

INDEPENDENT AUDITOR'S REPORT

To the Members of Aerolloy Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Aerolloy Technologies Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and Statement of Cash Flows 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 ("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 31st March, 2023 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 Board of Directors is responsible for the other information. The other information comprises the information contained in the Company's Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

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 in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement 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 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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" attached herewith a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows 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.
 - e. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" attached herewith;
 - g. The Company being a private limited company the provisions of Section 197 read with Schedule V to the Act are not applicable. Accordingly, we have not commented upon the compliance with respect to remuneration paid by the company to its directors as required vide Section 197(16) of the Companies Act, 2013.
3. 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, 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 contracts including derivative contracts for which it was required to make a provision towards material foreseeable losses under any law or accounting standards.
 - 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, 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.

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

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“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; and

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

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

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For AGARWAL & SAXENA
Chartered Accountants
(FRN-002405C)

Place: Kanpur
Date: 29-05-2023

Sajal Jain
Partner
Membership No.:405211
UDIN:- 23405211BHABVU1874

Annexure to the Independent Auditors' Report on the financial statements of
Aerolloy Technologies Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date)

- (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 did not own any intangible assets during the year. Accordingly, provisions of clause (i)(a)(B) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment. In accordance with this programme, all the items property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company does not own any immovable properties. Accordingly, provisions of clause 3(i)(c) of the order are not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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 inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or provided advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clause 3(iii)(a) to (f) of the order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not given any loans, or provided any guarantee or security or made investment as specified under Section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident fund, Income-Tax, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Income-Tax, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of the records of the company examined by us, there are no dues of Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Income-Tax or Cess or other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year”.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) The company did not have an internal audit system for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non cash transactions with its directors or persons connected to its

directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company is not required to spent any amount on Corporate Social Responsibility as provisions under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not required.

For Agarwal and Saxena.
Chartered Accountants
Firm Regn.No.002405C

(CA Sajjal Jain)
(Partner)

Membership No.405211

Place of Signature : Kanpur
Dated : 29th May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF AEROLLOY TECHNOLOGIES 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 over financial reporting of Aerolloy Technologies 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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, 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.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

The Company did not make available to us a written/ documented framework for internal financial control over financial reporting. However, we have relied upon testing of controls through direct inquiry combined with other procedures, such as observation of activities, inspection of less formal documentation etc. to obtain sufficient audit evidence about the internal financial controls over financial reporting operating effectively as at the year end.

Our opinion is not qualified in respect of the aforesaid matter.

Place: Kanpur
Dated: 29.05.2023

For Agarwal & Saxena
Chartered Accountants
(FRN 002405C)

(Sajal Jain)
Partner (M. No. 405211)

Aerolloy Technologies Limited
Balance Sheet as at as at 31 Mar 2023
(All amounts in ₹ lakhs, unless stated otherwise)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	262.02	271.35
Capital work-in-progress	4	3,736.54	1,694.83
Other intangible assets		-	-
Financial assets			
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other financial assets	10(a)	60.40	-
Non current tax assets (net)	6	0.27	6.92
Other non current assets	7	5,255.18	657.31
Total non-current assets		9,314.41	2,630.40
Current assets			
Inventories	8	1,077.94	302.52
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	9	339.36	2.31
(iii) Cash and cash equivalents	10	104.14	38.97
(iv) Bank balances other than(iii) above	11	48.17	23.46
(v) Loans	5	6.06	4.94
(vi) Others financial assets		-	-
Other current assets	12	564.88	326.98
Total current assets		2,140.55	699.18
TOTAL ASSETS		11,454.96	3,329.58
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	65.53	22.86
Other equity	14	7,319.97	2,496.07
Total equity		7,385.50	2,518.93
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	3,243.13	416.82
(ia) Lease Liabilities		-	-
(ii) Other financial liabilities		-	-
Provisions	17	4.88	0.71
Deferred tax liabilities (net)	18	9.33	0.24
Other non-current liabilities		-	-
Total non-current liabilities		3,257.34	417.77
Current liabilities			
Financial liabilities			
(i) Borrowings	16	495.80	65.16
(ia) Lease Liabilities		-	-
(ii) Trade payables	19	-	-
total outstanding dues of micro enterprises and small enterprises		-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		146.68	67.28
(iii) Other financial liabilities	20	130.06	84.13
Other current liabilities	21	9.53	176.14
Provisions	17	0.42	0.17
Current tax liabilities (net)	22	29.63	-
Total current liabilities		812.12	392.88
TOTAL EQUITY AND LIABILITIES		11,454.96	3,329.58

Notes 1 to 39 form an integral part of these financial statements

This is the Statement of Balance Sheet referred to in our report of even date.

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Aerolloy Technologies Limited
Statement of Profit and Loss for the year ended 31 Mar 2023

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	23	1,501.21	736.10
Other income	24	24.43	24.02
Total income		1,525.64	760.13
Expenses			
Cost of materials consumed	25	336.16	236.25
Changes in inventories of finished goods and work-in-progress	26	(389.97)	(205.70)
Employee benefits expense	27	236.77	82.60
Research and development expense		-	
Other expenses	28	596.20	222.11
Total expenses		779.15	335.25
Profit before finance cost, depreciation and amortisation, exceptional items and tax			
Finance costs	30	38.87	11.06
Depreciation and amortisation expense	31	19.16	9.06
Profit before tax		688.46	404.75
Tax expense:			
Current tax - current year	32	108.25	73.79
Deferred tax charge		9.18	(0.029)
Total tax expenses		117.43	73.76
Profit for the year			
		571.04	330.99
Other comprehensive income			
A) i) Items that will not be reclassified to profit or loss		(0.49)	1.54
ii) Income tax relating to items that will not be reclassified to profit or loss		0.08	(0.26)
B) i) Items that will be reclassified to profit or loss		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(0.41)	1.28
Total comprehensive income for the year			
		570.63	332.27
Earnings per equity share [Nominal value ₹10]			
Basic (₹)	33	176.50	261.99
Diluted (₹)		176.50	261.99

