries an interest rate of 9% per annum (31 March 2021 : 9% per annum) and repayable on demand.

(ii) Since all loans given are unsecured and considered good, the breakup for security wise details is not applicable to the company, hence not given.

7 Other financial assets

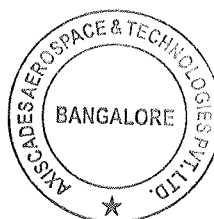
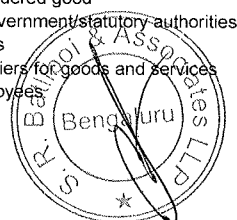
	As at 31 March 2022	As at 31 March 2021
Non-current		
Unsecured, considered good		
Security deposit to related party (refer note 31)	391.98	383.00
Security deposit to others	0.07	141.00
Deposits with remaining maturity more than twelve months (refer note 13)	291.76	604.14
	683.81	1,128.14
Current		
Unsecured, considered good		
Contract assets- Unbilled revenue	501.18	597.25
Accrued interest on fixed deposits with banks	18.86	100.77
Other Receivables	121.30	180.62
Interest accrued on ICD to related parties (refer note 31)	133.60	104.99
	774.94	983.63

8 Non-current tax assets, net

	As at 31 March 2022	As at 31 March 2021
Non-current		
Advance income taxes (net of provision for tax)	344.38	501.90
	344.38	501.90

9 Other assets

	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, considered good		
Balances with government/statutory authorities	67.02	308.48
Prepaid expenses	65.29	34.95
Advance to suppliers for goods and services	387.79	118.99
Advance to employees	4.18	14.53
	524.28	476.95



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

10 Inventories (valued at lower of cost or net realisable value)

	As at 31 March 2022	As at 31 March 2021
Work in progress		
Project work-in-progress	449.80	84.83
	<u>449.80</u>	<u>84.83</u>

Provision for slow moving, non moving and obsolete inventory amounted to ₹ 116.08 lakhs and ₹ Nil for the year ended March 31, 2022 and March 31, 2021 respectively.

11 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Trade receivables include:		
Trade receivables from others	1,765.61	2,113.86
Receivables from related party (refer note 31)	3.32	3.32
Total Trade receivables	<u>1,768.93</u>	<u>2,117.18</u>

Break-up for security details:

Trade receivables

Secured, considered good	-	-
Unsecured, considered good	1,768.93	2,117.18
Trade receivables which have significant increase in credit risk	-	52.88
Trade receivables - credit impaired	55.18	-
	<u>1,824.11</u>	<u>2,170.06</u>

Impairment Allowance (allowance for bad and doubtful debts)

Trade receivables which have significant increase in credit risk	-	(52.88)
Trade receivables - credit impaired	(55.18)	-
Total Trade receivables	<u>1,768.93</u>	<u>2,117.18</u>

Trade Receivables aging Schedules - 31 March 2022

Particulars	Current but not due	Outstanding for following periods from due date of Payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 year	2-3 Years	More Than 3 years	
i. Undisputed Trade Receivables-considered good	1,547.49	113.04	47.55	29.19	31.66	-	1,768.93
ii. Undisputed Trade Receivables-considered doubtful	-	-	-	24.39	30.79	-	55.18
iii. Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-	-
Total	1,547.49	113.04	47.55	53.58	62.45	-	1,824.11

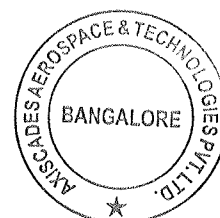
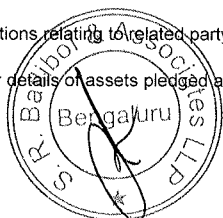
Trade Receivables aging Schedules - 31 March 2021

Particulars	Current but not due	Outstanding for following periods from due date of Payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 year	2-3 Years	More Than 3 years	
i. Undisputed Trade Receivables-considered good	677.44	1,027.01	336.20	76.53	-	-	2,117.18
ii. Undisputed Trade Receivables-considered doubtful	-	-	-	52.88	-	-	52.88
iii. Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
iv. Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-	-
Total	677.44	1,027.01	336.20	129.41	-	-	2,170.06

No trade or other receivables are due from director or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

For terms and conditions relating to related party receivables, refer note 31.

Refer note 16(b) for details of assets pledged as security for borrowings.



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

12 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- On current accounts	947.10	773.32
- Deposits with original maturity of less than three months	1,040.00	-
	<u>1,987.10</u>	<u>773.32</u>

- (i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods for few days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.
- (ii) As at 31 March 2022 the Company had available ₹ 3,283 lakhs (31 March 2021 : ₹ 3,197.50 lakhs) of undrawn committed borrowing facilities.
- (iii) Refer note 16(b) for details of assets pledged as security for borrowings.

Notes:

For the purpose of statement of cash flows, cash and cash equivalents comprises of the following:

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
- On current accounts	947.10	773.32
- Deposits with original maturity of less than three months	1,040.00	-
Cash and cash equivalents reported in cash flow statement	<u>1,987.10</u>	<u>773.32</u>

13 Bank balances other than cash and cash equivalents

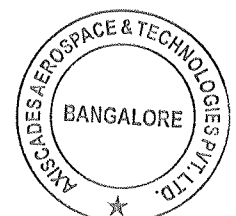
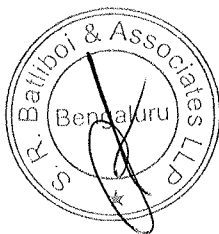
	As at 31 March 2022	As at 31 March 2021
Bank deposits (with original maturity of more than 3 months and having remaining maturity of less than 12 months)	908.81	1,454.84
Bank deposits with remaining maturity of more than 12 months	291.76	604.14
Less: Amounts disclosed as other non current financial assets (refer note 7)	(291.76)	(604.14)
	<u>908.81</u>	<u>1,454.84</u>

- (i) Fixed deposits of carrying amount ₹ 705 lakhs (31 March 2021: ₹ 1,492.60 lakhs;) with banks is deposited as margin money against the foreign currency term loans, bank guarantees, overdraft, letter of credit and buyers credit facility availed.
- (ii) Deposits of a carrying amount ₹ 316.78 lakhs (31 March 2021: ₹ 361.13 lakhs) have been deposited as bank guarantee towards lien on various government authorities and customers.
- (iii) Refer note 16 (b) for assets pledged as security for borrowings.

Breakup of financial assets carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Loans (Current and Non Current) (refer note 6)	363.28	348.53
Other financial assets (Current and Non Current) (refer note 7)	1,458.75	2,111.77
Trade receivables (refer note 11)	1,768.93	2,117.18
Cash and cash equivalents (refer note 12)	1,987.10	773.32
Bank balances other than cash and cash equivalents (refer note 13)	908.81	1,454.84
	<u>6,486.87</u>	<u>6,805.64</u>

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14 Equity Share Capital

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 10 each (31 March 2021 : ₹ 10)	170.00	1,700.00	170.00	1,700.00
	170.00	1,700.00	170.00	1,700.00
Issued, subscribed and paid up				
Equity shares of ₹ 10 each (31 March 2021 : ₹ 10), fully paid	168.39	1,683.85	168.39	1,683.85
	168.39	1,683.85	168.39	1,683.85

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity shares of ₹ 10 each, par value				
Balance as at the beginning of the year	168.39	1,683.85	168.39	1,683.85
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	168.39	1,683.85	168.39	1,683.85

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each equity share is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and shall be payable in Indian Rupee. In the event of liquidation of the Company, the shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
AXISCADES Technologies Limited (formerly known as AXISCADES Engineering Technologies Limited)	168.39	1,683.85	168.39	1,683.85
	168.39	1,683.85	168.39	1,683.85

d. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount
AXISCADES Technologies Limited (formerly known as AXISCADES Engineering Technologies Limited)	168.39	99.99%	168.39	99.99%
	168.39	99.99%	168.39	99.99%

e. In the period of five years immediately preceding the Balance Sheet date, the Company has not issued any shares without payment being received in cash or any bonus shares or has bought back any shares.

