Financial Statements & Auditors' Report

AXISCADES Aerospace & Technologies Private Limited

31 March 2023

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S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru 560 001, India
Tel : +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of AXISCADES Aerospace & Technologies Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AXISCADES Aerospace & Technologies Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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 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 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, 2023, 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 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 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 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 standalone financial statements and our auditor's report thereon.

Our opinion on the 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 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in

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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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 financial statements, including the

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disclosures, and whether the 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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 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, 2023 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:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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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 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, no funds have been received by the Company from any personor 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Pradip Agarwal

per Pradip Agarwal
Partner
Membership Number: 065537
UDIN: 23065537BGYYEW7921

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 16, 2023

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) Property, Plant and Equipment have been physically verified by the Management during the year and no material discrepancies were identified in such verification.

(c) There is 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, 2023.

(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.

(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 filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has not provided advances in the nature of loans, stood guarantee and provided security to Companies, firms, Limited Liability Partnerships or any other parties. Further during the year, the Company has provided loans to companies as follows:

Particulars	Loans (Rs. in lakhs)
Aggregate amount provided during the year: - Subsidiary - Others	 74.77 500.00
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiary * - Others	 438.06 500.00

*Includes loan extended during the year of Rs. 363.20 lakhs

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(b) During the year, the Company has not provided security, investment made, provided guarantees and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Further, during the year the loans provided and the terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest.

(c) The Company has granted loans during the year to companies 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 or 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 granted extended 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 loan and the percentage of the aggregate to the total loan granted during the year are as follows:

Name of Parties	Aggregate amount of loans or advances in the nature of loans granted during the year (Rs. in lakhs)	Aggregate overdue amount settled by extension granted to same parties (Rs. in lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
AXISCADES Aerospace Infrastructure Private Limited (Wholly-owned Subsidiary)	438.06	363.20	82.99%

(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 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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a significant delay in payment of provident fund in few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of

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goods and services tax, provident fund, employees' state insurance, income-tax, custom duty, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Income Tax & Interest on Income Tax	144.55	FY 2022-23	15 September 2022	Not yet paid

(b) The dues of 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 that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (INR in lakhs)	Period to which the amount relates	Payment made under protest	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	573.60	FY 2013-14	-	The Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	157.89	FY 2014-15	-	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	225.21	FY 2015-16	-	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	143.43	FY 2016-17	-	The Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	105.80	FY 2008-15	85.45	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	36.59	FY 2014-15	3.65	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	143.87	FY 2012-15	10.79	The Commissioner of Central Tax (Appeals)

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(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 dues to financial institutions, banks and Government/ debenture holders during the year. However, there has been a default in payment of interest to other lenders as stated below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date (Rs. in Lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Inter Corporate Deposit	Cades Studec Technologies (India) Pvt Ltd (fellow subsidiary)	0.47	Interest	93	-

(b) The Company has not been declared willful 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.

(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, associates, or joint ventures

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies. 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/ material 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.

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(xii) The Company is not a Nidhi Company as per the provisions of the Act. 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 of the Companies Act,2013, 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) (a) 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) of the Order is not applicable to the Company.

(b) 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)(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 is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(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)(c) 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)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any cash losses in the current and 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 42 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.

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(xx) As per the provisions of Section 135 of the Companies Act, 2013, the Company is not required to spend any amounts towards corporate social responsibility. Accordingly, there are no unspent amounts to be transferred to special account in compliance with provision of sub section (6) of Section 135 of the said Act and hence the requirement to report on clause (xx)(a) and (xx)(b) of the Order is not applicable to the Company.

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

Pradip Agarwal

per Pradip Agarwal
Partner
Membership Number: 065537
UDIN: 23065537BGYYEW7921

S.R. Batliboi & Associates LLP Bengaluru

Place of Signature: Bengaluru
Date: May 16, 2023

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 financial statements of AXISCADES Aerospace & Technologies Private Limited ("the Company") as of March 31,2023 in conjunction with our audit of the 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 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 financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

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with authorizations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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

Pradip Agarwal

per Pradip Agarwal
Partner
Membership Number: 065537
UDIN: 23065537BGYYEW7921

S.R. Batliboi & Associates LLP
Bengaluru

Place of Signature: Bengaluru
Date: May 16, 2023

AXISCADES Aerospace & Technologies Private Limited
Balance Sheet as at 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	3	228.67	506.86
Intangible assets	4	16.45	5.66
Right-of-use assets	33	252.06	343.67
Financial assets			
Investments	5	10,634.78	10,634.78
Loans	6	938.06	-
Other financial assets	7	682.54	683.81
Deferred tax assets (net)	29	970.80	1,146.90
Non-current tax asset (net)	8	404.29	344.38
		14,127.65	13,668.06
Current assets			
Inventories	10	91.51	449.60
Financial assets			
Loans	6	-	363.28
Trade receivables	11	3,259.42	1,766.93
Cash and cash equivalent	12	13.63	1,987.10
Bank balances other than cash and cash equivalent	13	731.16	908.81
Other financial assets	7	49.78	273.76
Other current assets	9	3,250.80	1,025.46
		7,396.30	6,777.14
Total assets		21,523.95	20,445.20
Equity and liabilities			
Equity			
Equity share capital	14	1,683.85	1,683.85
Other equity	15	13,081.20	11,673.72
		14,765.05	13,357.57
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	500.00	240.00
Lease liabilities	33	103.92	143.65
Provisions	18	39.58	52.68
		643.50	436.33
Current liabilities			
Financial liabilities			
Borrowings	16	1,569.05	1,323.60
Lease liabilities	33	52.36	56.17
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	19	53.56	-
- Total outstanding dues of creditors, other than micro enterprises and small enterprises	19	3,124.74	2,501.05
Other financial liabilities	17	122.26	80.63
Provisions	18	44.47	26.46
Other current liabilities	20	766.55	2,636.03
Liabilities for current tax (net)	21	342.41	27.16
		6,115.40	6,651.30
Total liabilities		6,758.90	7,087.63
Total equity and liabilities		21,523.95	20,445.20

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 Pradip Agarwal
Partner
Membership Number : 065537

Place: Bengaluru
Date: May 16, 2023

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

Arun Krishnamurthi
Director
DIN: 09408190

Suresh Kumar S
Chief Financial Officer

Aayushi Agrawal
Company Secretary
Membership No. : A46297

Place: Bengaluru
Date: May 16, 2023

AXISCADES Aerospace & Technologies Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from contracts with customers	22	9,061.15	5,672.17
Other income	23	175.85	263.97
Total income		9,237.00	5,936.14
Expenses			
Cost of materials consumed	24	4,709.01	3,976.47
Employee benefits expense	25	898.01	439.13
Finance costs	26	184.74	307.96
Depreciation and amortization expense	27	277.33	311.98
Other expenses	28	1,310.46	611.92
Total expense		7,379.55	5,647.46
Profit before tax		1,857.45	288.68
Current tax	29	336.27	48.51
Adjustment of tax relating to earlier years	29	(63.70)	28.67
Deferred tax charge	29	176.48	66.13
Income tax expense		449.05	143.31
Profit after tax		1,408.40	145.37
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) in defined benefit plans	36	(1.30)	(0.34)
Income tax effect		0.38	0.09
Net other comprehensive income not to be reclassified to profit or loss in the subsequent years		(0.92)	(0.25)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Profit on cash flow hedges		-	34.97
Income tax effect on above		-	(9.73)
Net other comprehensive loss to be reclassified to statement of profit or loss in subsequent years		-	25.24
Other comprehensive income for the year, net of tax		(0.92)	24.99
Total comprehensive income for the year, net of tax		1,407.48	170.36
Earning per share (in ₹) [Nominal value of share ₹ 10 (31 March 2022: ₹ 10)]			
Basic and diluted	30	8.36	0.86