Notes 1 to 39 form an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date

Aerolloy Technologies Limited
Statement of cash flows for the year ended 31 Mar 2023

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A Cash flow from operating activities		
Net profit before tax	688.46	404.75
Less: prior period adjustments		
Net profit before tax after period period		
Adjustment for:		
Depreciation and amortisation expense	19.16	9.06
Unrealised foreign exchange fluctuation loss/(gain)	(20.17)	(19.44)
Interest paid	24.16	5.92
ESOP	28.55	2.91
Remeasurement of defined benefit plan	(0.49)	1.54
(Gain)/loss on investment at fair value through profit or loss (net)	-	
Interest from assets valued at amortised cost	(4.27)	(1.04)
Provisions made no longer required written back	-	
Operating profit before working capital changes (current and non- current)	735.41	403.70
Inflow and outflow on account of :		
Changes in trade receivables	(337.05)	17.14
Changes in inventories	(775.42)	(302.52)
Changes in other financial assets	(60.40)	
Changes in other assets	(237.89)	(234.12)
Changes in financial assets-loans	(1.12)	0.48
Changes in provisions	4.42	(16.83)
Changes in trade and other payables	99.56	63.72
Changes in other financial liabilities	17.34	67.38
Changes in other liabilities	(166.61)	175.10
Cash generated from operations before tax	(721.77)	174.06
Income taxes paid (net)	(71.96)	(80.71)
Net cash generated from operating activities [A]	(793.74)	93.34
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods]	(6,620.82)	(1,448.39)
Interest received	4.27	1.04
Other bank balances not considered as cash and cash equivalents [net]	(24.71)	(7.26)
Dividend received	-	
Net cash used in investing activities [B]	(6,641.27)	(1,454.62)
C Cash Flow from Financing Activities		
Proceeds from long-term borrowings	3,173.22	-
Repayment of long-term borrowings	(286.15)	(25.77)
Proceeds from short-term borrowings (net)	369.87	42.51
Finance cost paid	(24.16)	(29.03)
Increase in Equity Share Capital	42.67	13.50
Security Premium	4,224.72	-
Share Application Money Received	-	1,336.01
Net cash used in financing activities [C]	7,500.17	1,337.23
D Net (decrease)/increase in cash and cash equivalents [A+B+C]	65.16	(24.07)
E Cash and cash equivalents at the beginning of the year	38.97	63.04
Closing balance of cash and cash equivalent [D+E]	104.14	38.97
Components of cash and cash equivalents (refer note 16):		
Balances with banks	103.68	33.71
Cash on hand	0.46	5.26
Balances in deposit account with original maturity upto three months	-	
	104.14	38.97
	(0.00)	(0.00)
Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities: .		

Notes 1 to 39 form an integral part of these financial statements

This is the Statement of Cash Flow Statement referred to in our report of even date

Aerolloy Technologies Limited
Standalone statement of changes in equity as at 31 Mar 2023
(All amounts in ₹ lakhs, unless stated otherwise)

A Equity share capital

	No. of shares	Amount
Balance as at 1 April 2021	93,646	936,460.00
Changes in equity share capital during the year	134,950	1,349,500.00
Balance as at 1 April 2022	228,596	2,285,960.00
Changes in equity share capital during the year	426,739	4,267,390.00
Balance as at 31 Mar 2023	655,335	6,553,350.00

B Other equity

	Reserves and Surplus		Total
	Retained Earning	Securities premium	
Balance as at 1 April 2021	(3.21)	828.10	824.89
Profit for the period	332.27	-	332.27
Addition During the Year		1,336.01	1,336.01
Balance as at 1 April 2022	329.06	2,164.10	2,493.16
Profit for the period	570.63	-	570.63
Addition During the Year		4,224.72	4,224.72
Balance as at 31 Mar 2023	899.69	6,388.82	7,288.50

C Share Based payment Reserve Account

Balance as at 1 April 2021			-
Addition During the Year		2.91	2.91
Balance as at 1 April 2022		2.91	2.91
Addition During the Year		28.55	28.55
Share Application Money			
Balance as at 31 Mar 2023		31.46	31.46

D Share Application Money

Balance as at 1 April 2021		-	-
Addition During the Year		-	-
Balance as at 1 April 2022			-
Addition During the Year		-	-
Less :Shares Alloted During the Year			-
Balance as at 31 Mar 2023		-	-

Notes 1 to 39 form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our report of even date

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. (a) Company information

Aerolloy Technologies Limited (the 'Company') is a public limited company incorporated in India. The registered office and corporate office of the Company is situated in Lucknow, Uttar Pradesh, India. The Company is carrying out the business of all kind and description in the field of Engineering, Technology, Casting and foundry and to set up Steel and non-ferrous melting furnaces, converters, AP Lines and casting facilities. The Company is the 100% owned subsidiary company of PTC Industries Limited.

1. (b) General information and statement of compliance with Ind AS

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

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof, unless otherwise indicated.

2. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarized below.

a) Current/non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within twelve months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is due to be settled within twelve months after the reporting date; or
- 4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

b) Property, plant and equipment

Recognition, measurement and de-recognition

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Based on technical assessment made by technical expert and management estimate, the Company have assessed the estimated useful lives of certain property, plant and equipment that are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives of items of property, plant and equipment are as follows:

Particulars	Management estimate of useful life (years)
Factory and non-factory Buildings	30 - 60
Plant and machinery	2 - 15
Furniture and fixtures	10
Vehicles	8 - 10
Office equipment	5
Computers	3 - 6

c) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

d) Inventories

Inventories are stated at the lower of cost and net realisable value.