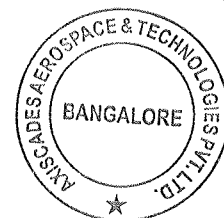
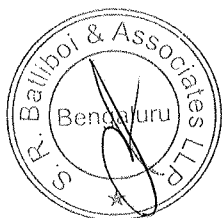
f. Details of Shareholding by Promoters

As at 31 March 2022

S.No	Promoter Name	No of shares at beginning of the year	Change during the year	No of shares at the end of the year	% Total shares	% change during the year
Equity shares of 10 each fully paid up	AXISCADES Technologies Limited (formerly known as AXISCADES Engineering Technologies Limited)	168.39	-	168.39	99.99%	-

As at 31 March 2021

S.No	Promoter Name	No of shares at beginning of the year	Change during the year	No of shares at the end of the year	% Total shares	% change during the year
Equity shares of 10 each fully paid up	AXISCADES Technologies Limited (formerly known as AXISCADES Engineering Technologies Limited)	168.39	-	168.39	99.99%	-



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15 Other equity

	As at 31 March 2022	As at 31 March 2021
Security premium reserve	9,320.16	9,320.16
Retained earnings	2,236.41	2,091.29
Capital contribution reserve	117.15	117.15
Hedge reserve	-	(39.12)
	11,673.72	11,489.48

Note: Refer Statement of changes in equity, for movement of other equity

Description, nature and purpose of reserves:

Securities premium reserve

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of Companies Act, 2013

Retained earnings

It comprises of the accumulated profits/(loss) of the Company.

Hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Capital contribution reserve

Reserve created pursuant to profit on settlement of loan under the common control transactions.

16 Borrowings

	As at 31 March 2022	As at 31 March 2021
Non-current		
Secured, considered good		
Term loan from banks (refer note (a)(i) and (b)(ii))	-	1,194.34
Unsecured, considered good		
Intercompany deposits('ICD') from related parties (Refer note (a)(ii) and (refer note 31))	240.00	310.00
	240.00	1,504.34
Current		
Secured, considered good		
Cash credit from bank (refer note (a)(iii) and (b)(i))	-	2.50
Unsecured, considered good		
ICD from related parties (refer note (a)(ii) and (refer note 31))	70.00	-
Current maturities of long term loan from banks	1,253.60	1,211.19
	1,323.60	1,213.69

Notes:

a (i) During the financial year 2017-18 the Company has borrowed foreign currency term loan from a bank amounting to USD 66.15 lakhs (equivalent ₹ 4,300 lakhs) and carries interest rate of 6.27% per annum (31 March 2021: 7.21% per annum). The loan is repayable in 16 quarterly instalments starting from 31 December 2018. During the current year, the said loan has been taken over by another bank. The amount outstanding as at 31 March 2022 was ₹ 1253.60 lakhs (31 March 2021 was ₹ 2,405.52 lakhs).

(ii) During the year ended 31 March 2016, the Company had borrowed an inter-company deposit ('ICD') from Cades Studec Technologies (India) Private Limited ('CSTI'), a fellow subsidiary, amounting to ₹ 240 Lakhs. The agreement was renewed on 01 November 2019 for a period of another three years with a lock-in-period until 31 October 2020. The ICD carries an interest rate of 8% per annum. And the agreement will be expired on 31 October 2022. Further during the previous year 2019-20, the Company has borrowed an additional ICD from CSTI, amounting to ₹ 70 Lakhs. The agreement was entered on 22 October 2019 for a period of three years with a lock-in-period until 21 October 2020. The ICD carries an interest rate of 8% per annum. The total amount outstanding as at 31 March 2022 is ₹ 310.00 lakhs (31 March 2021 : ₹ 310.00 lakhs).

(iii) Cash credit from bank is carrying interest of 7.5% (Repo +3.5%) quarterly reset (31 March 2021: MCLR + 4.80%).

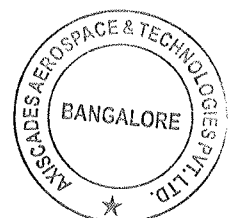
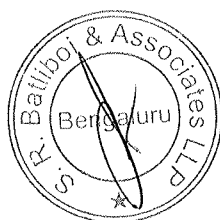
b Details of security of borrowings

(i) Cash credit facility (inclusive of post shipment credit facility and packing credit facility in foreign currency) from bank are secured by first exclusive charge on all current assets (present and future), equitable mortgage on property owned by its subsidiary Enertec Controls Ltd situated at 15-16, 1st Phase, Electronic city, Bangalore and D-30, sector 3, Noida, Uttarpradesh property owned by its parent Axiscades Technologies Ltd.

(ii) Term loan facility from bank are secured by first pari passu charge on all movable plant, property and equipment (present and future), current assets of the Company both present and future, pledge of shares of holding company("ACTL") to the extent of 1.40 times the term loan exposure (not to exceed 30%).

c Loan covenants

The term loan from bank contains certain financial covenants such as debt service coverage ratio ('DSCR'), total debt as a percentage of total net-worth, shareholding of Jupiter Capital in Axiscades Technologies Ltd not to come below 51% during the tenor of exposure of the company with the bank etc. The Company has satisfied all other debt covenants prescribed in the terms of bank loan except DSCR. The Management is of the view that this is minor breach and hence no adjustments are made to these financial statements in this respect.



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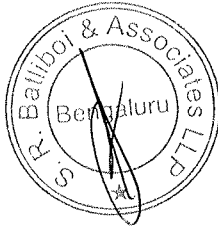
d Changes in liabilities arising from financing activities

Particulars	As at 01 April 2021	Cash flows(net)	Non Cash changes		As at 31 March 2022
			Change in fair value	Others	
Current and non current borrowings	2,718.02	(1,194.98)	-	40.56	1,563.60
Current and non current lease liabilities (refer note 33)	202.37	(60.00)	-	57.44	199.81
Total liabilities from financing activities	2,920.39	(1,254.98)	-	98.00	1,763.41

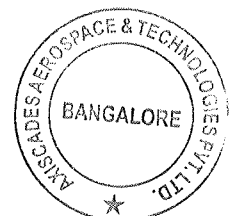
Particulars	As at 01 April 2020	Cash flows(net)	Non Cash changes		As at 31 March 2021
			Change in fair value	Others	
Current and non current borrowings	6,487.37	(3,685.83)	-	(83.52)	2,718.02
Current and non current lease liabilities (refer note 33)	242.58	(60.00)	-	19.79	202.37
Total liabilities from financing activities	6,729.95	(3,745.83)	-	(63.73)	2,920.39