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

Pradip Agarwal

per Pradip Agarwal
Partner
Membership Number : 065537

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 16, 2023

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

Arun Krishnamurthi
Director
DIN: 09408190

Suresh Kumar S
Chief Financial Officer
Bengaluru

Aayushi Agrawal
Company Secretary
Membership No. : A46297

Place: Bengaluru
Date: May 16, 2023

AXISCADES AEROSPACE & TECHNOLOGIES P... BANGALORE

AXISCADES Aerospace & Technologies Private Limited
Statement of Cash Flow for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
A Operating activities			
Profit before tax		1,857 45	288 68
Adjustment to reconcile profit before tax to net cash flow :			
Depreciation and amortization expense	27	277 33	311 96
Impairment of Property, plant and equipment	28	203 79	-
Profit on sale of property, plant and equipment	23	-	(0 76)
Interest income (including fair value change in financial intrument)	23	(153 43)	(176 37)
Provision for gratuity and compensated absences	25	18 89	-
Liabilities no longer required written back	23	(17 36)	(20 40)
Net unrealised foreign exchange loss/(gain)		120 06	7 48
Provision for trade receivables	28	41 58	3 32
Gain on lease modification	23	-	(16.43)
Bad debts recovered	23	(5 05)	(11 29)
Written off Export Insentives	28	2.11	-
Finance costs (including fair value change in financial instruments)	26	184 74	307.96
Bad debts	28	48 61	-
Operating profit before working capital changes		**2,578.72**	**694.17**
Working capital adjustments:			
Decrease/(increase) in inventories		358 29	(364 97)
Decrease/(increase) in loans		-	(14 75)
Decrease/(increase) in trade receivables		(1,513 69)	(485.22)
Decrease/(increase) in other assets		(2,118 08)	429 49
Increase/(decrease) in trade payables and other liabilities		(1,208 51)	1,548 92
(Decrease) in provisions		(17.34)	(4.67)
Cash generated/(used in) from operating activities		**(1,920.61)**	**1,802.97**
Income tax paid		(43.23)	106.99
Net cash flows from operating activities (A)		**(1,963.84)**	**1,909.96**
B Investing activities			
Purchase of property, plant and equipment and intangible assets		(120 11)	(187.63)
Proceeds from sale of property, plant and equipment		-	0 92
Proceeds received from investment in fixed deposits, net		383.57	858.41
Intercorportate deposit given		(574.78)	(16 17)
Interest received		82.35	184.58
Net cash flows from/(used in) investment activities (B)		**(228.97)**	**840.11**
C Financing activities			
Proceeds from long term intercompany loans		500 00	-
Proceeds from short term borrowings, net		1,279.05	-
Repayment of long term borrowings		(1,354 91)	(1,194 98)
Interest paid		(144.80)	(281.31)
Payment of principal portion of lease liabilities	33	(43.53)	(42 88)
Interest payment on lease labilities	33	(16.47)	(17.12)
Net cash flows from/ (used in) financing activities (C)		**219.34**	**(1,536.29)**
Net increase in cash and cash equivalents (A+B+C)		(1,973.47)	1,213.78
Cash and cash equivalents as at beginning of the year		1,987.10	773.32
Cash and cash equivalents as at end of the year	12	**13.63**	**1,987.10**

The accompaning notes are integral part of Ind AS finanical statements

As per our report of even date

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

per Pradip Agarwal
Partner
Membership Number : 065537

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 16, 2023

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

Arun Krishnamurthi
Director
DIN: 09408190

Suresh Kumar S
Chief Financial Officer

Aayushi Agrawal
Company Secretary
Membership No. : A46297

Place: Bengaluru
Date: May 16, 2023

AXISCADES AEROSPACE & TECHNOLOGIES PVT BANGALORE

AXISCADES Aerospace & Technologies Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Number of equity shares	Amount
Equity shares of ₹ 10 each (31 March 2022 : ₹ 10 each) issued, subscribed and fully paid up		
As at 1 April 2021	168.39	1,683.85
Add: Issued and subscribed during the year	-	-
As at 31 March 2022	168.39	1,683.85
Add: Issued and subscribed during the year	-	-
As at 31 March 2023	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 2021	9,320.16	2,091.29	-	117.15	(39.12)	11,489.48
Profit for the year	-	145.37	-	-	-	145.37
Remesurement of defined benefit plan, net of tax	-	(0.25)	-	-	-	(0.25)
Fair value of changes on derivative instruments, net of tax	-	-	-	-	39.12	39.12
Total comprehensive income for the year	-	145.12	-	-	39.12	184.24
Compensation cost related to employee share based payment (refer note 35)	-	-	47.10	-	-	47.10
Cross charge from holding company for employee share based payment (refer note 35)	-	-	(47.10)	-	-	(47.10)
Balance as at 31 March 2022	9,320.16	2,236.41	-	117.15	-	11,673.72
Profit for the year	-	1,408.40	-	-	-	1,408.40
Remesurement of defined benefit plan, net of tax	-	(0.92)	-	-	-	(0.92)
Total comprehensive income for the year	-	1,407.48	-	-	-	1,407.48
Compensation cost related to employee share based payment (refer note 35)	-	-	61.44	-	-	61.44
Cross charge from holding company for employee share based payment (refer note 35)	-	-	(61.44)	-	-	(61.44)
Balance as at 31 March 2023	9,320.16	3,643.89	-	117.15	-	13,081.20

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 Pradip Agarwal
Partner
Membership Number : 065537

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: May 16, 2023

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

Arun Krishnamurthi
Director
DIN: 09408190

Suresh Kumar S
Chief Financial Officer

Aayushi Agrawal
Company Secretary
Membership No. : A46297

Place: Bengaluru
Date: May 16, 2023

AXISCADES AEROSPACE & TECHNOLOGIES PVT LTD BANGALORE

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 on engineering solutions and services. The Company bring expertise that caters to the engineering, technology, manufacturing and digital needs to clients in aerospace, defence, heavy engineering, automotive, energy sectors. With decades of experience in creating innovative, sustainable and safer products worldwide, AXISCADES delivers business value across the entire engineering lifecycle.

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'), with effect from 1 April 2016, appointed date, the Company has become a 100% wholly owned subsidiary of ACTL, a listed company which is 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 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on May 16, 2023.

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 year, as explained in the accounting policies below. The company availed the exemption provided in Ind AS 110 and not preparing consolidated Financial Statements.
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) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37
An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.
The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. This amendment had no impact on the financial statements as there no additional onerous contracts or provisions identified on adoption this amendment.

(ii) Reference to the Conceptual Framework - Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.
The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.
The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Company as there were no business combinations.

(iii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16
The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

S.R. Batliboi & Associates LLP Bengaluru

AXISCADES AEROSPACE & TECHNOLOGIES PVT LTD BANGALORE

(v) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

(vi) Ind AS 41 Agriculture - Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

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 Year. 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 Year are consistent with those in the prior years.