Raw materials, packing material, stores and spares and loose tools: The cost of inventories is calculated on first in and first out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Work-in-progress and manufactured finished goods: Cost includes raw material costs and an appropriate share of fixed production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item by item basis/contract basis depending on the nature of work.

e) Revenue recognition

i. Sale of goods

Revenue arises mainly from the sale of goods. To determine whether to recognise revenue, the Company follows a 5-step process:

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

ii. Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

f) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed/encashed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

g) Borrowings

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/ or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

h) Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

ii. Subsequent measurement

Financial assets

i. Financial assets carried at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. Financial assets at fair value

- Investments in equity instruments other than above – Investments in equity instruments which are held for trading are generally classified as at fair value through profit or loss (“FVTPL”). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss FVTPL.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment.

However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognised in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43 details how the Company determines whether there has been a significant increase in credit risk.

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

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition 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 realize the assets and settle the liabilities simultaneously.

a) Fair value measurement

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

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 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.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

i) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the cash Management.

j) Earnings per share

Basic earnings per share 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.

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

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

k) Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future obligation at pre-tax rate that reflects current market assessments of the time value of money risks specific to liability. They are not discounted where they are assessed as current in nature. Provisions are not made for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only 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 arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company and requires interpretation of laws and past legal rulings.

l) Taxation

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and 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 income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognises MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net)'.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

The Company's ability to recover the deferred tax assets is assessed by the management at the close of each financial

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

year which depends upon the forecasts of the future results and taxable profits that Company expects to earn within the period by which such brought forward losses may be adjusted against the taxable profits as governed by the Income-tax Act, 1961. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle deferred tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m) Research and development costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilized for research and development are capitalized and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023
 (All amounts in ₹ lakhs, unless stated otherwise)

3 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Plant and machinery	Computers	Factory building	Mould and dies	Vehicles	Furniture and fixtures	Office equipments	Total
As at 1 April 2021	-	-	-	-	-	-	-	-	-	-
Additions	-	-	275.27	0.42	0.29	0.47	-	0.30	3.65	280.42
Disposals/assets written off	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	275.27	0.42	0.29	0.47	-	0.30	3.65	280.42
Additions	-	-	-	4.56	-	-	-	-	5.26	9.82
Disposals/assets written off	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	-	275.27	4.98	0.29	0.47	-	0.30	8.92	290.24
Accumulated depreciation										
As at 1 April 2021	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	8.69	-	-	0.03	-	-	0.35	9.06
Adjustments for disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	8.69	-	-	0.03	-	-	0.35	9.06
Charge for the year Depreciation	-	-	17.44	0.50	0.02	0.06	-	0.03	1.12	19.16
Adjustments for disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	-	17.44	0.50	0.02	0.06	-	0.03	1.12	19.16
Net block as at 31 March 2022	-	-	266.58	0.42	0.29	0.45	-	0.30	3.31	271.35
Net block as at 31 March 2023	-	-	249.15	4.48	0.27	0.39	-	0.27	7.45	262.02

4 Capital work-in-progress

Particulars	Amount
Balance as at 1 April 2021	855.01
Additions	839.82
Capitalised during the year	-
Balance as at 31 March 2022	1,694.83
Additions	2,041.72
Balance as at 31 March 2023	3,736.54

Note:

Additions to capital work in progress include interest of ₹ 216.22 lakh (31 March 2022: ₹ 23.11 lakh) capitalised during the year.

(a) Capital-work-in progress ageing schedule as at 31st March 2023

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,041.72	839.82	855.01	-	3,736.54
Projects temporarily suspended	-	-	-	-	-

(a) Capital-work-in progress ageing schedule as at 31st March 2022

(₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	839.82	855.01	-	-	1,694.83
Projects temporarily suspended	-	-	-	-	-

Aerolloy Technologies Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023**

(All amounts in ₹ lakhs, unless stated otherwise)

10(a) Non-current financial assets - others*Unsecured, considered good*

Security deposits

Deposits with original maturity more than 1 years *

	As at 31 March 2023	As at 31 March 2022
	0.35	-
	60.05	-
	60.40	-

Note:**5 Current financial assets - loans***Unsecured, considered good*

Loan to employees

	As at 31 March 2023	As at 31 March 2022
	6.06	4.94
	6.06	4.94

6 Non-current tax assets (net)

Advance income-tax (net)

	As at 31 March 2023	As at 31 March 2022
	0.3	6.92
	-	-
	0.27	6.92

7 Other non-current assets

Capital advances

	As at 31 March 2023	As at 31 March 2022
	5,255.18	657.31
	5,255.18	657.31

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023

(All amounts in ₹ lakhs, unless stated otherwise)

8 Inventories

(Valued at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials	354.54	37.07
Work-in-progress	595.68	205.70
Finished goods	-	-
Stores and spares	127.72	59.74
Loose tools	-	0.00
	1,077.94	302.52

9 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	339.36	2.31
Unsecured, considered doubtful	-	-
	339.36	2.31
Less: Provision for expected credit loss	-	-
	339.36	2.31

Trade Receivables ageing schedule as at 31st March,2023

Particulars	Outstanding for following periods from due date of payment				
	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	339.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				
	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	2.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-

10 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks	103.68	33.71
Cash on hand	0.46	5.26
	104.14	38.97

11 Other bank balances

	As at 31 March 2023	As at 31 March 2022
Deposits with original maturity more than 3 months but remaining less than 12 months*	45.00	22.42
Interest accrued on deposits	3.17	1.04
	48.17	23.46

12 Other current assets

	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	6.27	0.24
Balances with statutory and government authorities	334.89	194.05
Gratuity asset	12.28	-
Advances Paid to Suppliers	211.45	121.39
Meis Licence Purchase	-	11.30
	564.88	326.98

(All amounts in ₹ lakhs, unless stated otherwise)

13 Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Authorised:				
Equity shares of ₹ 10 each	1,000,000	10,000,000.00	1,000,000	10,000,000.00
	1,000,000	10,000,000.00	1,000,000	10,000,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 10 each	655,335	65.53	228,596	22.86
	655,335	65.53	228,596	22.86

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

	Number	Amount	Number	Amount
Outstanding at the beginning of the year	228,596	2,285,960.00	93,646	936,460.00
Add: Shares issued during the year	426,739	4,267,390.00	134,950	1,349,500.00
Outstanding at the end of the year	655,335	6,553,350.00	228,596	2,285,960.00

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. 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 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) Details of shareholders holding more than 5% of the equity share capital:

	Number	% of holding	Number	% of holding
PTC Industries Ltd	655,329	99.99%	93,640	99.99%

d) Information regarding issue of shares in the last five years

i) The Company has not issued any shares without payment being received in cash.

ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

e) Disclosure of Shareholding of Promoters

Shares held by promoters at the end of the year as on 31st March,23			% Change during the year
Promoter Name	No. of Shares	% of Total	
PTC Industries Limited	655335	100.00%	
Total			

Shares held by promoters at the end of the year as on 31st March,22			% Change during the year
Promoter Name	No. of Shares	% of Total	
PTC Industries Limited	228590	100.00%	-
Total			

14 Other equity**a. Securities premium**

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	2,164.11	828.10
Add: Additions during the year	4,224.72	1,336.01
Balance at the end of the year	6,388.83	2,164.11

b. Profit/Loss

Balance at the beginning of the year	329.06	(3.21)
Add: Additions during the year	570.63	332.27
Balance at the end of the year	899.69	329.06

c. Share Based payment Reserve Account

Balance at the beginning of the year	2.91	-
Add: Additions during the year	28.55	2.91
Balance at the end of the year	31.46	2.91

Total

7,319.97	2,496.08
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Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023

(All amounts in ₹ lakhs, unless stated otherwise)

15 Non-current borrowings

		As at 31 March 2023	As at 31 March 2022
Secured			
Term loans from banks	<i>Term loans from banks</i>	3,173.22	-
Term loans from financial institutions	<i>loans from others</i>	195.83	232.08
Special letter of credit - from banks	<i>Buyers' credit - from banks</i>	-	249.90
		3,369.06	481.98
Less: Current maturities of long term borrowings (refer note 16)		(125.93)	(65.16)
		3,243.13	416.82

Terms and conditions of the outstanding borrowings are as follows:

Particulars	Terms of repayment	Maturity	As at 31 March 2023	As at 31 March 2022
Term loan from Tata Capital Financial Services Ltd.	48 monthly instalments	October 2025	195.83	232.08

16 Current borrowings

		As at 31 March 2023	As at 31 March 2022
Secured			
Loans repayable on demand- from banks*	<i>Loans repayable on demand - from banks</i>	369.87	-
Current maturities of long term borrowings	<i>Current maturity of Long term debts</i>	125.93	65.16
		495.80	65.16

Notes:

*The quarterly returns or statements of current assets filed with banks or financial institution are in the agreement with the books of accounts.

17 Provisions

	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employees benefits				
- Provision for gratuity		<i>Gratuity - current</i>		
- Provision for compensated absences		<i>Provision for employees benefits</i>		
	4.88	0.71	0.42	0.17
	4.88	0.71	0.42	0.17

18 Deferred tax liabilities (net)

	As at	As at
	31 March 2023	31 March 2022
Deferred tax liability arising on account of:		
Difference between book balance and tax balance of property, plant and equipment	3.09	5.66
Tax impact on allowance under tax exemptions/deductions	-	-
	3.09	5.66
Deferred tax asset arising on account of:		
Brought forward losses and unabsorbed depreciation	(0.55)	0.55
Provision for employee benefits	(5.46)	4.87
Tax impact on allowance under tax exemptions/deductions		
Others		
Provision for doubtful debts		
	(6.01)	5.42
Net deferred tax liability	9.10	0.24

(A) Movement in deferred tax liabilities:

	As at 1 April 2021	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in balance sheet	As at 31 March 2022
Deferred tax liability arising on account of:					
Difference between book balance and tax balance of property, plant and equipment	-	5.66			5.66
Tax impact on allowance under tax exemptions/deductions	-	5.66	-	-	5.66
Deferred tax asset arising on account of:					
Provision for employee benefits	-	5.13	(0.26)		4.87
Provision for doubtful debts					
Tax impact on allowance under tax exemptions/deductions					
Brought forward losses and unabsorbed depreciation	-	0.55			0.55
	-	5.69	(0.26)	-	5.42
Minimum alternate tax credit entitlement					
Net deferred tax liability	-	(0.03)	0.26	-	0.24

Movement in deferred tax liabilities:

Particulars	As at 1 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised in balance sheet	As at 31 March 2023
Deferred tax liability arising on account of:					
Difference between book balance and tax balance of property, plant and equipment	5.66	3.09			8.74
Tax impact on allowance under tax exemptions/deductions	5.66	3.09	-	-	8.74
Deferred tax asset arising on account of:					
Provision for employee benefits	4.87	(5.55)	0.08		(0.59)
Provision for doubtful debts					
Tax impact on allowance under tax exemptions/deductions					
Others					
Brought forward losses and unabsorbed depreciation	0.55	(0.55)	-		-
	5.42	(6.10)	0.08	-	(0.59)
Net deferred tax liability	0.24	9.18	(0.08)	-	9.33

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023
(All amounts in ₹ lakhs, unless stated otherwise)

19 Trade payables

Due to :

Total outstanding dues of micro enterprises and small *Trade payables - MSMED*
Total outstanding dues of creditors other than micro *Trade payables - Others*

	As at 31 March 2023	As at 31 March 2022
	146.68	67.28
	146.68	67.28

Trade Payables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others	146.68				146.68
(ii) Disputed dues MSME					
(iv) Disputed dues- Others					

Trade Payables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others	67.28				67.28
(ii) Disputed dues MSME					
(iv) Disputed dues- Others					