17 Other financial liabilities

	As at	
	31 March 2022	31 March 2021
Current		
Interest accrued on ICD (refer note 31)	5.50	5.63
Hedge liability	-	54.20
Dues to employees	75.33	351.89
	80.83	411.72



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(All amounts in ₹ lakhs, unless otherwise stated)

	As at	As at
	31 March 2022	31 March 2021
18 Provisions		
Non-current		
Employee defined benefits liability		
- Provision to gratuity (refer note 36)	45.62	48.92
Asset retirement obligation (refer note (a))	7.06	7.06
	52.68	55.98
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 36)	6.23	5.73
- Compensated absences	20.23	21.75
	26.46	27.48

a Asset retirement obligation

The Company has recognised a provision for asset retirement obligation associated with premises taken on lease. In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rates, the expected cost to dismantle and remove furnitures and fixtures from the leased premises and the expected timing of these costs. The carrying amount of the provision as at 31 March 2022 is ₹ 7.06 lakhs (31 March 2021 : ₹ 7.06 lakhs). The Company estimates the costs would be realised within 4 - 5 years time upon the expiration of the lease and calculates the provision using the DCF method based on the following assumptions:

- 1) Estimated range of cost : 15 days - 30 days lease rental expense
- 2) Discount rate : 14 percent per annum (31 March 2021 : 14 percent per annum)

	Asset retirement obligation
As 1 April 2020	7.06
Additions	-
As 31 March 2021	7.06
Additions	-
As 31 March 2022	7.06

	As at	As at
	31 March 2022	31 March 2021
19 Trade payables		
Current		
-Total outstanding dues of micro enterprises and small enterprises(refer note (i) below)	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,793.05	883.60
Accrued expenses	708.00	1,112.40
	2,501.05	1,996.00

* Includes ₹310.45 lakhs (March 31, 2021: ₹241.71 lakhs) payable to related parties (refer note:31)

Trade Payables Ageing Schedule - 31 March 2022

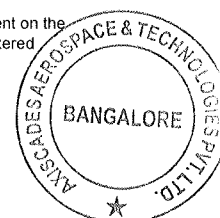
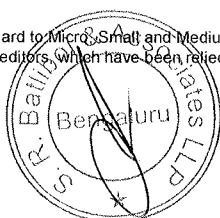
Particulars	Current but not due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	917.65	1,307.81	15.13	239.36	21.10	2,501.05
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	917.65	1,307.81	15.13	239.36	21.10	2,501.05

Trade Payables Ageing Schedule - 31 March 2021

Particulars	Current but not due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	999.77	723.40	251.57	20.91	14.18	2,009.83
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	999.77	723.40	251.57	20.91	14.18	2,009.83

Note:

(i) The disclosure with regard to Micro, Small and Medium enterprises Development Act, 2006 is based on the information collected by the Management on the inquiries made with the creditors, which have been relied upon by the auditors. As at March 31, 2022 and March 31, 2021, there were no parties registered under the said Act.



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20 Other liabilities

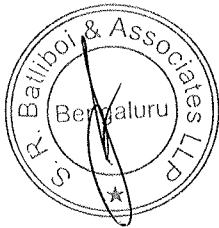
	As at 31 March 2022	As at 31 March 2021
Current		
Duties and taxes payable	271.04	131.15
Liability towards Corporate Social Responsibility	1.25	-
Contract liabilities		
Advances from customers	2,020.18	783.61
Deferred revenue	343.56	1,124.43
	2,636.03	2,039.19

21 Liabilities for current tax (net)

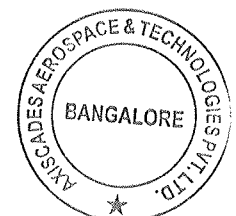
	As at 31 March 2022	As at 31 March 2021
Provision for taxation (net of advance tax)	27.16	0.51
	27.16	0.51

Breakup of financial liabilities carried at amortised cost

	As at 31 March 2022	As at 31 March 2021
Borrowings (Current and Non Current) (refer note 16)	1,563.60	2,718.05
Lease Liabilities (Current and Non Current) (refer note 33)	199.82	202.37
Trade Payables (Current and Non Current) (refer note 19)	2,501.05	1,996.00
Other financial liabilities (Current and Non Current) (refer note 17)	80.83	357.51
	4,345.30	5,273.93



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

22 Revenue from contracts with customers	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	3,547.79	7,039.59
Sale of services	2,107.94	1,031.89
Other Operative Income :		
- Export Incentives	16.44	226.95
	5,672.17	8,298.43

22.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Year ended 31 March 2022	Year ended 31 March 2021
India	691.74
Outside India	7,606.69
Total revenue from contracts with customers	8,298.43

22.2 Contract balances

Trade receivables (refer note 11)	1,768.93	2,117.18
Unbilled revenue (refer note 7)	501.18	597.25
Contract Liabilities- Advances from customers (refer note 20)*	2,020.18	783.61
Contract Liabilities- Deferred revenue (refer note 20)*	343.56	1,124.43

*Contract liabilities include short-term advances received against the sale of products in the future.

22.3 The performance obligation is satisfied upon supply of goods and providing of services as and when rendered and accordingly, there is no outstanding performance obligation as on 31 March 2022, except for the cases where the performance obligation are satisfied over time. The transaction price allocated to the remaining performance obligation (partially unsatisfied) as 31 March 2022 and 31 March 2021 are, as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Within one year	5,946.40	873.13
More than one year	1,885.66	5,232.34
	7,832.06	6,105.47

23 Other income

Year ended 31 March 2022	Year ended 31 March 2021
Interest income	
- from financial assets carried at amortised cost*	45.04
- from fixed deposits	99.50
- from intercorporate deposit to related party (refer note 31)	31.78
- from others	0.05
Profit on sale of property plant and equipment	0.76
Interest on Income Tax refund	37.58
Interest on Value added tax refund	1.14
Warranty/Liabilities no longer required written back	20.40
Gain on modification of Lease liability	16.43
Bad debts written back	11.29
Foreign exchange gain, net	-
	151.08
	263.97
	500.52

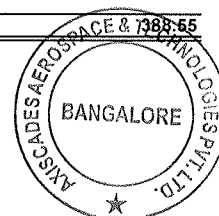
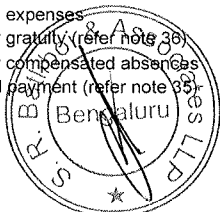
* Includes ₹ 37.08 lakhs (March 31 2021: ₹ 34.35 lakhs) from related parties (refer note 31)

24 Cost of materials consumed

Year ended 31 March 2022	Year ended 31 March 2021
Opening inventory	84.84
Add: Purchases	4,341.43
	4,426.27
Less: Closing inventory	449.80
	84.84
	3,976.47
	4,821.94

25 Employee benefits expense

Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	325.65
Contribution to provident and other funds	29.75
Staff welfare expenses	21.26
Provision for gratuity (refer note 36)	7.51
Provision for compensated absences	7.86
Share based payment (refer note 35)	47.10
	-
	138.55
	439.13
	788.55

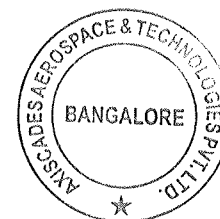
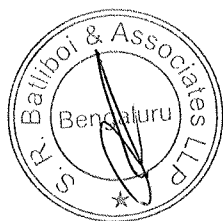