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Axiscades Aerospace & Technologies Pvt Ltd Bangalore

(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 year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

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 fittings *	7
Leasehold improvements	##
Vehicles *	5

* Based on an internal assessment, the management believes that the useful lives as given above represents the Year over which management expects to use the assets. Hence, the useful lives for these assets are 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.

'The lease hold improvements are depreciated over the lease term or their useful life of 15 year whichever is lower.

(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.

S.R. Batliboi & Associates LLP Bengaluru

AXISCADES AEROSPACE & TECHNOLOGIES PVT LTD BANGALORE

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:

	Useful lives (in years)
Softwares	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 companys 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 recognizes revenue when it transfers control over a product or a service to a customer. The method for recognizing revenues and costs depends on the nature of the services rendered:
(a) Fixed-price contracts
Revenues from fixed-price contracts are recognized using the "percentage-of-completion" method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method is used to measure progress towards completion as there is a direct relationship between input and productivity.

If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable.

When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the year in which such losses become probable based on the current contract estimates.

(b) Maintenance contracts per unit basis
Revenue from maintenance contracts per unit basis is recognized at a point in time as the related services are rendered.

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 Year 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.

Interest 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 Year, 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 render the service or deliver the products to customer against which milestone invoice for the payment are not yet due are classified as contract asset and also the revenue recognised over a period of time and for which final revenue invoices are not raised are shown as contract asset (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.

S.R. Batliboi & Associates LLP Bengaluru

AXISCADES AEROSPACE & TECHNOLOGIES PVT BANGALORE

(i) Retirement and other employee benefits

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 recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.
Past service costs are recognised in profit or loss on the earlier of:
-The date of the plan amendment or curtailment, and
-The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
-Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
-Net interest expense or income

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.

(j) Inventories

Inventories comprising of raw-material, project work in progress and finished goods, are valued at lower of cost and net realisable value. Cost includes direct material. 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 Year 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

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(g) for policy on impairment of non-financial assets.

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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 Year 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) Share-based payments

Employees (including senior executives) of the company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).The shares of holding company (AXISCADES Technologies Ltd.) is offered to employees, for the same company recognised expense and liabiity to holding company (AXISCADES Technologies Ltd.) as a cross charge of expense.

(m) 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.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial Year 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 Year 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.

(o) 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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(p) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxagble temporary differences, except:
-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
-In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:
-When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
-In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised
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.
In assessing the recoverability of deferred tax assets, the company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
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.
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.
The company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Policy on MAT:

"Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned 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, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period."

(q) **Provisions and contingencies**

General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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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:
If the company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the company recognises any impairment loss that has occurred on assets dedicated to that contract.
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

(r) Financial Instruments
A financial instrument is any contract that gives raise to a financial asset of one entity and financial liability or equity instrument to other entity.

Financial assets:

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the companies business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (f) Revenue from contracts with customers.
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.
The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
i. Financial assets at amortised cost (debt instruments)
ii. Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
iii. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
iv. Financial assets at fair value through profit or loss

i. Financial assets at amortised cost (debt instruments)
A 'financial asset" 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.

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ii. Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' 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. Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under *Ind AS 32 Financial Instruments:* Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The company elected to classify irrevocably its non-listed equity investments under this category.

iv. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

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.

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.

Impairment of financial assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

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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

For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or 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/ losses are not subsequently transferred to P&L. 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 or loss.

Financial liabilities at amortised cost (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 issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor 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 loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

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.

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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.

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 Years 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.

(s) 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.

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 Year.

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.

(t) 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, that are readily convertible to a known amount of cash and 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.

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(u) Earnings per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the Year attributable to equity shareholders by the weighted average number of equity shares outstanding during the Year. 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 Year. The weighted average number of equity shares outstanding during the Year 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 Year, unless issued at a later date. Dilutive potential equity shares are determined independently for each Year presented.

(v) 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.

2 (ii) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023. The Company is currently assessing the impact of the amendments.

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3 Property, plant and equipment

	Computers	Leasehold improvements	Electrical fittings	Furniture & fixtures	Plant & machinery	Office equipment	Total
Cost							
Balance as at 1 April 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
Additions	22.22	62.69	-	4.88	-	14.47	104.26
Disposals	256.51	-	10.09	29.19	49.00	10.35	355.14
Balance as at 31 March 2023	105.95	212.40	2.09	34.83	1,490.02	73.31	1,918.60
Depreciation and impairment							
Balance as at 1 April 2021	313.83	-	11.13	53.76	1,009.42	57.87	1,446.01
Depreciation 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
Depreciation charge for the year	15.67	53.15	0.15	1.28	105.86	4.55	180.66
Impairment	-	-	-	-	203.79	-	203.79
Disposals	256.51	-	10.09	29.19	49.00	10.35	355.14
Balance as at 31 March 2023	80.89	53.15	1.58	26.30	1,476.99	51.02	1,689.93
Net book value							
As at 31 March 2022	18.51	149.71	0.66	4.93	322.68	12.37	508.86
As at 31 March 2023	25.06	159.25	0.51	8.53	13.03	22.29	228.67

Note:

a. 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)).

b. Property, plant and equipment pledged as security

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

c. Impairment of Property, plant and equipment

During the year ended on 31st March 2023, the impairment loss of ₹ 203.79 lakhs represented the write-down value of certain plant and machinery as a result of technological obsolescence. This was recognised in the statement of profit and loss.

4 Intangible assets

	Software	Goodwill	Total
Cost			
Balance as at 1 April 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
Additions	15.85	-	15.85
Disposals	8.05	-	8.05
Balance as at 31 March 2023	23.15	2.33	25.48
Amortisation			
Balance as at 1 April 2021	8.05	2.33	10.38
Amortisation	1.64	-	1.64
Disposals	-	-	-
Balance as at 31 March 2022	9.69	2.33	12.02
Amortisation	5.06	-	5.06
Disposals	8.05	-	8.05
Balance as at 31 March 2023	6.70	2.33	9.03
Net book value			
As at 31 March 2022	5.66	-	5.66
As at 31 March 2023	16.45	-	16.45

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5 Investments

	As at 31 March 2023	As at 31 March 2022
Non-Current		
In subsidiaries: (at cost unless otherwise stated)		
Unquoted equity shares		
Enertec Controls Limited 707,999 (31 March 2022: 707,999) equity shares ₹10 each fully paid up	2,655.00	2,655.00
AXISCADES Aerospace Infrastructure Private Limited 4,172,527 (31 March 2022: 4,172,527) 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 2022: 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 2023	As at 31 March 2022
Non-Current		
Unsecured, considered good	-	-
Intercorporate deposit (ICD) to related party(refer note (i) and (ii) below) (refer note 31)	938.06	-
	938.06	-
Current		
Unsecured, considered good	-	-
Intercorporate deposit (ICD) to related party(refer note (i) and (ii) below) (refer note 31)	-	363.28
	-	363.28

(i) During the year ended 31 March 2023, the Company has given additional inter-corporate deposit ('ICD') to AXISCADES Aerospace Infrastructure Private Limited (AAIPL), a wholly owned subsidiary, aggregating to ₹ 74.78 Lakhs. The ICD carries an interest rate of 9% per annum (31 March 2022 : 9% per annum) and repayable on maturity.