20 Current financial liabilities- others

Security deposit *Retention money payable*
Others
- towards creditors for capital goods *Creditors for capital goods*
- towards employee related payables *Employee payables*
- other payables *Other payables*

	As at 31 March 2023	As at 31 March 2022
	-	-
	87.39	58.80
	38.32	21.50
	4.35	3.83
	130.06	84.13

21 Other current liabilities

Advance received from customers *Advance from customers*
Statutory dues payable *Statutory dues payable*

	As at 31 March 2023	As at 31 March 2022
	-	169.57
	9.53	6.57
	9.53	176.14

22 Current tax liabilities (net)

Provision for taxation (net of advance income tax) *Current years Tax Liabilities*

	As at 31 March 2023	As at 31 March 2022
	29.63	-
	29.63	-

23 Revenue from operations	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Sale of products	1,501.21	736.10
	Revenue from operations	<u>1,501.21</u>	<u>736.10</u>
24 Other income		For the year ended 31 March 2023	For the year ended 31 March 2022
	Interest from assets valued at amortised cost		
	- from banks	4.27	1.04
	- from others	-	-
	Bad debts recovered	-	-
	Discount Received	-	3.54
	Supply Of Services	-	-
	Insurance claims received	-	-
	Gain/(loss) on foreign exchange fluctuation (net)	20.17	19.44
		<u>24.43</u>	<u>24.02</u>
25 Cost of materials consumed		For the year ended 31 March 2023	For the year ended 31 March 2022
	Raw materials at the beginning of the year	37.07	-
	Add: Purchases	653.63	273.32
	Less: Closing stock	354.54	37.07
	Cost of material consumed	<u>336.16</u>	<u>236.25</u>
26 Changes in inventories of finished goods and work-in-progress		For the year ended 31 March 2023	For the year ended 31 March 2022
	Inventories at the beginning of the year		
	Work-in-progress	205.70	
	Finished goods	-	
		<u>205.70</u>	-
	Inventories at the end of the year		
	Work-in-progress	595.68	205.70
	Finished goods	-	-
		<u>595.68</u>	<u>205.70</u>
	Changes in inventories of finished goods and work-in-progress	<u>(389.97)</u>	<u>(205.70)</u>

27 Employee benefits expense*

	<u>For the year ended</u> <u>31 March 2023</u>	<u>For the year ended</u> <u>31 March 2022</u>
Salaries, wages and bonus	183.54	66.83
Contribution to provident and other funds	18.03	7.78
Gratuity expense	4.41	5.00
Staff welfare expenses	2.23	0.08
SBS Expenses	28.55	2.91
	<u>236.77</u>	<u>82.60</u>

28 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Manufacturing expenses		
Stores and spares consumed*	209.01	54.70
Power and fuel	1.55	2.44
- plant and machinery	14.68	4.14
- building	0.03	0.11
Packing and general consumables	6.23	3.84
Processing and work charges	79.59	42.88
Freight inward	0.10	0.04
Testing and inspection charges	54.96	29.12
Sub-total (A)	380.65	137.26
Administrative, selling and other expenses		
Rent	58.20	29.10
Rates and taxes	1.22	0.33
Insurance expenses	3.01	0.08
Security expenses	18.24	1.25
Legal and professional expenses	66.10	35.71
Payment to Auditors	1.50	1.00
Travelling and conveyance	36.27	6.04
Vehicle running and maintenance	9.67	-
Communication expenses	0.56	-
Printing and stationery	1.54	0.52
Training and Recruitment	0.45	2.64
Seminar, Conferences & Exhibitions	1.61	6.36
Freight and clearing	6.39	-
Advertisement and promotion	0.18	-
Computer expenses	3.63	1.61
Bad debts written off	(0.00)	-
Business promotion expenses	0.08	0.03
Office upkeep and maintenance charges	6.71	-
Miscellaneous expenses	0.20	0.19
Sub-total (B)	215.55	84.85
Grand total (C=A+B)	596.20	222.11

29	Payment to auditors	For the year ended	For the year ended
		31 March 2023	31 March 2022
	As auditor:		
	- Statutory audit (including limited reviews)	1.50	1.00
		1.50	1.00
30	Finance costs	For the year ended	For the year ended
		31 March 2023	31 March 2022
	Interest expense on borrowings measured at amortised cost		
	- on working capital loans	16.15	2.68
	- on term loans	8.01	3.10
	Interest on others	0.01	0.14
	Other borrowing cost	14.71	5.14
		38.87	11.06
31	Depreciation and amortisation expense	For the year ended	For the year ended
		31 March 2023	31 March 2022
	Depreciation on property, plant and equipment	19.16	9.06
		19.16	9.06

32 Tax expense

(a) Income tax expenses recognised in profit and loss

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax:		
Current tax	108.25	73.79
MAT credit entitlement - current year	-	-
Current tax - earlier years	-	-
	108.25	73.79
Deferred tax:		
In respect of current year origination and reversal of temporary differences	9.18	0.24
Less: Minimum alternate tax credit entitlement-earlier years	-	-
	9.18	0.24
Total tax expense recognised in profit and loss	117.43	74.02

(b) Income tax expenses recognised in other comprehensive income

Deferred tax:		
Re-measurement of defined benefit obligations	0.08	(0.26)
Total tax expense recognised in other comprehensive income	0.08	(0.26)

(c) Numerical reconciliation between average effective tax rate and applicable tax rate :

Accounting profit before income-tax	688.46	404.75
At India's statutory income-tax rate of 17.16%	118.14	69.46
	118.14	69.46
Basis of computing Company's statutory income-tax rate:		
Base rate	15.00%	15.00%
Add: Surcharge	1.500%	1.500%
	16.50%	16.50%
Add: Education cess	0.66%	0.66%
	17.16%	17.16%

33 Earnings per share

Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders'. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year including share options, except where the result would be anti-dilutive.