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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

26 Finance cost	Year ended 31 March 2022	Year ended 31 March 2021
Bank guarantee commission	44.48	22.43
Interest expense		
- on intercorporate deposits from related parties (refer note 31)	24.80	80.52
- on term loan	209.43	306.14
- on bank cash credit	2.52	212.91
- on packing credit foreign currency loan	-	3.52
Net interest on net defined benefit obligation (refer note 36)	3.34	3.64
Interest on lease liabilities (refer note 33)	17.12	19.79
Interest on Income Tax	6.27	-
	307.96	648.95
	307.96	648.95
27 Depreciation and amortisation expense	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of tangible assets (refer note 3)	222.44	149.10
Depreciation of right of use assets (refer note 33)	87.90	86.68
Amortisation of intangible assets (refer note 4)	1.64	1.68
	311.98	237.46
	311.98	237.46
28 Other expenses	Year ended 31 March 2022	Year ended 31 March 2021
Rent (refer note 33)	155.74	214.06
Electricity charges	21.05	20.45
Travelling and conveyance	49.28	32.33
Communication charges	11.88	9.81
Provision for trade receivables	3.33	52.88
Bank charges	11.93	15.43
Hire charges - equipments	1.02	1.24
Legal and professional charges	68.89	41.03
Foreign exchange loss, net	30.45	-
Consultancy charges	131.51	122.64
Selling and marketing expenses	8.29	9.05
Printing and stationery charges	0.51	0.64
Rates and taxes	38.56	158.97
Auditor's remuneration*	13.00	12.55
Books and periodicals	0.02	0.09
Office maintenance expenses	34.91	40.06
Insurance expenses	5.88	7.94
Bad debts	-	73.84
Advances to suppliers written off	-	38.88
Repairs and maintenance	23.43	23.87
Freight outward	0.91	0.37
Miscellaneous expenses	0.08	0.95
Corporate social responsibility expenses (refer note 40)	1.25	-
	611.92	877.08
	611.92	877.08
*Auditors remuneration		
As a auditor		
Statutory audit fee (excluding goods and services tax)	12.50	12.50
Out of pocket expenses (excluding goods and services tax)	0.50	0.05
	13.00	12.55
	13.00	12.55



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

29 Tax expense

The major components of income tax expense for the year ended 31 March 2022 and 31 March 2021 are as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Current income tax		
Current income tax charge	48.51	305.45
Adjustment of tax relating to earlier years	28.67	(46.74)
Deferred tax		
Relating to the origination and reversal of temporary differences	66.13	47.57
Income Tax expense reported in Statement of Profit and Loss	143.31	306.28

Deferred tax related to items recognised in other comprehensive income (OCI) during the year

Net (gain)/loss on cash flow hedges	(9.73)	(20.51)
Net remeasurement (gain)/loss on defined benefit plans	0.09	(1.25)
Tax credit reported under other comprehensive income (OCI)	(9.64)	(21.76)

Notes:

1 Reconciliation of deferred tax (net):

Opening balance	1,222.67	1,292.00
Tax credit/(expense) during the year recognized in Statement of Profit and Loss	(66.13)	(47.57)
Tax credit/(expense) during the year recognized in OCI	(9.64)	(21.76)
Closing balance	1,146.90	1,222.67

2 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Accounting profit before income tax	288.68	1,824.97
Tax on accounting profit before tax at statutory income tax rate [31 March 2022: 27.82%, 31 March, 2021: 27.82%]	80.30	507.71
Reconciling items:		
Mat credit of earlier years recognised in current year	63.31	(135.23)
Adjustment of tax related to earlier years	(34.64)	(46.74)
Others	34.34	(19.46)
	143.31	306.28

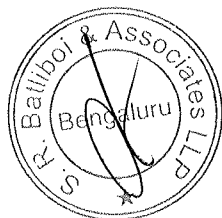
At the effective income tax rate at 31 March 2022 : 49.88% (31 March 2021 : 16.78%)

Income tax expense reported in the Statement of Profit and Loss	143.31	306.28
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3 Deferred tax asset, net

	As at 31 March 2022	As at 31 March 2021
Minimum alternate tax credit entitlement	833.63	719.58
Property, plant and equipment: Difference in written down value as per Companies Act, 2013 and as per Income tax Act for the financial reporting period	212.25	221.57
Non-deductible expenses for tax purpose allowed on payment basis	20.05	236.32
Other expenses allowable in subsequent years for tax purposes	80.97	45.20
Total deferred tax asset, net	1,146.90	1,222.67

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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

30 Earnings per share (EPS)	Year ended 31 March 2022	Year ended 31 March 2021
a) Profit after tax attributable to equity shares (in ₹ lakhs)	145.37	1,518.69
b) Weighted average number of shares outstanding (in lakhs)	168.39	168.39
c) Nominal value per share (in ₹)	10	10
d) Basic and diluted earning per share (in ₹)	0.86	9.02

31 Related party disclosure

Nature of relationship	Name of party
I Parties where control exists:	
Holding company	AXISCADES Technologies Limited (formerly known as AXISCADES Engineering Technologies Limited)
Ultimate Holding company	Jupiter Capital Private Limited
Subsidiary companies	Enertec Controls Limited AXISCADES Aerospace Infrastructure Private Limited

II Other related parties with whom transactions happened during the year:

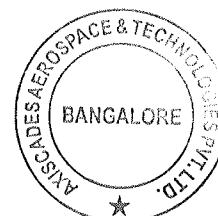
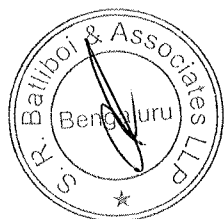
Fellow subsidiary companies	Cades Studec Technologies (India) Private Limited Mistral Solutions Private Limited
Fellow subsidiary of Holding Company	Hindusthan Infrastructure Projects & Engineering Private Limited

III Key Management Personnel (KMP) with whom transactions happened during the year:

Chief Executive Officer & Managing director	Mr. Sharadhi Chandra Babu Pampapathy (redesignated w.e.f. 22/11/2021)
Chief Financial Officer	Mr. Suresh Kumar S (appointed w.e.f. 01/03/2022)
Company Secretary	Ms. Aayushi Agarwal (appointed w.e.f. 19/05/2022)
Chief Financial Officer	Mr. Arinjoy Ghosh (Resigned w.e.f. 28/02/2022)
Company Secretary	Ms. Sonal Kishore Dudani (Resigned w.e.f. 18/05/2022)
Chief Financial Officer - Holding Company	Mr. Srinivas Anumanchipalli (resigned w.e.f. 31/07/2021)

IV Transactions with related parties:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inter corporate deposits to related party		
AXISCADES Aerospace Infrastructure Private Limited	16.17	7.23
Interest income on Inter corporate deposits and security deposits to related parties		
AXISCADES Aerospace Infrastructure Private Limited	31.78	37.42
Enertec Controls Limited	37.08	34.35
Inter corporate deposits repayment to related parties		
Hindusthan Infrastructure Projects & Engineering Private Limited	-	500.00
AXISCADES Technologies Limited	-	210.00
Interest expense on Inter corporate deposits		
Cades Studec Technologies (India) Private Limited	24.80	24.51
Hindusthan Infrastructure Projects & Engineering Private Limited	-	49.87
AXISCADES Technologies Limited	-	6.14
Reimbursement Of Expenses		
AXISCADES Technologies Limited	47.10	-



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Payment of lease liabilities		
Enertec Controls Limited	60.00	60.00
Remuneration(refer note (i) and (ii) below)		
Mr. Sharadhi Chandra Babu Pampapathy	79.35	100.00
Mr. Suresh Kumar S	21.38	
Mr. R. Selvamani	30.80	84.30
Mr. Srinivas Anumanchipalli	-	150.00
Mr. Arinjoy Ghosh	55.18	42.85
Ms. Sonal Kishore Dudani	9.88	7.94
Engineering / Business development services availed		
AXISCADES Technologies Limited	-	0.60
Sale of goods/services		
AXISCADES Technologies Limited	4.47	3.46
Purchase of goods		
Mistral Solutions Private Limited	-	631.79

Note:

(i) As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to individual is not ascertainable and therefore not include above.

