



INDEPENDENT AUDITOR'S REPORT

To

The Members of AERO ELECTRONICS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AERO ELECTRONICS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss, Statement of Changes in Equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 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, and its loss, changes in equity and its cash flows 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) specified under Section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 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 opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Company's annual report, but does not include the 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 the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company 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, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 responsibility is to express an opinion on these financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

Report on Other Legal and Regulatory Requirements

1. The provisions of sub section (11) of section 143 of the Act regarding the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India are not applicable to the Company.
2. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
 - e) on the basis of the written representations received from the directors of the Company 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.





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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. With respect to the matter to be included in the auditors' report under section 197(16), in our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year. Hence, the provision with respect to limit laid down under section 197 of the Act is not applicable to the Company. The MCA has not prescribed other details under section 197(16) which are required to be commented upon by us.

v. i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.





iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (v) (i) and (v) (ii) contain any material mis-statement.

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
(FRNo. 000643N/N500012)



SANJEEV MITLA
Partner
(Membership No. 086441)
UDIN: 23086441BGVHOY6278

Place: New Delhi,
Date: 18th May, 2023

**Annexure - A -to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **AERO ELECTRONICS PRIVATE LIMITED** ("the Company") as of 31 March 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting. The Company has not obtained any business operations, and hence, no major exercise was required in connection with the internal controls study.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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 with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
(FRNo. 000643N/N500012)

SANJEEV MITLA

Partner

(Membership No. 086441)

UDIN: 23086441BGVHOY6278



Place: New Delhi,
Date: 18th May, 2023

Aero Electronics Private Limited
 Standalone Balance Sheet as at 31 March 2023
 (All amounts are rupees in lakhs unless otherwise stated)

As at	Note	31 March 2023	31 March 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	5.50	5.50
(b) Right of use assets	5	386.72	386.72
Total non-current assets		392.22	392.22
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	6	0.04	0.18
(b) Other current assets	7	0.04	18.00
Total current assets		0.08	18.18
Total assets		392.30	410.40
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	8	3.53	1.00
(b) Other equity	9	388.27	(17.91)
Equity attributable to equity holders of the parent		391.80	(16.91)
Non-controlling interests		-	-
Total equity		391.80	(16.91)
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	-	426.87
(ii) Trade payables	11		
(a) total outstanding dues of micro enterprises and small enterprises			
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		0.50	0.30
(b) Other current liabilities	12	-	0.14
Total Current liabilities		0.50	427.31
Total liabilities		0.50	427.31
Total equity and liabilities		392.30	410.40
Significant accounting policies	3		

The Notes 1 to 23 are an integral part of these consolidated financial statements.

As per our even date attached

For SHARMA GOEL & CO. LLP.,
 Chartered Accountants

Firm Registration No. 000643N/N500012



Sanjeev Mittal
 Partner

Membership Number: 086441

UDIN: 23086441B6VHOY6278

Place: New Delhi
 Date: 18 May 2023

for and on behalf of the Board of Directors of

For AERO ELECTRONICS PVT. LTD.

CIN : U72211KA2010PTC056180

Anees Ahmed
 Director

DIN: 00225648

Place: Bengaluru
 Date: 18 May 2023

Rajeev Ramachandra
 Director

DIN: 00178796

Place: Bengaluru
 Date: 18 May 2023

Aero Electronics Private Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are rupees in lakhs unless otherwise stated)

For the period ended	Note	31 March 2023	31 March 2022
I. Revenue			
Revenue from operations		-	-
II. Other income		-	-
III. Total Income (I+II)		-	-
IV. Expenses			
Cost of materials consumed		-	-
Excise duty		-	-
Purchase of stock-in-trade		-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress		-	-
Employee benefits expense		-	-
Finance costs	13	3.96	1.40
Depreciation and amortisation expense		-	-
Other expenses	14	37.44	0.33
Total Expenses		41.40	1.72
V. Profit (III-IV)		(41.40)	(1.72)
VI. Tax expense			
(i) Current tax		-	-
(ii) Deferred Tax		-	-
VII. Profit for the period (V-VI)		(41.40)	(1.72)
VIII. Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit or</i>			
Remeasurements of the net defined benefit liability / asset			
Income tax relating to items not to be reclassified subsequently to			
statement of profit or loss			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Foreign currency translation reserve		-	-
Other comprehensive income, net of tax		-	-
XI. Total comprehensive income for the year (VII+VIII)		(41.40)	(1.72)
Earnings per share (nominal value of Rs 5 each)			
Attributable to equity holders of the Company			
Basic [in Rs]	16	(204.16)	(8.61)
Diluted [in Rs]	16	(204.16)	(8.61)
Weighted average number of equity shares used in computing earning per share			
-Basic		20,278	20,000
-Diluted		20,278	20,000