Profit for the year attributable to equity shareholders	571.04	330.99
Weighted average number of equity shares (nos. in lakh)	3.24	1.26
Nominal value per share (₹)	10.00	10.00
Earnings per share - basic and diluted (₹)	176.50	261.99

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

34 Employee benefits

(i) Defined benefit plan

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. In case of death while in service, the gratuity is payable irrespective of vesting. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds in India i.e. Life Insurance Corporation of India and Group Gratuity scheme.

Risk exposure:

- (a) **Discount rate:** A decrease in discount rate in subsequent valuations can increase the plan's liability.
 (b) **Mortality rate:** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
 (c) **Investment risk:** In case of funded plans, actual investment return on planned assets lower than the discount rate assumed at the last valuation date can impact the liability.
 (d) **Attrition:** Actual withdrawals proving higher or lower than assumed withdrawals at subsequent valuations can impact plan's liability.

Details of the Company's defined benefit plans are as follows:

A. Changes in the present value of obligations

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of the obligation at the beginning of the year	36.00	31.52
Recognised in profit and loss		
- Interest cost	2.61	2.29
- Current service cost	4.74	3.71
Recognised in other comprehensive income		
Remeasurement gains / (losses)	-	
- Actuarial (gain)/loss from changes in financial adjustments and experience adjustments	0.33	(1.51)
Benefits paid	(0.43)	-
Present value of the obligation at the end of the year	43.25	36.00

B. Changes in the fair value of planned assets:

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	39.28	14.28
Expected return on plan assets	2.95	1.03
Contributions	15.00	23.94
Benefits paid	(0.43)	
Actuarial gain/(loss) on plan assets	(0.17)	0.03
Fair value of plan asset at the end of the year	56.62	39.28

C. Net asset/(liability) recognised in the balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of the obligation at the end of the year	43.25	35.99
Fair value of plan assets at end of year	56.62	39.28
Net liability/(asset) recognised in balance sheet (refer note 24)	(13.38)	(3.29)

D. Expenses recognised in profit and loss

Particulars	For the year ended	
	31 March 2023	31 March 2022
Interest cost	2.61	2.29
Current service cost	4.74	3.71
Expected return on plan asset	(2.95)	(1.03)
Amount recognised in profit and loss (refer note 35)	4.41	4.96

E. Expenses recognised in other comprehensive income

Particulars	For the year ended	
	31 March 2023	31 March 2022
Actuarial (gain)/loss on obligation	0.33	(1.51)
Actuarial (gain)/loss on plan assets	0.17	(0.03)
	0.50	(1.54)

F. Major category of plan asset as a % of total plan assets

Category of asset (% allocation)	As at 31 March 2023		As at 31 March 2022	
	(%)	Amount	(%)	Amount
Insurance policies	100	56.62	100	39.28

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023
(All amounts in ₹ lakhs, unless stated otherwise)

G. Actuarial assumptions

Particulars	As at	As at
	31 March 2023	31 March 2022
Discount rate	7.50%	7.25%
Expected rate of return	7.50%	7.25%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58
Mortality	IALM 2012-14	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

H. Sensitivity analysis

Particulars	As at 31 March 2023		As at 31 March 2022	
	Change in assumption	Effect on obligation	Change in assumption	Effect on obligation
Discount rate	1.00%	3.91	1.00%	3.45
	(1.00%)	(4.55)	(1.00%)	(4.03)
Salary growth rate	1.00%	(4.58)	1.00%	(4.04)
	(1.00%)	4.00	(1.00%)	3.52
Withdrawal rate	1.00%	(0.35)	1.00%	(0.26)
	(1.00%)	0.41	(1.00%)	0.31

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. The above sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

I. Expected maturity profile of defined benefit obligation (undiscounted cash flows)

Period	31 March 2023	31 March 2022
Less than 1 year	1.35	1.07
Between 1-2 years	2.33	0.46
Between 2-5 years	3.37	2.71
Over 5 years	36.20	31.76

(ii) Other long-term benefits

A. Actuarial assumptions

Particulars	As at	As at
	31 March 2023	31 March 2022
Discount rate	7.50%	7.25%
Expected rate of return	7.50%	7.25%
Salary growth rate	6.00%	6.00%
Withdrawal rate (per annum)		
18 - 30 years	5.00%	5.00%
31 - 44 years	3.00%	3.00%
45 - 58 years	2.00%	2.00%
Normal retirement age (years)	58	58
Mortality	IALM 2012-14	IALM 2012-14

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Compensated absences- unfunded

Particulars	As at	As at
	31 March 2023	31 March 2022
Amounts recognised in balance sheet		
Current (refer note 20)	0.71	0.17
Non-current (refer note 20)	4.88	0.71
	5.59	0.88

Aerolloy Technologies Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023**

(All amounts in ₹ lakhs, unless stated otherwise)

	As at 31 March 2023	As at 31 March 2022
Amounts recognised in statement of profit and loss		
Interest cost	0.20	0.03
Current service cost	1.77	0.90
Actuarial loss	2.21	2.11
	4.18	3.04
Changes in benefit obligations		
Present value of the obligation at the beginning of the year	2.71	0.43
Interest cost	0.20	0.03
Current service cost	1.77	0.90
Benefits paid	(1.58)	(0.77)
Actuarial loss	2.21	2.11
Present value of the obligation at the end of the year	5.30	2.71

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023
(All amounts in ₹ lakhs, unless stated otherwise)

35 Contingent liabilities and commitments

(i) Capital commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)

	As at 31 March 2023	As at 31 March 2022
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(ii) Contingent liabilities

Guarantees excluding financial guarantees:

In respect of non fund-based working capital facilities from banks:

- Bank guarantees
- Letter of credit

36 Segment information

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM') as they monitors the results for the purpose of making decisions about resource allocation and performance assessment and responsible for all major decisions w.r.t. preparation of budget, planning, expansion, alliance, joint venture, merger and acquisitions, and expansion of new facility.