(ii) During the year ended 31 March 2023, the Company has given Inter-corporate ('ICD') to AXISCADES Technologies Ltd, holding company, amounting to ₹ 500 Lakhs for a period of three years. The ICD carries interest rate of 9% per annum and repayable on maturity.

Disclosure required under Section 186(4) of the Companies Act 2023

Included in loans and advance are certain intercorporate deposits the particulars of which are disclosed below as required by Section 186(4) of the Companies Act, 2023

Name of the loanee	Rate of Interest	Due Date	Secured/unsecured	As at 31 March 2023	As at 31 March 2022
AXISCADES Technologies Ltd (holding company)	9%	21-Jun-25	Unsecured	500.00	-
AXISCADES Aerospace Infrastructure Private Limited (wholly owned subsidiary)	9%	10-Nov-24	Unsecured	438.06	363.28
				938.06	363.28

The loan has been utilized for meeting their working capital requirements

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7 Other financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposit to related party (refer note 31)	430 61	391 98
Security deposit to others	0.09	0.07
Deposits with original maturity more than twelve months (refer note 13)	85.84	291.76
Interest accrued on ICD to related parties (refer note 31)	166.00	-
	682.54	683.81
Current		
Unsecured, considered good		
Accrued interest on fixed deposits with banks	8.11	18.86
Other receivables	30.86	121.30
Interest accrued on ICD to related parties (refer note 31)	10.81	133 60
	49.78	273.76

8 Non-current tax assets, net

	As at 31 March 2023	As at 31 March 2022
Advance income taxes (net of provision for tax)	404.29	344.38
	404.29	344.38

9 Other assets

	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured, considered good		
Contract assets- Unbilled revenue	2,615.08	501.18
Balances with government/statutory authorities	84.66	67.02
Prepaid expenses	301.28	65.29
Advance to suppliers for goods and services	245.00	387 79
Advance to employees	4.78	4.18
	3,250.80	1,025.46

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

	As at 31 March 2023	As at 31 March 2022
Work in progress		
Project work-in-progress	91.51	449.80
	91.51	449.80

During the year ended 31 March 2023 ₹ 127.64 lakhs (31 March 2022 ₹ 116.08 lakhs) was recognised as an expense for inventory carried at net realisable value

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

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(All amounts in ₹ lakhs, unless otherwise stated)

11 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Trade receivables	3,255.97	1,765.61
Receivables from related party (refer note 31)	3.45	3.32
Total trade receivables	3,259.42	1,768.93
Break-up for security details:		
Trade receivables		
Unsecured, considered good	3,259.42	1,768.93
Trade receivables which have significant increase in credit risk	41.59	-
Trade receivables - credit impaired	3.88	55.18
	3,304.89	1,824.11
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables which have significant increase in credit risk	(41.59)	-
Trade receivables - credit impaired	(3.88)	(55.18)
Total trade receivables	3,259.42	1,768.93

Trade receivables ageing schedules - 31 March 2023

Particulars	Current but not due	Outstanding for following years 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	2,399.97	346.84	512.61	-	-	-	3,259.42
ii. Undisputed trade receivables-considered doubtful		4.41	37.18	0.43	3.45	-	45.47
iii. Disputed trade receivables-considered good	-	-	-	-	-	-	-
iv. Disputed trade receivables-considered doubtful	-	-	-	-	-	-	-
Total	2,399.97	351.25	549.79	0.43	3.45	-	3,304.89

Trade Receivables ageing schedules - 31 March 2022

Particulars	Current but not due	Outstanding for following years 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

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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12 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks:		
- On current accounts	13.63	947.10
- Deposits with original maturity of less than three months	-	1,040.00
	13.63	1,987.10

(i) Short-term deposits are made for varying years for few days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

(ii) At 31 March 2023 the Company had available ₹ 795.96 lakhs (31 March 2022 : ₹ 3,283 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 2023	As at 31 March 2022
Balances with banks:		
- On current accounts	13.63	947.10
- Deposits with original maturity of less than three months	-	1,040.00

13 Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Bank deposits (with original maturity of more than 3 months but less than 12 months)	731.16	908.81
Bank deposits with original maturity of more than 12 months	85.84	291.76
Less: Amounts disclosed as other non current financial assets (refer note 7)	(85.84)	(291.76)
	731.16	908.81

(i) Fixed deposits of carrying amount ₹ 731.16 lakhs (31 March 2022: ₹ 705 lakhs;) with banks is deposited as margin money against the bank guarantees, overdraft, letter of credit and buyers credit facility availed.
(ii) Deposits of a carrying amount ₹ 85.84 lakhs (31 March 2022: ₹ 316.78 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 2023	As at 31 March 2022
Loans (Current and Non Current) (refer note 6)	938.06	363.28
Other financial assets (Current and Non Current) (refer note 7)	732.31	957.57
Trade receivables (refer note 11)	3,259.42	1,768.93
Cash and cash equivalents (refer note 12)	13.63	1,987.10
Bank balances other than cash and cash equivalents (refer note 13)	731.16	908.81
	5,674.58	5,985.69

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(All amounts in ₹ lakhs, unless otherwise stated)

14 Equity Share Capital

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 10 each (31 March 2022 : ₹ 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 2022 : ₹ 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 year:

	As at 31 March 2023		As at 31 March 2022	
	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 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
AXISCADES 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 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
AXISCADES 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 2023

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	168.39	-	168.39	99.99%	-

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	168.39	-	168.39	99.99%	-

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15 Other equity

	As at 31 March 2023	As at 31 March 2022
Security premium	9,320.16	9,320.16
Retained earnings	3,643.89	2,236.41
Capital contribution reserve	117.15	117.15
	13,081.20	11,673.72

Note: refer statement of changes in equity, for movement of other equity

Description, nature and purpose of reserves:

Securities premium

Securites 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 of the Company

Capital contribution reserve

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

16 Borrowings

	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Intercorporate deposits ('ICD') from related parties (refer note (a)(ii))&(iii) and (refer note 31)	500.00	240.00
	500.00	240.00
Current		
Secured, considered good		
Cash Credit [refer note (a)(iv) (b)]	1,279.05	-
Unsecured, considered good		
ICD from related parties [refer note (a)(ii)] and (refer note 31)	310.00	70.00
Current maturities of long term loan from banks [refer note (a)(i)]	-	1,253.60
	1,589.05	1,323.60

Notes:

a **Terms of borrowings and rate of interest**

(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 2022: 6.27% per annum). The loan is repayable in 16 quarterly instalments starting from 31 March 2018. The Company has repaid the loan during the year.

(ii) During the year ended 31 March 2016, the Company had borrowed an inter-corporate deposit ('ICD') from Cades Studec Technologies (India) Private Limited ('CSTI"), a fellow subsidiary, amounting to ₹ 240 Lakhs repayable on 31 October 2020. During the year on October 22, 2022 the loan tenure has been extended by one year i.e. repayable on 30 October 2023. The ICD carries an interest rate of 8% per annum.

The Company has borrowed an additional ICD from CSTI, amounting to ₹ 70 Lakhs repayable on 21 October 2022. During the year on October 22, 2022 the loan tenure has been extended by one year i.e. repayable on 22 October 2023. The ICD carries an interest rate of 8% per annum.