Significant accounting policies

3

The Notes 1 to 23 are an integral part of these consolidated financial statements.
As per our report of even date attached

For SHARMA GOEL & CO. LLP.,
Chartered Accountants
Firm Registration No. 300633N/50012
New Delhi
Sanjeev Mitla
Partner
Membership Number: 086441
UDIN: 23086441B6VH0Y6278

for and on behalf of the Board of Directors of
For AERO ELECTRONICS PVT. LTD.
CIN : U72211KA2010PTC056180

Anees Ahmed
Director
DIN: 00225648

Rajeev Ramachandra
Director
DIN: 00178796

Place: New Delhi
Date: 18 May 2023

Place: Bengaluru
Date: 18 May 2023

Place: Bengaluru
Date: 18 May 2023

a) Equity share capital

1 Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	-	1.00	2.53	3.53

2 Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1.00	-	1.00	-	1.00

b) Other equity

1 Current reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Total
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance at the beginning of the current reporting period	-	-	-	-	-	(17.91)	-	-	-	(17.91)
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	(17.91)	-	-	-	(17.91)
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	(41.40)	-	-	-	-
Issue of Equity shares	-	-	-	447.58	-	-	-	-	-	447.58
Balance at the end of the current reporting period	-	-	-	447.58	-	(59.31)	-	-	-	388.27

2 Previous reporting period

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus							Total
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	
Balance at the beginning of the current reporting period	-	-	-	-	-	(16.19)	-	-	-	(16.19)
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	(16.19)	-	-	-	(16.19)
Total Comprehensive Income for the current year	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	(1.72)	-	-	-	(1.72)
Balance at the end of the current reporting period	-	-	-	-	-	(17.91)	-	-	-	(17.91)

Significant accounting policies

3

The Notes 1 to 23 are an integral part of these consolidated financial statements.

As per our even date attached

for SHARMA GOEL & CO. LLP

Chartered Accountants

Firm registration number: 000643/N/200012/RN

000003/N/200012

New Delhi

Sanjeev Mitta

Partner

Membership Number: 086441

UDIN: 23086441B6VHOY6278

for and on behalf of the Board of Directors of

AERO ELECTRONICS PVT. LTD.

CIN: U72211KA2010PTCO56180

Anees Ahmed

Director

DIN: 00225648

Rajeev Ramachandra

Director

DIN: 00178796

Place: New Delhi

Date: 18 May 2023

Place: Bengaluru

Date: 18 May 2023

Place: Bengaluru

Date: 18 May 2023

Aero Electronics Private Limited
Standalone Statement of Cash flow statement the year ended 31st March, 2023
(All amounts are rupees in lakhs unless otherwise stated)

For the year ended	31 March 2023	31 March 2022
Cash flow from operating activities		
Profit before tax	(41.40)	(1.72)
<u>Adjustments for:</u>		
Finance cost	3.96	1.40
	(37.44)	(0.32)
<u>Changes in:</u>		
Loans, other financial assets and other assets	17.96	(18.00)
Liabilities and provisions	(426.81)	19.43
Cash generated from operations	(446.29)	1.11
Income tax paid, net of refund	-	-
Net cash from operating activities	(446.29)	1.11
Cash flow from investing activities		
Issue of Equity Shares	450.11	-
Net cash provided used in investing activities	450.11	-
Cash flow from financing activities		
Interest paid	(3.96)	(1.40)
Net cash used in financing activities	(3.96)	(1.40)
Net change in cash and cash equivalents	(0.14)	(0.29)
Cash and cash equivalents at the beginning of the year	0.18	0.47
Cash and cash equivalents at the end of the year	0.04	0.18

Significant accounting policies (refer note 3)

The Notes 1 to 23 are an integral part of these consolidated financial statements.

for **SHARMA GOEL & CO. LLP.**,
Chartered Accountants
Firm Registration No. 000643N/200012

Sanjeev Mitla
Partner

Membership Number: 086441

UDIN: 23086441PLVH0X6278

Place: New Delhi
Date: 18 May 2023

for and on the behalf of Board of Directors of
For AERO ELECTRONICS PVT. LTD.
CIN : U72211KA2010PTC056180