Accordingly, there is only one reportable segment for the Company which is "Engineering and allied activities", hence no specific disclosures have been made.

Entity wide disclosures:

(a) Information about products and services

The Company is engaged in the business of manufacturing and selling of high precision metal castings. Company operates in one product line, therefore product wise revenue disclosure is not applicable.

(b) Information about geographical area

The Company's sales to its customers includes sales to customers which are domiciled in India and outside India. Below is the details of Company's revenue from customers domiciled in India and outside India:

Revenue from external customers

	For the year ended 31 March 2023	For the year ended 31 March 2022
- domiciled in India	1,499.25	734.16
- domiciled outside India	1.97	1.94
	1,501.21	736.10

(c) Information about major customers

Revenues of ₹ 734.14 lakh, are derived from three external customers.

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

37 Financial instrument and risk review
(A) Financial instruments
(i) Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital of debt which includes the borrowings as disclosed in note 22(a) and 22(b); cash and cash equivalents and current investments and equity attributable to equity holders of the Company, equity share capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. For the purpose of calculating gearing ratio, debt is defined as non-current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Company reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the reviews presented to the Audit Committee and the Board of Directors.

The following table summarises the capital of the Company:

Particulars	As at 31 March 2023
Equity	7,385.50
Liquid assets (cash and cash equivalent and current investments) (a)	104.14
Current borrowings [Note 16]	495.80
Non-current borrowings [Note 15]	3,243.13
Total debt (b)	3,738.93
Net debt (c=(b) - (a))	3,634.79
Total capital (equity + net debt)	11,020.29

(ii) Category of financial instruments

Particulars	Note no.	As at 31 March 2023			As at 31 March 2022	
		Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL
Financial assets						
Loans	5	6.06	-	-	4.94	-
Trade receivables	9	339.36	-	-	2.31	-
Cash and cash equivalents	10	104.14	-	-	38.97	-
Other bank balances	11	48.17	-	-	23.46	-
Total financial assets		497.74	-	-	69.68	-
Financial liabilities						
Borrowings	15 & 16	3,738.93	-	-	481.98	-
Trade payables	19	146.68	-	-	67.28	-
Other financial liabilities	20	130.06	-	-	84.13	-
Total financial liabilities		4,015.65	-	-	633.39	-

(iii) Fair value hierarchy:

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at fair value for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Particulars	Carrying Amount	As at 31 March 2023			Carrying Amount	As at 31 March 2022	
		Level 1	Level 2	Level 3		Level 1	Level 2
Financial assets- measured at fair value							
Financial investment at FVTPL	-	-	-	-	-	-	-
Financial investment at FVOCI	-	-	-	-	-	-	-
Financial assets- not measured at fair value							
Loans	6.06	-	-	6.06	4.94	-	-
Cash and cash equivalents	104.14	-	-	104.14	38.97	-	-
Other bank balances	48.17	-	-	48.17	23.46	-	-
	158.37			158.37	67.37		

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: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: This hierarchy includes financial instruments for which inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as price derived from prices) have been used.

Level 3: This hierarchy includes financial instruments for which inputs used are not based on observable market data (unobservable inputs).

Valuation techniques and significant unobservable inputs:

Financial instruments measured at fair value

Type	Valuation technique
Equity instruments	Quoted market price as at the reporting period
Mutual funds	Quoted closing NAV as at the reporting period

Aerolloy Technologies Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

(All amounts in ₹ lakhs, unless stated otherwise)

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents, other bank balances, other financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature.

In respect of other long-term financial assets/liabilities stated above as measured at amortised cost, their carrying values are not considered to be materially different from their fair values.

(B) Financial risk management

In the course of its business, the Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. The Company does not engage in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the requirement against these risks.

(i) Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk in respect of trade receivables, cash and cash equivalents, short term investments, loans and advances and derivative financial instruments.

Trade receivables

The Company primarily sells cast metal components to selected customers comprising mainly in engineering industry in India and outside India. The Company extends credits to customers in the normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables and customers are located at several jurisdiction and industries and operate in large independent markets.

Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty of the counterparty's current financial position. The Company has a policy of accepting only credit worthy counter parties and defines credit limits for the customer which are reviewed periodically. The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company counterparty.

Cash and cash equivalents and deposits with bank

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans and advances

The Company provides loans to its employees and furnishes security deposits to various parties for electricity, communication, etc. The Company considers that its loans have low credit risk as the parties are well established entities and have strong capacity to meet the obligations or its own employees from whom the risk of default is low.

Investments

The Company has invested in quoted equity instruments and mutual funds. The management actively monitors the performance of the funds which affect investments. The Company does not have any counterparty to fail to meet its obligations, and has not experienced any significant impairment losses in respect of any of the investments.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are:

Particulars	As at 31 March 2023
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	
Non-current loans	-
Other non-current financial assets	-
Cash and cash equivalents	104.14
Other bank balances	48.17
Current loans	6.06
Other current financial assets	-
	158.37
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)	
Trade receivables	339.36
	339.36

Provision for expected credit losses**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised in reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible in respect of outstanding from customers. Further, management believes that unimpaired amounts that are past due by more than 90 days are still collectable in full. However, the Company has recognised allowance for expected credit loss on the basis of its assessment of loss from the past trend available with the Company.

Movement in the provision for expected credit loss

Balance at the beginning of the year
Add: Allowance provided during the year

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

(All amounts in ₹ lakhs, unless stated otherwise)

Balance at the end of the year	-
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(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	As at 31 March 2023
Less than 30 days	28.87
30-90 days	310.49
	339.36

(ii) Liquidity risk

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, cash and cash equivalents at that is generated from operations to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities to breach borrowing limits.