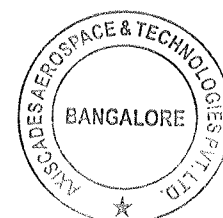
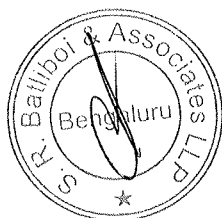
(ii) Total employee benefit expense includes employee stock compensation expense of ₹ 47.10 Lakhs (31 March 2021 - ₹ Nil) for Mr Sharadhi Chandra Babu Pampapathy.

V Outstanding balances as at year end with related parties:

Particulars	As at 31 March 2022	As at 31 March 2021
Intercompany deposits to related party		
AXISCADES Aerospace Infrastructure Private Limited	363.28	347.11
Interest accrued on Intercompany deposits to related party		
AXISCADES Aerospace Infrastructure Private Limited	133.60	104.99
Rent security deposits to lessor		
Enertec Controls Limited	391.98	383.00
Investments		
AXISCADES Aerospace Infrastructure Private Limited	7,979.78	7,979.78
4,172,519 (31 March 2021: 4,172,519) equity shares ₹10 each fully paid		
Enertec Controls Limited	2,655.00	2,655.00
707,999 (31 March 2021: 707,999) equity shares ₹10 each fully paid up		
Inter company deposit from related parties		
Cades Studec Technologies (India) Private Limited	310.00	310.00
Other current financial liabilities (Interest payable)		
Cades Studec Technologies (India) Private Limited	5.50	5.51
AXISCADES Technologies Limited	-	0.12
Trade payables		
Enertec Controls Limited	263.35	241.71
AXISCADES Technologies Limited	47.10	-
Trade Receivables		
AXISCADES Technologies Limited	3.32	3.32

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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32 Segment reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of services.

The Company is predominantly engaged in the business of Strategic Technology Solutions, which constitutes a single business segment and is governed by similar set of risks and returns. The operations of the Company primarily cater to the market outside India, which the Management views as a single segment. The Management monitors the operating results of its single segment for the purpose of making decisions about resource allocation and performance assessment.

Two customers individually accounted for ₹ 4,165.87 lakhs (31 March 2021 : ₹ 6,291.66 lakhs) which is more than 10% of the total revenue of the Company for the year ended 31 March 2022.

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations outside India and majority of the non-current assets of the Company are located in India.

33 Right-of-use assets and lease liabilities

Company as a lessee:

The Company has entered into property leases for office, product assembling space and other business operations. Initially These leases are for a period of six to seven years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Generally, the Company is restricted from assigning and subleasing the leased assets. These lease contracts include extension and termination options.

i) Right-of-use assets

Below are the carrying amounts of right-of-use assets recognised and the movements:

	As at 31 March 2022	As at 31 March 2021
Opening balance	346.71	433.39
Add:- Additions (refer note (i) below)	84.86	-
Less:- Deletions	-	-
Depreciation expense	(87.90)	(86.68)
Closing balance	343.67	346.71

ii) Lease Liabilities

	As at 31 March 2022	As at 31 March 2021
Opening balance	202.37	242.58
Add:- Additions (refer note (i) below)	40.33	-
Add:- Accretion of interest (refer note 26)	17.12	19.79
Less:- Deletions	-	-
Less:- Payment of principal portion of lease liabilities	(42.88)	(40.21)
Less:- Interest payment on lease liability	(17.12)	(19.79)
Closing balance	199.82	202.37

Notes:-

(i) Addition is on account of change in lease term and accordingly the lease liability is remeasured as on date of modification and the difference between lease liability as on date of modification and re-measured lease liability as per above is adjusted to the carrying amount of ROU, net of prepaid rent.

	56.17	48.13
Current	56.17	48.13
Non-current	143.65	154.24
	199.82	202.37

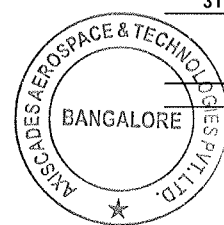
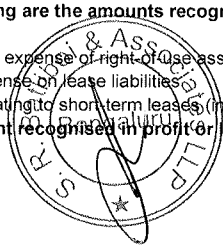
The weighted average incremental borrowing rate for lease liabilities is 9.40% per annum, with maturity in 31 December 2025 for leasehold property.

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:

	31 March 2022	31 March 2021
Less than one year	60.00	60.00
one to five years	165.00	180.00
more than five years	-	-

The following are the amounts recognised in profit or loss:

	31 March 2022	31 March 2021
Depreciation expense of right-of-use assets	87.90	86.68
Interest expense on lease liabilities	17.12	19.79
Expense relating to short-term leases (Included in other expenses)	155.74	214.06
Total amount recognised in profit or loss	260.76	320.53



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
34 Contingent liabilities and commitments		
Bank Guarantees		
Bank guarantees to Government authorities and others (refer note(i) below)	1,060.75	-
Litigations		
(i) Indirect taxation (includes matters pertaining to disputes on service tax and value added taxes) (refer note (ii) below)	142.39	194.51
(ii) Direct taxation (refer note (iii) below)	1,481.84	1,100.12
	2,684.98	1,294.63

Notes

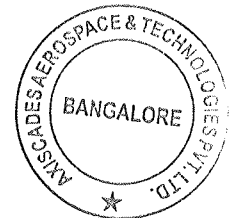
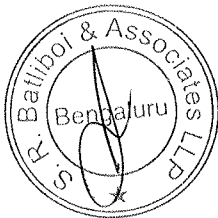
- (i) Bank guarantees are issued in favor of government authorities and others towards financial, performance guarantees and earnest money deposit as part of bidding process.
- (ii) The Company has received demand notices from the authorities under Service Tax Act for FY 2008 to FY 2015 aggregating to ₹ 142.39 lakhs towards non payment of Service Tax and wrong availment of ineligible Cenvat Credit. The Company has filed the appeals against the above orders.
- (iii) The Company has received demand notices of under Income Tax Act 1961 for Assessment Year 2014-15 to AY 2018-19 aggregating to ₹ 1481.84 lakhs towards disallowance of certain expenses.

The Company is contesting the above demands/ litigations and the Management believes that its position will be upheld in the appellate process or assessment process and therefore, will not impact these financial statements. Consequently, no provision has been created in the financial statements for the above.