(iii) During the year ended 31 March 2023, the Company had borrowed an inter-corporate deposit ('ICD') from Mistral Technologies Private Limited, a fellow subsidiary, amounting to ₹ 500 Lakhs for a period of three year. The ICD carries an interest rate of 9% per annum.

(iv) Cash credit in india currency from bank bearing an interest rate of 9.86 % are payable on demand.

b **Details of security for borrowings**

(i) Cash credit facility (inclusive of post shipment credit facility and packing credit) from bank are secured by first exclusive charge on all current assets (present and future) , equitable mortgage on property owned by it's subsidiary Enertec Controls Ltd situated at 14-15, 1st Phase, Electronic city, Bangalore and D-30, sector 3,Noida,Uttarprdesh property owned by it's parent Axiscades Technologies Ltd. . Exclusive FD of ₹ 70 million is kept under lien and corporate guarantee given by M/s Enertec Controls Ltd & M/s Axiscades Technologies Ltd.

c **Loan covenants**

Cash credit from banks contain certain financial covenants such as debt service coverage ratio, total liabilities divide by adjusted net-worth,interest coverage ratio etc. The Company has satisfied all debt covenants prescribed in the terms of bank loan.

d **Changes in liabilities arising from financing activities**

Particulars	As at 01 April 2022	Cash flows(net)	Non Cash changes		As at 31 March 2023
			Change in fair value	Others	
Current and non current borrowings	1,563.60	424.14	-	101.32	2,089.06
Current and non current lease liabilities (refer note 33)	199.82	(60.00)	-	16.47	156.29
Total liabilities from financing activities	1,763.42	364.14	-	117.79	2,245.35

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(All amounts in ₹ lakhs, unless otherwise stated)

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)	-	57.45	199.82
Total liabilities from financing activities	2,920.39	(1,254.98)	-	98.01	1,763.42

17 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued on ICD (refer note 31)	-	5.50
Dues to employees	122.26	75.33
	122.26	80.83

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18 Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Employee defined benefits liability		
- Provision fo gratuity (refer note 36)	32.52	45.62
Asset retirement obligation (refer note (a))	7.06	7.06
	39.58	52.68
Current		
Employee defined benefits liability		
- Provision for gratuity (refer note 36)	17.79	6.23
- Compensated absences	26.68	20.23
	44.47	26.46

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 2023 is ₹ 7.06 lakhs (31 March 2022 : ₹ 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 2022 : 14 percent per annum)

	Asset retirement obligation
As 01 April 2021	7.06
Additions	-
As 31 March 2022	7.06
Additions	-
As 31 March 2023	7.06

19 Trade payables

	As at 31 March 2023	As at 31 March 2022
Current		
-Total outstanding dues of micro enterprises and small enterprises (refer note (i) below)	53.56	-
-Total outsanding dues of creditors other than micro enterprises and small enterprises	3,124.74	2,501.05
	3,178.30	2,501.05
Trade Payable	2,574.05	2,190.60
Trade Payable to related parties (refer note 31)	604.25	310.45
	3,178.30	2,501.05

Trade payables ageing schedule - 31 March 2023

Particulars	Current but not due	Outstanding for following period 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	53.56	-	-	-	-	53.56
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	834.16	1,949.96	143.87	0.57	196.18	3,124.74
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	887.72	1,949.96	143.87	0.57	196.18	3,178.30

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(All amounts in ₹ lakhs, unless otherwise stated)

Trade payables ageing schedule - 31 March 2022

Particulars	Current but not due	Outstanding for following period 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

(i) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	31 March 2023	31 March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	53.56	-
Interest due on above	-	-
	53.56	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

The disclosure with regards to Micro and Small 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.

20 Other liabilities	As at 31 March 2023	As at 31 March 2022
Current		
Duties and taxes payable	167.82	271.04
Liability towards Corporate Social Responsibility	-	1.25
Contract liabilities		
Deferred revenue	580.20	343.56
Advances from customers	-	2,020.18
Others payables	38.53	-
	786.55	2,636.03

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(All amounts in ₹ lakhs, unless otherwise stated)

21 Liabilities for current tax (net)

	As at 31 March 2023	As at 31 March 2022
Provision for taxation (net of advance tax)	342.41	27.16
	342.41	27.16

Breakup of financial liabilities carried at amortised cost	As at 31 March 2023	As at 31 March 2022
Borrowings (Current and Non Current) (refer note 16)	2,089.05	1,563.60
Lease Liabilities (Current and Non Current) (refer note 33)	156.28	199.82
Trade Payables (Current and Non Current) (refer note 19)	3,178.30	2,501.05
Other financial liabilities (Current and Non Current) (refer note 17)	122.26	80.83
	5,545.89	4,345.30

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22 Revenue from contracts with customers

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	6,762.87	3,547.79
Sale of services	2,281.00	2,107.94
Other operating income :		
- Export Incentives	17.28	16.44
	9,061.15	5,672.17

22.1 Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by market or type of customers, timing of revenue recognition and geography. The Company believes that this disaggregation best depicts how the nature, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors

Primary geographical markets	Year ended 31 March 2023	Year ended 31 March 2022
India	3,682.31	800.89
France	5,264.67	4,854.84
Others	96.89	-
Total revenue from contracts with customers	9,043.87	5,655.73
Timing of revenue recognition		
Revenue recognised at a point in time	1,783.04	4,784.43
Revenue recognised over a period of time	7,260.83	871.30
	9,043.87	5,655.73

Note : The amount of ₹ 17.28 lakhs (31 March 2022: ₹ 16.44 lakhs) pertaining to other operating income has not been considered in the above revenue disclosure.

22.2 Contract balances

	As at 31 March 2023	As at 31 March 2022
Trade receivables (refer note 11)	3,259.42	1,768.93
Unbilled revenue (refer note 9)	2,615.08	501.18
Contract Liabilities- Advances from customers (refer note 20)	-	2,020.18
Contract Liabilities- Deferred revenue (refer note 20)	580.20	343.56

Set out below is the amount of revenue recognised from :	Year ended 31 March 2023	Year ended 31 March 2022
Amount included in the contract liabilities at the beginning of the year	2,363.74	1,908.04
Performance obligation satisfied in previous years	-	-

22.3 Revenue to be recognised for performance obligations not satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/Pos,etc) at the year end :

	Year ended 31 March 2023	Year ended 31 March 2022
Within one year	3,103.76	5,946.40
More than one year	732.18	1,885.66
	3,835.94	7,832.06

22.4 Reconciliation of revenue from contract with customer

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from contract with customer as per contract price	7,260.33	6,111.43
Adjustment made to the contract price on account of :-		
a) Deferment of revenue	580.20	2,363.74
b) Recognition of revenue from contract liability out of opening balance of contract liability	2,363.74	1,908.04
Revenue from contract with customer as per the Statement of Profit and Loss	9,043.87	5,655.73

23 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income		
- from financial assets carried at amortised cost*	38.62	45.04
- from fixed deposits	43.92	99.50
- from intercorporate deposit to related party (refer note 31)	70.89	31.78
- on Income tax refund	-	37.58
- from others	-	1.18
Profit on sale of property plant and equipment	-	0.76
Liabilities no longer required written back	17.40	20.40
Gain on modification of lease liability	-	16.43
Bad debts recovered	5.02	11.29
	175.85	263.97

* Includes ₹ [illegible] (March 31 2022: ₹ 37.08 lakhs) from related parties (refer note 31)