Anees Ahmed
Director

DIN: 00225648

Place: Bengaluru
Date: 18 May 2023

Rajeev Ramachandra
Director

DIN: 00178796

Place: Bengaluru
Date: 18 May 2023

1 Reporting Entity

Aero Electronics Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Bangalore. The Company was incorporated on 8th December 2010 under the provisions of the Indian Companies Act with the objective to deal in software & hardware, research & development and development of infrastructure & facility for defence, home land security, medical, communication, international offset business

2 Basis of preparation

A. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under Section 133 of the Companies Act, 2013. (the 'Act') and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3

B. Functional and presentation currency

The financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest rupees, unless otherwise stated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair Value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements is included in the following notes:

- Note 19 - leases : whether an arrangement contains a lease and lease classification. Whether the company is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 4 - useful life of property, plant and equipment;

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

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

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 20 - financial instruments



3 Significant accounting policies

(a) Leases

As a Lessee

a) 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 payment which is expected to be paid over the tenure of the lease contract. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. 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 or a change in the assessment of an option to purchase the underlying assets.

b) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term lease contracts (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).

Lease payments on a short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases.

(b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, where applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



iii **Derecognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby the transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

iv **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(d) **Income Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

(e) **Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment, which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the Statement of Profit and Loss.

(f) **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(g) **Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(h) **Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(i) **Share Capital**

Equity Share

Incremental cost directly attributable to the issued equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of any equity transaction is accounted in accordance with IND AS 12.

(j) **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

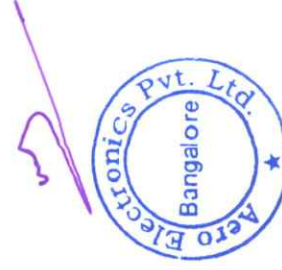


Aero Electronics Private Limited
Notes on standalone financial statements
(All amounts are rupees in lakhs unless otherwise stated)

4. Property Plant and Equipment

Descriptions	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Additions	Disposals	As at 31 March 2023
Own assets Leasehold Improvement	5.50	-	-	5.50	-	-	-	5.50
	5.50	-	-	5.50	-	-	-	5.50

Descriptions	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 Mar 2022	As at 1 April 2021	Additions	Disposals	As at 31 Mar 2022
Own assets Leasehold Improvement	5.50	-	-	5.50	-	-	-	5.50
	5.50	-	-	5.50	-	-	-	5.50



Note 5. Right of use assets*

Description	Gross carrying amount				Accumulated depreciation		Carrying amounts (net) As at 31 March 2023
	As at 1 April 2022	Transition impact of IndAS 116	Additions during the year	Modifications/ terminations	As at 1 April 2022	As at 31 March 2023	
Own assets							
Leasehold Land	386.72	-	-	-	-	-	386.72
	386.72	-	-	-	-	-	386.72

*Also refer note 19.

Description	Gross carrying amount				Accumulated depreciation		Carrying amounts (net) As at 31 March 2022
	As at 1 April 2021	Transition impact of IndAS 116	Additions during the year	Modifications/ terminations	As at 1 April 2021	As at 31 March 2022	
Own assets							
Leasehold Land	-	386.72	-	-	-	-	386.72
	-	386.72	-	-	-	-	386.72

*Also refer note 19.



Aero Electronics Private Limited
Notes on standalone financial statements
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As at	31 March 2023	31 March 2022
Note 6 - Cash and bank balances		
<i>Cash and cash equivalents</i>		
- Current accounts	0.04	0.18
	<u>0.04</u>	<u>0.18</u>

As at	31 March 2023	31 March 2022
Note 7 - Other current assets		
<i>Unsecured, considered good</i>		
-Advance for supply of goods	-	18.00
-Balance with government authorities	0.04	-
	<u>0.04</u>	<u>18.00</u>

As at	31 March 2023	31 March 2022
Note 8 - Share capital		
Authorised		
2,50,000 (31 March 2022: 20,000) equity shares of Rs 5/- each.	12.50	1.00
1,00,000 (31 March 2022: Nil) preference shares of Rs 5/- each.	5.00	-
Total	<u>17.50</u>	<u>1.00</u>
Issued, subscribed and paid up		
* 70,688 (31 March 2022: 20,000) equity shares of Rs 5/- each	3.53	1.00
Total	<u>3.53</u>	<u>1.00</u>

Notes:

*During the year M/s. Mistral Solutions Private Limited, the holding company has invested Rs 450.11 lakhs for acquiring 50,688 equity shares of Rs. 5 each at a premium of Rs. 883 on 30 March 2023. The allotment was approved via board meeting dated 30 March 2023

a) Shares in respect of equity in the Company held by its holding Company and subsidiaries of holding company in aggregate:

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Holding Company				
Mistral Solutions Private Limited	20,000	1.00	20,000	1.00
Changes in equity share capital during the year	50,688	2.53	-	-
	<u>70,688</u>	<u>3.53</u>	<u>20,000</u>	<u>1.00</u>

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	20,000	1.00	20,000	1.00
Issued during the year	50,688	2.53	-	-
Closing balance at the end of the reporting year	<u>70,688</u>	<u>3.53</u>	<u>20,000</u>	<u>1.00</u>

c) Details of shareholders' holding more than 5% of the total number of equity shares:

	31 March 2023		31 March 2022	
	Number of shares	% holding	Number of shares	% holding
Holding Company				
Mistral Solutions Private Limited	70,688	100%	20,000	100%
	<u>70,688</u>	<u>100%</u>	<u>20,000</u>	<u>100%</u>

d) Rights, preferences and restrictions attached to equity shares:

- The Company has only one class of shares referred to as equity shares having a par value of Rs 5/- each.

-Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

-In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.



Note 9 - Other Equity

	Capital redemption reserve	Securities premium	Share options outstanding account	Foreign currency translation reserve	General reserve	Retained earnings	Total
Balance as at 01 April 2021	-	-	-	-	-	(16.19)	(16.19)
Additions							
Net profit after tax transferred from the statement of profit or loss						(1.72)	(1.72)
Balance as at 31 March 2022						(17.91)	(17.91)
	Capital redemption reserve	Securities premium	Share options outstanding account	Foreign currency translation reserve	General reserve	Retained earnings	Total
Balance as at 01 April 2022	-	-	-	-	-	(17.91)	(17.91)
Additions							
Net profit after tax transferred from the statement of profit or loss						(41.40)	(41.40)
Changes in equity share capital during the year		447.58				-	447.58
Balance as at 31 March 2023		447.58				(59.31)	388.27

As at	31 March 2023	31 March 2022
Note 10 - Borrowings		
Mistral Solutions Pvt Ltd	-	426.87
	-	426.87

Short Term borrowings include an amount of Rs. Nil lakhs (Previous year Rs. 426.87 lakhs) advanced by M/s. Mistral Solutions Private Limited, the holding company. This amount is to be secured by the land to be purchased by utilizing this advance. During the year, the company has borrowed additional loan of Rs.20.08 lakhs (Previous year Rs.19.36 lakhs) from its parent company M/s. Mistral Solutions Private Limited with an revised interest at the rate of 9.80% per annum. Presently the amount has been repaid in full.

Note 11 - Trade payables

Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of other than micro and small enterprises	-	-
Accrued expenses	0.50	0.30
	0.50	0.36

Note 12 - Other current liabilities

Statutory liabilities (TDS.)	-	0.14
	-	0.14

For the period ended	31 March 2023	31 March 2022
Note 13 - Finance costs		
Interest expense	3.96	1.40
	3.96	1.40
Note 14 - Other expenses		
Bank Charges	0.01	0.00
Rates and taxes	0.91	0.00
Professional Fees	36.11	0.02
Audit Fees	0.41	0.30
	37.44	0.33

Note 15 - The Company's net worth is negative, however, having regard to available asset base and financial support from its holding company the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

Note 16 - Earnings per share

Computation of earnings per share is as follows:

For the period	31 March 2023	31 March 2022
Net profit attributable to the equity shareholders	(41.40)	(1.72)
Number of weighted average shares considered for calculation of basic earnings per share*	20,278	20,000
For the period	31 March 2023	31 March 2022
Earnings per share:		
-Basic	(204.16)	(8.61)
-Diluted	(204.16)	(8.61)

* There are no potential dilutive equity shares



Aero Electronics Private Limited

Notes on standalone financial statements

(All amounts are rupees in lakhs unless otherwise stated)

Note 17 - Auditor's remuneration (included in legal and professional fees, excluding applicable taxes)

For the period	31 March 2023	31 March 2022
Audit fees	0.40	0.25
Other services	-	-
Out of pocket expenses	-	-
	0.40	0.25