Other Matters

The Hon'ble Supreme Court of India in a judgment on Provident Fund ('PF') dated 28 February 2019 addressed the principle for determining salary components that form part of basic salary for individuals below a prescribed salary threshold. The Company determined that they had not previously included such components in basic salary. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

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35 Share based payments

The holding company ("ACTL") of the Company operates equity incentive compensation programs which include "AXISCADES ESOP 2018 - Series 1 & 2" under which option to subscribe for the Company's shares can be granted to certain executive and senior employees.

Under these plans, the holding company of the Company has options for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operation. All awards granted to employees (including directors) are subject to approval in advance by the board of directors of ACTL. Share-based payments are equity settled transactions.

The Company entered into a recharge agreement with ACTL for employee equity incentive. Based on agreement, the Company will reimburse and pay to ACTL recharge amount for such equity incentives provided to its employees.

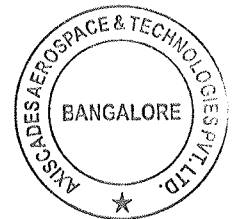
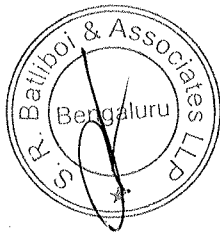
The expense recognized for employee services received during the year is shown in the following table

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Expense arising from equity-settled share-based payment transactions	47.10	-
Total	47.10	-

The following options as granted to the Company's employees, were outstanding

Particulars	31 March 2022	31 March 2021
	Number of shares	
Outstanding at the beginning of the year	-	-
Options granted during the year	-	-
Options vested during the year	-	-
Options forfeited during the year	-	-
Options transferred during the year	7.74	-
Outstanding at the ending of the year	7.74	-

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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
 (All amounts in ₹ lakhs, unless otherwise stated)

36 Defined benefit obligations

The Company has provided for the gratuity liability (defined benefit plan), as per actuarial valuation carried out by an independent actuary on the Balance Sheet date.

A Defined benefit contributions:

The Company makes contribution to statutory provident fund as per Employees Provident Fund and Miscellaneous Provision Act, 1952 for its employees. This is a defined contribution plan as per Ind AS 19, Employee benefits. Contribution made during the year ended 31 March, 2022 is ₹ 29.75 lakhs (31 March, 2021 ₹ 24.49 lakhs).

B Defined benefit plans:

B1 Gratuity

The Company has provided for gratuity liability, for its employees as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost. This is a defined benefit plan as per Ind AS 19.

The plan is governed by the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time). Employees are entitled to all the benefits enlisted under this Act.

(i) Changes in the present value of the defined benefit obligation are as follows

	Year ended 31 March 2022	Year ended 31 March 2021
Defined benefit obligation at the beginning of the year	54.65	58.43
Current service cost	7.51	7.53
Interest cost	3.34	3.64
Benefits paid	(13.99)	(10.45)
Actuarial loss arising from change in financial assumptions	-	1.59
Actuarial loss/(gain) arising from experience adjustments	2.18	(6.09)
Actuarial (gain) arising from change in financial assumptions	(1.84)	-
Defined benefit obligation at the end of the year	51.85	54.65

(ii) Components of defined benefit cost recognised in Statement of Profit and Loss

	Year ended 31 March 2022	Year ended 31 March 2021
Employee benefits expense		
Current service cost	7.51	7.53
Finance cost		
Interest expense on defined benefit obligation	3.34	3.64
Expenses recognised in the Statement of Profit and Loss for the year	10.85	11.17

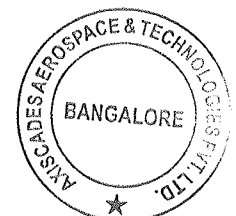
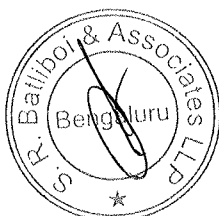
(iii) Components of defined benefit cost recognised in other comprehensive income

	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurement on the net defined benefit liability:		
Recognised net actuarial loss arising from change in financial assumptions	-	1.59
Recognised net actuarial (gain)/loss arising from experience variance	2.18	(6.09)
Recognised net actuarial (gain) arising from change in demographic assumptions	(1.84)	-
Remeasurement (gain)/loss in other comprehensive income	0.34	(4.50)

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below :-

	As at 31 March 2022	As at 31 March 2021
Discount rate	6.90%	6.45%
Salary escalation rate	5.00%	5.00%
Attrition rate	5.00%	5.00%
Retirement age	58 Years	58 Years
Mortality rate [as a percentage of Indian assured lives mortality (2012-2014)]	100%	100%

The assumptions were developed by management with the assistance of independent actuary. Discount factors are determined close to each year-end by reference to market yields of Government bonds that have terms to maturity approximating to the terms of the gratuity obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.



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A quantitative sensitivity analysis for significant assumption as at 31 March 2022 and as at 31 March 2021 are shown below:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, attrition rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The following table summarizes the impact of change in the defined benefit obligation resulting from the specified percentage change in the aforementioned assumptions.

Particulars (Gratuity)	31 March 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (increase or decrease by 1%)	(7.13)	8.21	(7.93)	9.16
Increase/(Decrease) in defined benefit obligation	(48.15)	56.11	(50.32)	59.66
Salary growth rate (increase or decrease by 1%)	7.73	(7.06)	8.87	(7.94)
Increase/(Decrease) in defined benefit obligation	55.86	(48.19)	59.49	(50.31)
Attrition rate (increase or decrease by 50% of attrition rates)	2.36	(3.51)	1.55	(2.55)
Increase/(Decrease) in defined benefit obligation	53.07	(50.03)	55.49	(53.26)
Mortality rate (increase or decrease by 10% of mortality rates)	0.05	(0.05)	0.05	(0.05)
Increase/(Decrease) in defined benefit obligation	51.88	(51.82)	54.67	(54.62)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

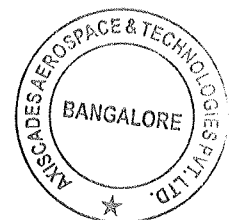
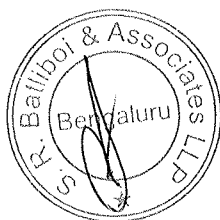
There is no change in the method and assumptions used in preparing the sensitivity analysis from previous years.

(v) Effect of plan on entity's future cash flows

The scheme is managed on an unfunded basis and hence no funding arrangements or future contributions are applicable. The weighted average duration of the plan is estimated to be 8.32 years (31 March 2021 - 9.82 years). Following is a maturity profile of the defined benefit obligation as at 31 March 2022 and as at 31 March 2021.