(All amounts in ₹ lakhs, unless otherwise stated)

24 Cost of materials consumed	Year ended 31 March 2023	Year ended 31 March 2022
Opening inventory	449.80	84.84
Add: Purchases	4,350.72	4,341.43
	4,800.52	4,426.27
Less: Closing inventory	91.51	449.80
	4,709.01	3,976.47

25 Employee benefits expense	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	741.32	325.65
Contribution to provident and other funds	36.28	29.75
Staff welfare expenses	40.08	21.26
Provision for gratuity (refer note 36)	7.62	7.51
Provision for compensated absences	11.27	7.86
Share based payment (refer note 35)	61.44	47.10
	898.01	439.13

26 Finance cost	Year ended 31 March 2023	Year ended 31 March 2022
Bank guarantee commission	14.09	44.48
Interest expense		
- on intercorporate deposits from related parties (refer note 31)	30.96	24.80
- on term loan	69.99	209.43
- on bank cash credit / overdraft	24.24	2.52
Net interest on net defined benefit obligation (refer note 36)	3.36	3.34
Interest on lease liabilities (refer note 33)	16.47	17.12
Interest on income tax	25.63	6.27
	184.74	307.96

27 Depreciation and amortisation expense	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of tangible assets (refer note 3)	180.66	222.44
Depreciation of right of use assets (refer note 33)	91.61	87.90
Amortisation of intangible assets (refer note 4)	5.06	1.64
	277.33	311.98

28 Other expenses	Year ended 31 March 2023	Year ended 31 March 2022
Rent (refer note 33)	-	155.74
Electricity charges	19.32	21.05
Travelling and conveyance	115.14	49.28
Communication charges	16.19	11.88
Provision for trade receivables	41.58	3.33
Bank charges	3.30	11.93
Legal and professional charges	89.70	68.89
Foreign exchange loss, net	261.54	30.45
Consultancy charges	344.61	131.51
Selling and marketing expenses	36.52	8.29
Rates and taxes	16.30	38.56
Auditor's remuneration*	17.00	13.00
Office maintenance expenses	50.88	34.91
Bad debts	48.61	-
Repairs and maintenance	35.22	23.43
Miscellaneous expenses	10.76	8.42
Corporate social responsibility expenses (refer note 40)	-	1.25
Impairment of property, plant and equipment (refer note 3)	203.79	-
	1,310.46	611.92

*Auditors remuneration (excluding goods and services tax)		
As auditor		
Statutory audit fee	16.50	12.50
Out of pocket expenses	0.50	0.50
	17.00	13.00

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(All amounts in ₹ lakhs, unless otherwise stated)

29 Tax expense

The major components of income tax expense for the year ended 31 March 2023 and 31 March 2022 are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Current income tax		
Current income tax charge	336 27	48.51
Adjustment in respect of current income tax of previous years	(63.70)	28.67
Deferred tax		
Relating to origination and reversal of temporary differences	176 48	66.13
Income tax expense reported in the statement of profit and Loss	449.05	143.31
Deferred tax related to items recognised in other comprehensive income (OCI) during the year		
Net (gain)/loss on cash flow hedges	-	(9 73)
Net remeasurement (gain)/loss on defined benefit plans	0.38	0.09
Tax credit/(expense) reported under other comprehensive income (OCI)	0.38	(9.64)

Notes:

1 **Reconciliation of deferred tax (net):**

Opening balance	1,146.90	1,222.67
Tax credit/(expense) during the year recognized in the statement of profit and loss	(176.48)	(66.13)
Tax credit/(expense) during the year recognized in OCI	0.38	(9.64)
Closing balance	970.80	1,146.90

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

Accounting profit before income tax	1,857.45	288.68
Tax on accounting profit before tax at statutory income tax rate [31 March 2023: 29.12%, 31 March, 2022:27 82%]	540.89	80.30
Reconciling items:		
Mat credit of earlier years recognised in current year	-	63.31
Adjustment in respect of current income tax of previous years	(63.70)	(34 64)
Impact of change in tax rate for future period	(14.91)	-
Non-deductible expense for tax purpose	(7.59)	-
Others	(5.64)	34.34
	449.05	143.31
At the effective income tax rate at 31 March 2023 : 24.18 % (31 March 2022 : 49.88%)		
Income tax expense reported in the statement of profit and Loss	449.05	143.31

3 **Deferred tax**

Deferred tax related to the following :	As at 31 March 2023	As at 31 March 2022
Minimum alternate tax credit entitlement	611.28	833.63
Property, plant and equipment: Difference in written down value as per Companies Act, 2013 and as per Income tax Act for the financial reporting year	269.45	212.25
Non-deductible expenses for tax purpose allowed on payment basis	22.42	20.50
Other expenses allowable in subsequent years for tax purposes	67.65	80.97
Total deferred tax asset, net	970.80	1,146.90

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30 Earnings per share (EPS)

	As at 31 March 2023	As at 31 March 2022
a) Profit after tax attributable to equity shares (in ₹ lakhs)	1,408.40	145.37
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 ₹)	8.36	0.86

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

31 Related party disclosure

Nature of relationship	Name of party
I Parties where control exists:	
Holding company	AXISCADES 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 Technologies Private Limited
III Key Management Personnel (KMP) with whom transactions happened during the year:	
Chief Executive Officer & Managing director	Mr. Sharadhi Chandra Babu Pampathy
Chief Financial Officer	Mr. Suresh Kumar S
Company Secretary	Ms. Aayushi Agarwal (appointed w.e.f. 19 May 2022)
Chief Financial Officer	Mr. Arinjoy Ghosh (resigned w.e.f. 28 February 2022)
Company Secretary	Ms. Sonal Kishore Dudani (resigned w.e.f. 18 May 2022)
Non-Executive Director	Mr. R.Selvamani (resigned w.e.f. 31 January 2022)

IV Transactions with related parties:

Particulars	Year ended 31 March 2023	As at 31 March 2022
Sale of goods/services		
AXISCADES Technologies Limited	-	4.47
Interest income on inter corporate deposits and security deposits to related parties		
AXISCADES Aerospace Infrastructure Private Limited	35.99	31.78
Enertec Controls Limited	38.63	37.08
AXISCADES Technologies Limited	34.90	-
Purchase of goods/services		
AXISCADES Technologies Limited	7.25	-
Interest expense on inter corporate deposits		
Cades Studec Technologies (India) Private Limited	24.80	24.80
Mistral Technologies Private Limited	6.16	-
Reimbursement of expenses		
AXISCADES Technologies Limited	254.76	47.10
Inter corporate deposits to related party		
AXISCADES Technologies Limited	500.00	-
AXISCADES Aerospace Infrastructure Private Limited	74.78	16.17

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Inter corporate deposits from related party		
Mistral Technologies Private Limited	500.00	
Payment of Advance to Procure Goods/Service		
AXISCADES Technologies Limited	500.00	-
Received back Advance paid to Procure Goods/Service		
AXISCADES Technologies Limited	500.00	-

Particulars	Year ended 31 March 2023	As at 31 March 2022
Payment of lease liabilities		
Enertec Controls Limited	60.00	60.00
Remuneration(refer note (i),(ii) and (iii) below)		
Mr. Sharadhi Chandra Babupampathy	247 24	79.35
Mr. Suresh Kumar S	67 00	21.38
Ms. Aayushi Agarwal	8.14	-
Mr. R.Selvamani	-	30.80
Mr. Arinjoy Ghosh	-	55.18
Ms. Sonal Kishore Dudani	-	9.88

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 ₹ 61.44 Lakhs (31 March 2022 - ₹ 47.10).
(iii) The amount disclosed in the above list are the amounts recognised as an expense during the reporting period related to key managerial personnel and does not include share based payment expense.