As at 31 March 2022, the Company had a working capital of ₹ 306.30 lakh including cash and cash equivalents of ₹ 38.97 lakh but excluding assets held for sale. As at 31 March 2021, the working capital of ₹ 133.52 lakh including cash and cash equivalents of ₹ 63.04 lakh.

(a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023
Non- derivative financial liabilities	
Floating rate borrowings	-
- Expiring within one year (bank overdraft and other facilities)	-
- Expiring beyond one year (term loan)	-
	-

(b) Maturities of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual undiscounted cash flows:

31 March 2023

Particulars	Contractual cash flows		
	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities			
Non current borrowings (including current maturities and interest)	-	3,243.13	-
Current borrowings	125.93		
Trade payables	146.68		
Other payables-current			
Total	272.60	3,243.13	-

31 March 2022

Particulars	Contractual cash flows		
	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities			
Non current borrowings (including current maturities and interest)	-	166.92	249.90
Current borrowings	65.16		
Trade payables	67.28		
Total	132.44	166.92	249.90

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. The Company exports finished goods which are denominated in a currency other than the functional currency of the Company which exposes it to foreign currency risk. In order to minimise the risk, the Company executes forward contracts w.r.t sale made in currency other than functional currency.

(a) Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuation risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Exchange rate exposures are managed within approved policy parameters utilizing exchange forward contracts.

Particulars	Currency	In foreign currency		In INR
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023
Financial assets(Gross)*				
Trade receivables	USD	3.79	-	308.49
	GBP	0.02	-	2.00
Financial liabilities(Gross)*				
Trade payables	USD	0.70	-	58.40
	GBP	0.07	-	6.84
Capital credits	USD	0.16	-	13.01
	GBP	0.64	-	66.68
Foreign currency derivative contracts (see foreign currency-Forward contracts)	USD	-	-	-
	GBP	-	-	-

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(All amounts in ₹ lakhs, unless stated otherwise)

Net Foreign currency receivable/(payable)**	USD	2.93	-	237.07
	GBP	0.69	-	71.51

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO, JPY and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit and other comprehensive income due to changes in the fair value of monetary assets and liabilities are given below:

Particulars	Change in currency exchange rate	Effect on profit
		As at 31 March 2023
USD	5%	11.85
	(5%)	(11.85)
GBP	5%	3.58
	(5%)	(3.58)

(b) Interest rate risk

The Company is exposed to interest rate risk arising mainly from non-current and current borrowings with floating interest rates. The Company is exposed to interest rate risk because the interest rates associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial liabilities is as follows:

Particulars	As at 31 March 2023
Variable rate instruments	
Term loan from banks	3,173.22
Term loans from financial institutions	195.83
Working capital loan	369.87
Special letter of credit	-
	3,738.93

Sensitivity analysis

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the interest rates is given below :

Particulars	Change in interest rate	Effect on profit
		As at 31 March 2023
Borrowings	50BP	(18.69)
	(50BP)	18.69

Aerolloy Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023

(All amounts in ₹ lakhs, unless stated otherwise)

38 Related party disclosures

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

Enterprises exercising control	
A Parent Company	PTC Industries Limited

B Name of the related parties and description of relationship:

Relationship	Name of related party
Entities controlled by KMPs and/or their relatives	Sachin Aggarwal HUF
Holding Company	PTC Industries Limited
Key Management Personnel ("KMP")	Mr. Sachin Agarwal, Chairman and Managing Director Mr. Priya Ranjan Agarwal, Director Mr. Alok Agarwal, Director Mrs. Smita Agarwal, Chief Financial Officer and Women Director

(ii) Disclosure of related parties transactions:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Transactions during the year		
1. Purchase of Goods	-	446.47
2. Sale of Goods	1,173.78	862.09
3. Advance from Customers	-	167.24
4. Share Capital	4,267.39	1,349.50
5. Services Received	286.29	57.47
6. Rent paid	58.20	29.80

(iii) Balance outstanding at the year end:

Particulars	As at 31 March 2023	As at 31 March 2022
Advance from customers	-	167.24
Share Capital	65.53	22.86

39 Accounting Ratios

No.	Particulars	Numerator	Denominator	FY 22-23	FY 21-22	% Variance	Reason
1	Current Ratio (in times) ^	Current Assets	Current Liabilities	2.64	1.78	48.11%	Due to increase in inventory for New products and upcoming orders.
2	Debt Equity Ratio (in times) #	Total Debt	Equity	0.51	0.19	164.58%	Due to increase in debt for New Project at DIC.
3	Debt Service Coverage ratio (in times)	Earnings available for debt service	Total Debt Service	7.71	14.17	-45.60%	Decrease due to Increase in repayment of principal as it has become due.
4	Return on Equity (in %)	Net profit	Average Share holder Equity	11.52	19.82	-41.88%	Due to infusion of Equity Funds for New project.
5	Inventory Turnover Ratio (in times)	Sales	Average Inventory	2.17	4.87	-55.31%	Due to increase in inventory for New products and upcoming orders.
6	Trade Receivables turnover ratio (in times)	Net Sales	Average Trade Receivables	8.79	637.87	-98.62%	Since last year there was almost nil trade receivable as compared to this year.
7	Trade Payables turnover ratio (in times)	Net Purchases	Average Trade Payables	6.11	7.71	-20.81%	
8	Net Capital Turnover Ratio (in times)	Net Sales	Working Capital	1.13	2.40	-52.98%	Increase in working capital due to increase in inventory for New products and
9	Net Profit Ratio (in %)	Net Profit	Net Sales	38.01	45.14	-15.80%	
10	Return on Capital Employed (in %)*	Earnings before interest and taxes	Capital Employed	6.83	14.16	-51.77%	Due to infusion of Equity Funds for New project.

Aerolloy Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2023

(All amounts in ₹ lakhs, unless stated otherwise)

40 Others

The figures of corresponding previous year have been regrouped/reclassified, wherever considered necessary, to make them comparable.