Expected cash flows over the next: (valued on undiscounted basis)	As at	As at
	31 March 2022	31 March 2021
1 year	6.22	5.73
2 - 5 years	17.82	17.38
6 - 10 years	24.02	19.32

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37 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Quantitative disclosure fair value measurement hierarchy as at 31 March 2022

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost:					
Trade receivables-current *	31 March 2022	1,768.93	-	-	1,768.93
Cash and cash equivalents-current #	31 March 2022	1,987.10	-	-	1,987.10
Bank balances other than cash and cash equivalents-current *	31 March 2022	908.81	-	-	908.81
Loans-current *	31 March 2022	363.28	-	-	363.28
Other financial assets- current and non-current *	31 March 2022	1,458.75	-	-	1,458.75
		6,486.87	-	-	6,486.87
Financial liabilities measured at amortised cost:					
Borrowings-current and non current ^	31 March 2022	1,563.60	-	-	1,563.60
Lease Liabilities- current and non current ^	31 March 2022	199.81	-	-	199.81
Trade payables-current *	31 March 2022	2,501.05	-	-	2,501.05
Other financial liabilities- current and non current *	31 March 2022	82.08	-	-	82.08
		4,346.54	-	-	4,346.54

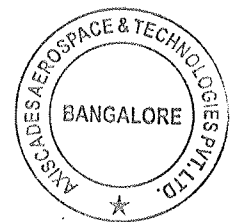
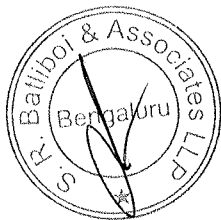
Quantitative disclosure fair value measurement hierarchy as at 31 March 2021

Particulars	Date of valuation	Carrying value	Quoted price in active market (Level 1)	Significant observable input (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost:					
Trade receivables-current *	31 March 2021	2,117.18	-	-	2,117.18
Cash and cash equivalents-current #	31 March 2021	773.32	-	-	773.32
Bank balances other than cash and cash equivalents-current *	31 March 2021	1,454.83	-	-	1,454.83
Loans-current *	31 March 2021	348.53	-	-	348.53
Other financial assets- current and non-current *	31 March 2021	2,111.77	-	-	2,111.77
		6,805.63	-	-	6,805.63
Financial liabilities measured at amortised cost:					
Borrowings-current and non current ^	31 March 2021	2,718.05	-	-	2,718.05
Lease Liabilities- current and non current ^	31 March 2021	202.37	-	-	202.37
Trade payables-current *	31 March 2021	1,996.00	-	-	1,996.00
Other financial liabilities- current and non current *	31 March 2021	357.51	-	-	357.51
		5,273.93	-	-	5,273.93

* Carrying value of these accounts are considered to be same as their fair value, due to their short term nature. Accordingly, these are classified as Level 3 of fair value of hierarchy

These accounts are considered to be highly liquid and the carrying amount of these are considered to be the same as their fair value.

^ The fair value of these accounts was calculated based on cash flow discounted using current lending/borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.



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38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year except as mentioned in note 16 (c).

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to share holders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalent.

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (including current maturities of long term borrowings) (refer note 16 & 17)	1,563.60	2,718.03
Less: Cash and cash equivalents (refer note 12)	(1,987.10)	(773.32)
Net debt*	-	1,944.71
Equity share capital (refer note 14)	1,683.85	1,683.85
Other equity (refer note 15)	11,673.72	11,489.48
Capital and net debt	13,357.57	15,118.04

Gearing ratio - 12.86%
 In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

* Where the total debts are less than cash and cash equivalents, the net debts are shown as Nil.
 No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

39 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 36. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management activity focuses on actively securing its short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

A Interest rate risk

The Company had an interest rate swap agreement in place whereby the Company pays a fixed rate of interest of 7.75% and receives interest at a variable rate equal to 6 months LIBOR+415 Bps on the notional amount. The swap is being used to hedge the exposure to changes in the variable interest rate on its 6 months LIBOR+415 Bps secured loan. The said swap has been settled during the current year.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

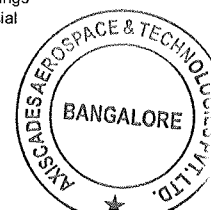
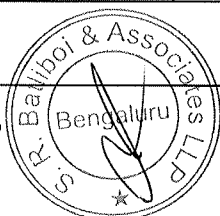
The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item

	As at 31 March 2022		As at 31 March 2021		Line item in balance sheet where hedging instrument is disclosed
	Nominal amount	Carrying amount	Nominal amount	Carrying amount	
Fair value hedge					
Interest rate risk			USD 33.08	54.20	Other current financial liability
- Interest rate swap	-	-			

The impact of the hedged item on the balance sheet as at 31 March 2022 and 31 March 2021 is, as follows:

	As at 31 March 2022		As at 31 March 2021		Line item in balance sheet where hedging instrument is disclosed
	Nominal amount	Carrying amount	Nominal amount	Carrying amount	
Fair value hedge					
Interest rate risk			2405.52	54.20	Long term borrowings and current financial liability.
- Interest rate swap	-	-			



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AXISCADES Aerospace & Technologies Private Limited

Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

40 Financial risk management (Cont'd)

B Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risk, which result from both its operating and investing activities.

C Foreign currency risk

Most of the Company's transactions are carried out in Indian National Rupee (INR). Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in United States Dollars (USD) or Euros (EUR).

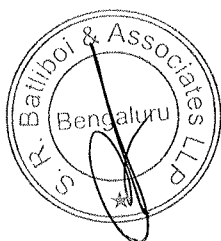
To mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and holds derivative financial instruments such as forward exchange contracts are entered into in accordance with the Company's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other same-currency transactions.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. These include outstanding derivatives contracts entered into by the Company and unhedged foreign currency exposures.

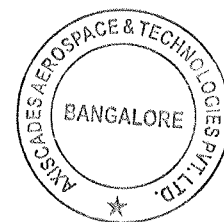
Particulars	EUR/ USD	As at 31 March 2022		As at 31 March 2021	
		Amount in foreign currency (in lakh)	Amount in ₹ lakh	Amount in foreign currency (in lakh)	Amount in ₹ lakh
Financial assets					
Trade receivables (including unbilled revenue)	EUR	14.70	1,236.73	23.50	2,018.42
Trade receivables	USD	3.03	230.15	0.48	35.15
Cash and cash equivalents	EUR	5.46	459.82	5.79	497.42
Financial liabilities					
Trade payables	EUR	16.51	1,389.49	16.82	1,444.12
Trade payables	USD	0.01	0.58	0.01	0.80
Term loans from banks	USD	16.54	1,253.60	33.08	2,405.52
Working capital loans	EUR	-	-	-	-

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies net of forward contracts. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant and refer below for impact of change in foreign exchange rates on profit before tax of the Company.

Currency	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
INR/USD	(10.25)	10.25	(23.88)	23.88
INR/EUR	3.07	(3.07)	10.72	(10.72)



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(All amounts in ₹ lakhs, unless otherwise stated)

39 Financial risk management (Cont'd)

D Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March 2022 and 31 March 2021 as summarised below:

Assets under credit risk:

	As at 31 March 2022	As at 31 March 2021
Intercompany deposits advanced and interest accrued thereon (refer note 6 & 7)	496.88	452.10
Security deposits (refer note 7)	392.04	524.00
Trade receivables (refer note 11)	1,768.93	2,117.18
Unbilled revenue (refer note 7)	501.18	597.25
	3,159.03	3,690.53

Financial assets that are neither past due nor impaired:

Cash and cash equivalents, bank balances other than cash and cash equivalents, Intercompany deposits given to subsidiary, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired:

There is no other class of financial assets that is past due but not impaired except for trade receivables of ₹ 55.18 lakhs and ₹ 52.88 Lakh as of 31 March 2022 and 31 March 2021, respectively. The Company's credit period generally ranges from 30-60 days from invoicing date. The ageing analysis of the receivables has been considered from the date the invoice falls due. The age-wise break up of receivables, net of allowances that are past due, is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets that are neither past due nor impaired (A)	6,265.44	5,365.91
Financial assets that are past due but not impaired		
Past due 0-60 days	76.58	4.53
Past due 61-180 days	36.45	909.61
Past due over 180 days	108.41	525.60
Total past due but not impaired (B)	221.44	1,439.74
Total (A+B)	6,486.88	6,805.65