V Outstanding balances as at year end with related parties:

Particulars	As at 31 March 2023	As at 31 March 2022
Rent security deposits to lessor		
Enertec Controls Limited	430.61	391.98
Investments		
AXISCADES Aerospace Infrastructure Private Limited	7,979.78	7,979.78
Enertec Controls Limited	2,655.00	2,655.00
Trade payables		
Enertec Controls Limited	294 54	263.35
AXISCADES Technologies Limited	309 71	47.10
Trade Receivables		
AXISCADES Technologies Limited	3.45	3.32
Corporate Guarantee availed for Credit facility		
AXISCADES Technologies Limited	3,500.00	4,850.00

Loans to related parties

Particulars	Opening balance	Loans given	Received	Loan outstanding	Interest receivable
AXISCADES Technologies Limited (Holding Company)					
March 31, 2023	-	500.00	-	500.00	10.81
March 31, 2022	-	-	-	-	-
AXISCADES Aerospace Infrastructure Private Limited (wholly-owned subsidiary)					
March 31, 2023	363.28	74.78	-	438.06	166.00
March 31, 2022	347.11	16.17	-	363.28	133.60

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(All amounts in ₹ lakhs, unless otherwise stated)

Loans from related parties

Particulars	Opening balance	Loans taken	Repayment	Loan outstanding	Interest payable
Cades Studec Technologies (India) Private Limited (Fellow subsidiary)					
March 31, 2023	310.00	-	-	310.00	-
March 31, 2022	310.00	-	-	310.00	5.50
Mistral Technologies Private Limited (Fellow subsidiary)					
March 31, 2023	-	500.00	-	500.00	-
March 31, 2022	-	-	-	-	-

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 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: ₹ 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. (refer note 16)

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(All amounts in ₹ lakhs, unless otherwise stated)

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, while 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.

Information by geographies

Revenue by geographical market	Year ended 31 March 2023	Year ended 31 March 2022
India	3,682.31	800.89
France	5,264.67	4,854.84
Others	96.89	-
Total	9,043.87	5,655.73

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 lease period is for four years.
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:

	31 March 2023	31 March 2022
Opening balance	343.67	346.71
Additions (refer note (i) below)	-	84.86
Depreciation expense	(91.61)	(87.90)
Closing balance	252.06	343.67

ii) Lease Liabilities

	31 March 2023	31 March 2022
Opening balance	199.82	202.37
Additions(refer note (i) below)	-	40.33
Accretion of interest (refer note 26)	16.47	17.12
Payment of principal portion of lease liabilities	(43.53)	(42.88)
Interest payment on lease lability	(16.47)	(17.12)
Closing balance	156.28	199.82

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.

Current	52.36	56.17
Non-current	103.92	143.65
	156.28	199.82

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

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 & 31 March 2022 on an undiscounted basis:

	31 March 2023	31 March 2022
Less than one year	60.00	60.00
one to five years	105.00	165.00
more than five years	-	-

The following are the amounts recognised in profit or loss:

	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	91.61	87.90
Interest expense on lease liabilities	16.47	17.12
Expense relating to short-term leases (included in other expenses)	-	155.74
Total amount recognised in profit or loss	108.08	260.76

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		As at 31 March 2023	As at 31 March 2022
34	**Contingent liabilities and commitments**		
	Bank Guarantees		
	Bank guarantees to government authorities and others (refer note(i) below)	1,477.96	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	142.39
(ii)	Direct taxation (refer note (iii) below)	1,481.84	1,481.84
		3,102.19	2,684.98

Notes

(i) Bank guarantees are issued in favor of government authorities, towards performance guarantees and earnest money deposit as part of bidding

(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.The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(iii) For certain financial years, the Company has received assessment order giving rise to additional income tax demand (including interest) aggregating to ₹ 1,481.84 (March 31, 2021: ₹ 1481.84) on account of certain adjustments in relation to disallowances of certain expenses and certain tax benefits. The Company has contested such demand and appeal is pending at appellate level. Pending outcome of the appellate proceedings and based on advice from the Company's tax consultants, no adjustments have been made in the financial statements in this regard.

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(All amounts in ₹ lakhs, unless otherwise stated)

35 Share based payments

The holding company ("ACTL") of the Company operates equity incentive compensation programs which include "AXISCADES Employee

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

Particulars	As at 31 March 2023	As at 31 March 2022
Expense arising from equity-settled share-based payment transactions	61.44	47.10
Total	61.44	47.10

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

Particulars	31-03-2023	31-03-2022
	Number of shares	
Outstanding at the beginning of the year	7.74	-
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	7.74

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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 2023 is ₹ 36.28 lakhs (31 March, 2022 ₹ 29.75 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 (unfunded) 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 2023	Year ended 31 March 2022
Defined benefit obligation at the beginning of the year	51.85	54.65
Current service cost	7.62	7.51
Interest cost	3.36	3.34
Benefits paid	(13.82)	(13.99)
Actuarial loss arising from experience adjustments	0.82	2.18
Actuarial loss arising from demographic assumption	1.26	
Actuarial gain arising from change in financial assumptions	(0.78)	(1.84)
Defined benefit obligation at the end of the year	**50.31**	**51.85**
Non - current	32.52	45.62
Current	17.79	6.23
	50.31	51.85

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

	Year ended 31 March 2023	Year ended 31 March 2022
Employee benefits expense		
Current service cost	7.62	7.51
Finance cost		
Interest expense on defined benefit obligation	3.36	3.34
Expenses recognised in the Statement of Profit and Loss for the year	10.98	10.85

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

	Year ended 31 March 2023	Year ended 31 March 2022
Remeasurement on the net defined benefit liability:		
Recognised net actuarial loss arising from change in financial assumptions	(0.78)	(1.84)
Recognised net actuarial (gain)/loss arising from experience adjustments	0.82	2.18
Recognised net actuarial (gain) arising from change in demographic assumptions	1.26	-
Remeasurement (gain)/loss in other comprehensive income	1.30	0.34

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

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.30%	6.90%
Salary escalation rate	5.00%	5.00%
Attrition rate	5% - 25%	5.00%
Retirement age	58 Years	58 Years
Mortality rate	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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(All amounts in ₹ lakhs, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 and as at 31 March 2022 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 Year, 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.

	31 March 2023		31 March 2022	
Assumptions	**Discount rate**			
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(48.48)	52.31	(48.15)	56.11
Assumptions	**Salary growth rate**			
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	52.25	(48.46)	55.86	(48.19)
Assumptions	**Attrition rate**			
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	50.73	(48.78)	53.07	(50.03)

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 4.26 years (31 March 2022 - 8.32 years). Following is a maturity profile of the defined benefit obligation as at 31 March 2023 and as at 31 March 2022.