Note 18 - Related parties

Relationships

1. Ultimate holding company Jupiter Capital Private Limited
- Holding company Mistral Solutions Private Limited
- Fellow subsidiary Mistral Solutions Inc.
 Mistral Technologies Private Limited

2. Key Management Personnel (KMP):

- Director Anees Ahmed
 Director Rajeev Ramachandra

3. The following are significant transactions with related parties by the Company.

Particulars	31 March 2023	31 March 2022
Interest expense		
Mistral Solutions Private Limited Holding company	3.96	1.40
Loans taken		
Mistral Solutions Private Limited Holding company	20.08	19.36
Loans repaid		
Mistral Solutions Private Limited Holding company	450.91	-
Investments		
Mistral Solutions Private Limited Holding company	451.11	-

4. The balance receivable from and payable to related parties are as follows:

Particulars	31 March 2023	31 March 2022
Loans Payable		
Mistral Solutions Private Limited Holding company	-	426.87



Note 19 - Leases

19.1 Amounts recognised in balance sheet

Particulars	Note	As at	
		March 31, 2023	March 31, 2022
(i) Right-of-use assets	5		
Leasehold land		386.72	386.72
		386.72	386.72

19.2 Amounts recognised in the statement of profit and loss is Nil (March 31, 2022 : Nil)

19.3 The impact on the statement of profit and loss for the year ended March 31, 2023 is Nil (March 31, 2022 : Nil)

Note 20 - Financial Instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2023, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Cash and cash equivalents	6	-	-	0.04	-	0.04	0.04	-	-	0.04
		-	-	0.04	-	0.04	0.04	-	-	0.04
Financial liabilities not measured at fair value										
Borrowings	10	-	-	-	-	-	-	-	-	-
Other financial liabilities	11	-	-	-	0.50	0.50	0.50	-	-	0.50
		-	-	-	0.50	0.50	0.50	-	-	0.50

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2022, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Cash and cash equivalents	6	-	-	0.18	-	0.18	0.18	-	-	0.18
		-	-	0.18	-	0.18	0.18	-	-	0.18
Financial liabilities not measured at fair value										
Borrowings	10	-	-	-	426.87	426.87	426.87	-	-	426.87
Other financial liabilities	11	-	-	-	0.30	0.30	0.30	-	-	0.30
		-	-	-	427.17	427.17	427.17	-	-	407.80

Note 21 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Note 22 - Analytical Ratios

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance
Current Ratio - * Refer Explanation 1 below	Current assets	Current liabilities	0.16	0.04	2.69
Return on Equity (ROE) - * Refer Explanation 2 below	Net profits after taxes	Average Shareholder's Equity	-22.09%	10.73%	-305.86%
Return on capital employed (ROCE) - * Refer Explanation 3 below	Earning before interest and taxes	Capital employed	-9.56%	-0.04%	24511.57%

* Explanation 1 - Variance in Current Ratio is due to increase in repayment of long term borrowings.

* Explanation 2 - Variance in ROE is due to increase in operating expenses during the year.

* Explanation 3 - Variance in ROCE is due to increase in equity share capital during the year.

Note 23 - The Company had acquired land on a 10 year lease from Karnataka Industrial Areas Development Board (KIADB), for setting up of Industrial Projects at Plot No.48, Bengaluru Aerospace Park in 2012. As per the terms of lease agreement, KIADB can sell the scheduled property to the Aero during the lease period or at the end of the lease period. One of the condition of the agreement stipulates that the lessee has to complete construction, erect machineries and commence production within 24 months from the start of lease period (i.e., September 2012) extendable till 4 years with penalties as per the agreement. Due to the lack of infrastructure facilities from KIADB, the Company is yet to start construction in the said property. The same has been communicated to KIADB by the management and sought extension of term of lease. During the year, the Company has got an extension of 12 months from KIADB till 01 Sep 2023. The Company has entered into the agreement with JV partner on 3rd May 2023 for development of the land.

As per our report of even date attached

for SHARMA GOEL & CO. LLP.,
Chartered Accountants
Firm Registration No. 000643N/N50001

Sanjeev Mitta
Partner
Membership Number: 086441

Place: Bengaluru
Date: 18 May 2023



for and on behalf of the Board of Directors of
For AERO ELECTRONICS PVT. LTD.

Anees Ahmed
Director
DIN: 00225648

Place: Bengaluru
Date: 18 May 2023

Rajeev Ramachandra
Director
DIN: 00178796

Place: Bengaluru
Date: 18 May 2023