D1 Trade and other receivables

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India and Europe. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Other receivables include receivables of nature other than the usual trade of the Company. On account of adoption of Ind AS 109, Financial Instruments, the Company has used expected credit loss model to assess the allowance for doubtful debts. The provision for expected credit loss takes into account available external and internal credit risk factors including the Company's historical experience for customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 11 & 7. The evaluated credit risk on trade and other receivables based on their credit rating are as follows -

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning	52.88	273.50
Impairment loss recognised	2.30	52.88
Impairment loss reversed	-	(273.50)
Balance at the end of the year	55.18	52.88

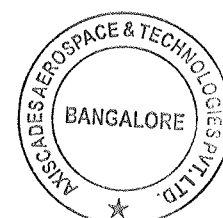
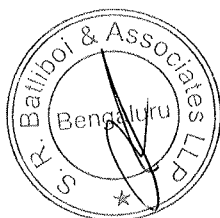
D2 Cash and cash equivalents

The credit risk for cash and cash equivalents, bank balances other than cash and cash equivalents and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

E Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.



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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022

(All amounts in ₹ lakhs, unless otherwise stated)

As at 31 March 2022 and 31 March 2021, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

Particulars	Within 1 year	1 to 5 years	Later than 5 years
As at 31 March 2022			
Borrowings	1,323.60	240.00	-
Lease liabilities	60.00	165.00	-
Trade payables	2,501.05	-	-
Other financial liabilities	80.83	-	-
Total	3,965.48	405.00	-
As at 31 March 2021			
Borrowings	1,213.69	1,504.34	-
Lease liabilities	60.00	180.00	-
Trade payables	1,996.00	-	-
Other financial liabilities	411.72	-	-
Total	3,681.41	1,684.34	-

40 Disclosure in accordance with Guidance Note on Accounting for expenditure on Corporate Social Responsibility Activities:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. Gross amount required to be spent by the Company during the year was ₹ 1.25 lakhs (31 March 2021: ₹ Nil). The same has been separately disclosed under other expense in the statement of the profit or loss.

Particulars	31 March 2022	31 March 2021
a) Gross amount required to be spent by the Company during the year.	1.25	-
b) Amount approved by the Board to be spent during the year	1.25	-
c) Amount spent during the year ended March 31, 2022:	In cash	Yet to be paid in cash
(i) Construction/ acquisition of any assets	-	-
(ii) On purposes other than (i) above	-	1.25
d) Amount spent during the year ended March 31, 2021:	In cash	Yet to be paid in cash *
(i) Construction/acquisition of any assets	-	-
(ii) On purposes other than (i) above	-	-
Details related to spent/unspent obligations	For the year ended 31 March 2022	For the year ended 31 March 2021
i) Contribution to public trust	-	-
ii) Contribution to Charitable trust	-	-
iii) Directly spent by the Company	-	-
iv) Unspent amount in relation to		
-Ongoing project	-	-
-Other than Ongoing project	1.25	-
	1.25	-

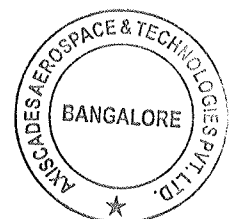
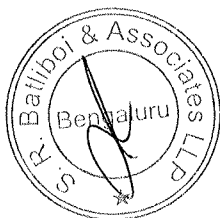
In case of Section 135(5) (Other than ongoing project)				
Opening balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance*
-	-	1.25	-	1.25

* As per section 135(5) of Companies Act, 2013, the company shall transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

41 The Company's operations and financial results have been impacted by the outbreak of COVID-19 pandemic. The full impact of COVID-19 still remains uncertain and could be different from the estimates considered while preparing the financial results. The Company will continue to closely monitor any material changes to future economic conditions.

42 Previous Year Comparatives

The comparative figures have been regrouped/reclassified, where necessary, to confine to this year's classification.

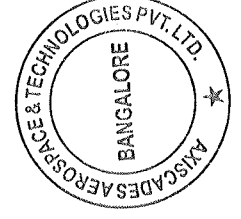
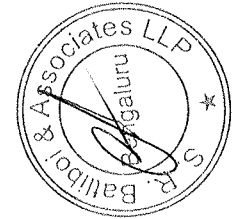


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AXISCADES Aerospace & Technologies Private Limited
Notes to financial statements for the year ended 31 March 2022
(All amounts in ₹ lakhs, unless otherwise stated)

43. Ratios

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% change	Reason for variance
(a) Current Ratio,	Current Asset	Current Liabilities	1.02	1.09	-6%	
(b) Debt-Equity Ratio,	Total Debt	Total Equity	0.13	0.22	-40%	Decrease on account of repayment of instalments due for borrowings during the year
(c) Debt Service Coverage Ratio,	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Repayment of Principal and Finance cost	0.45	0.53	-15%	
(d) Return on Equity Ratio,	Net Profit after taxes(excluding OCI)	Average Equity	0.011	0.12	-91%	Decrease on account of decrease in profit after tax(excluding OCI)
(e) Inventory turnover ratio,	Cost of goods sold	Inventory	12.84	18.87	-32%	Decrease on account of increase in inventory due to decrease of operations as a result of COVID
(f) Trade Receivables turnover ratio,	Turnover	Average Trade Receivable	2.92	2.82	4%	
(g) Trade payables turnover ratio,	Turnover	Average Trade Payable	2.52	4.28	-41%	Decrease on account of decrease in revenue from operations
(h) Net capital turnover ratio,	Turnover	Ave of (Current Assets-Current Liability)	15.04	15.59	-4%	
(i) Net profit ratio,	Net Profit after taxes(excluding OCI)	Turnover	0.03	0.18	-86%	Decrease on account of decrease in profit after tax(excluding OCI)
(j) Return on Capital employed,	EBIT	Capital employed	0.04	0.15	-74%	Decrease on account of decrease in EBIT
(k) Return on investment,	Finance income	Investment	0.01	0.02	-41%	Decrease on account of decrease in interest income from fixed deposits



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44. Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (v) The Company have not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the company(Ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from other persons or entities, including foreign entities(Funding Party) with the understanding(whether recording in writing or otherwise)
 - (a) directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the company(Ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

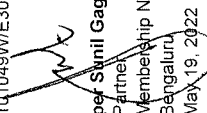
As per our report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration number:

101049W/E300004


per **Sunil Gaggar**

Partner

Membership Number : 104315

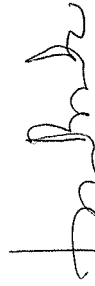
Bengaluru

May 19, 2022



For and on behalf of the Board of Directors of
AXISCADES Aerospace & Technologies Private Limited

CIN : U72900KA2001PTC028394



Sharadhi Chandra Babu Pampapathy

Chief Executive Officer & Managing Director

DIN : 02809502

Bengaluru

May 19, 2022



Shashidhar SK

Director

DIN: 02050146

Bengaluru

May 19, 2022



Suresh Kumar S

Chief Financial Officer

Bengaluru

May 19, 2022



Aayushi Agrawal

Company Secretary

Membership No. : A46297

Bengaluru

May 19, 2022