Expected cash flows over the next: (valued on undiscounted basis)	As at 31 March 2023	As at 31 March 2022
1 year	17.78	6.22
2 - 5 years	22.39	17.82
6 - 10 years	16.80	24.02

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(All amounts in ₹ lakhs, unless otherwise stated)

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

Quantative disclosure fair value measurement hierarchy as at 31 March 2023

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 2023	3,259.42	-	-	3,259.42
Cash and cash equivalents-current *	31 March 2023	13.63	-	-	13.63
Bank balances other than cash and cash equivalents-current *	31 March 2023	731.16	-	-	731.16
Loans-current & Non-Current *	31 March 2023	938.06	-	-	938.06
Other financial assets- current and non-current *	31 March 2023	732.31	-	-	732.31
		5,674.58	-	-	5,674.58
Financial liabilities measured at amortised cost:					
Borrowings-current and non current ^	31 March 2023	2,089.05	-	-	2,089.05
Lease Liabilities- current and non current ^	31 March 2023	156.28	-	-	156.28
Trade payables-current *	31 March 2023	3,178.30	-	-	3,178.30
Other financial liabilities- current and non current *	31 March 2023	122.26	-	-	122.26
		5,545.89	-	-	5,545.89

Quantative 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

* The Management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, other current financial assets (excluding security deposits), trade payables and other current financial liabilities, as applicable approximate the carrying amount largely due to short-term nature and are classified as Level 3 fair values. The fair values for security deposits forming part of other financial assets were calculated based on discounted cash flows using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

^ The fair values of these accounts were calculated based on cash flow discounted using a current lending/ borrowing rate and other relevant assumptions, they are classified as level 3 of fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk and market factors.

The fair value of the financial assets is included at the amount at which instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

There has been no transfers between Level 1, Level 2 and Level 3 for the year ended 31 March 2023 and 31 March 2022.

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.

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

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings (including current maturities of long term borrowings) (refer note 16)	2,089.05	1,563.60
Less: Cash and cash equivalents (refer note 12)	(13.63)	(1,987.10)
Net debt*	2,075.42	-*
Equity share capital (refer note 14)	1,683.85	1,683.85
Other equity (refer note 15)	13,081.20	11,673.72
Capital and net debt	16,840.47	13,357.57
Gearing ratio	0.12	-

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.

No changes were made in the objectives, policies or processes for managing capital during the Year ended 31 March 2023.

* Where the total debts are less than cash and cash equivalents, the net debts are shown as Nil.

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 37. 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

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have any long term debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

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39 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		As at 31 March 2023		As at 31 March 2022	
Included in	EUR/ USD	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	12.61	1,127.37	14.70	1,236.73
Trade receivables	USD	2.87	235.85	3.03	230.15
Cash and cash equivalents	EUR	0.15	13.45	5.46	459.82
Financial liabilities					
Trade payables	EUR	18.94	1,692.77	16.51	1,389.49
Trade payables	USD	-	-	0.01	0.58
Term loans from banks	USD	-	-	16.54	1,253.60
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 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
INR/USD	2.36	-2.36	(10.25)	10.25
INR/EUR	(5.52)	5.52	3.07	(3.07)

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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 2023 and 31 March 2022 as summarised below:

Assets under credit risk:	As at 31 March 2023	As at 31 March 2022
Intercorporate deposits advanced and interest accrued thereon (refer note 6 & 7)	948.87	496.88
Security deposits (refer note 7)	430.61	392.04
Trade receivables (refer note 11)	3,259.42	1,768.93
Unbilled revenue (refer note 9)	2,615.08	501.18
	7,253.98	3,159.03

Financial assets that are neither past due nor impaired:
Cash and cash equivalents,bank balances others 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 ₹ 45.47 lakhs and ₹ 55.18 Lakh as of 31 March 2023 and 31 March 2022, respectively. The Company's credit Year 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 2023	As at 31 March 2022
Financial assets that are neither past due nor impaired (A)	4,070.34	6,265.44
Financial assets that are past due but not impaired		
Past due 0-60 days	282.11	76.58
Past due 61-180 days	64.75	36.45
Past due over 180 days	512.60	108.41
Total past due but not impaired (B)	859.46	221.44
Total (A+B)	4,929.80	6,486.88

D1 Trade receivables and Contract assets

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 2023	As at 31 March 2022
Balance at the beginning	55.18	52.88
Impairment loss recognised	41.58	2.30
Impairment loss reversed	(51.29)	-
Balance at the end of the year	45.47	55.18

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 Year 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 Year.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day Years at a minimum. This objective was met for the reporting Years. 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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As at 31 March 2023 and 31 March 2022, 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 2023			
Borrowings	1,589.05	500.00	-
Lease liabilities	60.00	105.00	
Trade payables	3,178.30	-	-
Other financial liabilities	122.26	-	-
Total	4,949.61	605.00	-
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	-

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 ended March 2023 was ₹ Nil (31 March 2022: ₹ 1.25 lakhs). The same has been separately disclosed under other expense in the statement of the profit or loss.

Particulars	31 March 2023	31 March 2022
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, 2023:	In cash	Yet to be paid in cash	Total
(i) Construction/ acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	-	-	-

d) Amount spent during the year ended March 31, 2022:	In cash	Yet to be paid in cash *	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	1.25	-	1.25

e) Details related to spent/unspent obligations	For the Year ended 31 March 2023	For the year ended 31 March 2022
i) Contribution to public trust	-	-
ii) Contribution to Charitable turst	-	-
iii) Directly spent by the Company	-	-
iv) Unspent amount in relation to		
-Ongoing project	-	-
-Other than Ongoing project	-	1.25
	-	1.25

41 Previous Year Comparatives

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

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(All amounts in ₹ lakhs, unless otherwise stated)

42. Ratios analysis and its elements

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance >25%
(a) Current ratio	Current assets	Current Liabilities	1.09	1.02	7%	
(b) Debt-equity ratio	Total debt	Shareholders Equity	0.14	0.13	7%	
(c) Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses expenses like depreciation and other amortizations Interest & other adjustments	Debt service = Interest & Lease Payments + Principal Repayments	1.37	0.45	205%	Increase on account of increase in profit
(d) Return on equity ratio	Net profits after taxes – Preference Dividend	Average Shareholders Equity	0.100	0.011	811%	Increase on account of increase in profit after tax(excluding OCI)
(e) Inventory turnover ratio	Cost of goods sold	Average inventory	17.40	12.84	36%	Increase on account of increase in consumption of Material in line with revenue
(f) Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	3.60	2.92	23%	
(g) Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payable	1.53	1.93	-21%	
(h) Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets-Current liabilities	45.31	15.04	201%	increase on account of increase in Current Assets
(i) Net profit ratio	Net profit after tax	Net sales = Total sales - sales return	0.16	0.03	506%	increase on account of increase in profit after tax
(j) Return on capital employed	EBIT	Capital employed	0.12	0.04	207%	increase on account of increasein EBIT
(k) Return on investment	Finance income	Investment	0.04	0.01	216%	increase on account of decrease in fixed deposits

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43. 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 Year.

(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 whatsover 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 whatsover 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 Pradip Agarwal
Partner
Membership Number : 065537

S.R. Batliboi & Associates LLP
Bengaluru

Place: Bengaluru
Date: May 16, 2023

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

Arun Krishnamurthi
Director
DIN: 09408190

Suresh Kumar S
Chief Financial Officer

Aayushi Agrawal
Company Secretary
Membership No. : A46297

Place: Bengaluru
Date: May 16, 2023

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