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INDEPENDENT AUDITOR'S REPORT

To the Members of Aerolloy Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aerolloy Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (the "Financial Statements").

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 included in the Director's 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 during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management 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 Responsibility for the Audit of the Financial Statements

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

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

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

Other Matter

The comparative financial information of the Company as at and for the year ended 31 March 2023 included in the Financial Statements have been audited by the predecessor auditor, who expressed an unmodified opinion on the financial statement vide their report dated 29 May 2023.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report to the extent applicable 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, except for keeping backup on daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 56 to the financial statements).
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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 there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a). The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the independent auditor's report of even date to the members of Aerolloy Technologies Limited on the financial statements as of and for the year ended 31 March 2024)

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

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (including Right of Use Assets).

B. The Company has maintained proper records showing full particulars of intangible assets recognized in the Financial Statements.

(b) The Property, Plant and Equipment have been physically verified by the management during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.

(e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and (no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records).

(b) The Company's working capital sanctioned limits were in excess of Rs. 500.00 lakhs during the year, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company. (Refer note 46 to the financial statements).

(iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties except loans to employees.

(a) The Company has provided loans/ advances in the nature of loans to employees during the year.

| Particulars | Loans (Rs. In Lakhs) |
|---|----------------------|
| Aggregate amount granted during the year to Others (Employees) | 16.36 |
| Balance outstanding as at balance sheet date in respect of above cases in respect of Others (Employees) | 12.51 |

any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 48(a) to the financial statements)

(b). The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 48(b) to the financial statements)

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only w.e.f. 1 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

(b) The loans given and the terms and conditions of grant of all loans and advances in the nature of loans to its employees that are interest free and repayable on demand are not, prima facie, prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans except mentioned in clause 3(iii)(a) and 3(iii)(b). Accordingly, the provisions of clause 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) of the Order are not separately reported.

(iv) The Company has not undertaken any transactions in respect of loans, guarantees and securities covered under section 185 of the Companies Act, 2013. The Company has not made any investment as referred in section 186(1) of the Act and other requirements relating to section 186 do not apply to the Company.

(v) The Company has not accepted any deposits during the year, had no unclaimed deposits at the beginning of the year and there are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute.

(viii) There are no such transactions which were not recorded in the books of account earlier and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to 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 thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender government or any government authority.

(c) The term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(d) On an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) the Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable.

(x) (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

(b) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 and Section 62 of the Act and the Rules framed there under. According to the information and explanations given by the

management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

- (xi) (a) Considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) During the year and upto the date of this report, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government.
- (c) Considering the principles of materiality outlined in the Standards on Auditing, we have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) the Company does not have an internal audit system as it is not required to have an internal audit system as per Section 138 of the Act. Accordingly, the provisions of clause 3(xiv) (a)-(b) of the Order are not applicable.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3 (xv) of the order are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the RBI Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the order are not applicable.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, provisions of clause 3 (xvi)(c) of the order are not applicable.
- (d) The Group has no CICs which are part of the Group.
- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we did not observe or were informed of any material issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (Refer Note 42 of the financial statements)
- (xx) (a) The Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, provision of clause 3(xx)(a) of the Order is not applicable.
- (b) The Company does not have any amount remaining unspent which is required to be transferred to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Accordingly, provision of clause 3(xx)(b) of the Order is not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditor's report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, to the best of our information and according to the explanations given to us, 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, 2024, based on the criteria for internal financial control over financial reporting 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.

Aerolloy Technologies Limited
Balance Sheet as at as at 31st March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

| Particulars | Notes | As at 31 March 2024 | As at 31 March 2023 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 2,039.59 | 262.02 |
| Capital work-in-progress | 4 | 11,533.96 | 3,736.54 |
| Other intangible assets | 5 | 6.36 | - |
| Financial assets | | | |
| (i) Other financial assets | 6 | 1,949.50 | 60.40 |
| Non current tax assets (net) | 7 | 1.44 | 0.27 |
| Other non current assets | 8 | 5,770.25 | 5,255.18 |
| Total non-current assets | | 21,301.10 | 9,314.41 |
| Current assets | | | |
| Inventories | 9 | 1,668.15 | 1,077.94 |
| Financial assets | | | |
| (i) Trade receivables | 10 | 1,063.34 | 339.36 |
| (ii) Cash and cash equivalents | 11 | 58.53 | 104.14 |
| (iii) Bank balances other than (i) above | 12 | 1.76 | 48.17 |
| (iv) Loans | 13 | 12.51 | 6.06 |
| (v) Others financial assets | 14 | 46.99 | - |
| Other current assets | 15 | 2,242.16 | 564.88 |
| Total current assets | | 5,093.44 | 2,140.55 |
| TOTAL ASSETS | | 26,394.54 | 11,454.96 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16 | 189.20 | 65.53 |
| Other equity | 17 | 21,401.95 | 7,319.97 |
| Total equity | | 21,591.15 | 7,385.50 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18 | 3,364.64 | 3,243.13 |
| Provisions | 20 | 4.75 | 4.88 |
| Deferred tax liabilities (net) | 21 | 33.18 | 9.33 |
| Total non-current liabilities | | 3,402.57 | 3,257.34 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 19 | 531.65 | 495.80 |
| (ii) Trade payables | 22 | | |
| total outstanding dues of micro enterprises and small enterprises | | 11.56 | - |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 208.11 | 146.68 |
| (iii) Other financial liabilities | 23 | 486.14 | 130.06 |
| Other current liabilities | 24 | 93.05 | 9.53 |
| Provisions | 20 | 0.99 | 0.42 |
| Current tax liabilities (net) | 25 | 69.32 | 29.63 |
| Total current liabilities | | 1,400.82 | 812.12 |
| TOTAL EQUITY AND LIABILITIES | | 26,394.54 | 11,454.96 |

Aerolloy Technologies Limited
Statement of Profit and Loss for the year ended 31st March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

| Particulars | Notes | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 26 | 4,444.12 | 1,501.21 |
| Other income | 27 | 288.14 | 24.43 |
| Total income | | 4,732.26 | 1,525.64 |
| Expenses | | | |
| Cost of materials consumed | 28 | 907.09 | 336.16 |
| Changes in inventories of finished goods and work-in-progress | 29 | 205.81 | (389.97) |
| Employee benefits expense | 30 | 384.76 | 236.77 |
| Other expenses | 31 | 947.92 | 596.20 |
| Total expenses | | 2,445.58 | 779.15 |
| Profit before finance cost, depreciation and amortisation, exceptional items and tax | | 2,286.68 | 746.49 |
| Finance costs | 33 | 46.81 | 38.87 |
| Depreciation and amortisation expense | 34 | 25.83 | 19.16 |
| Profit before tax | | 2,214.04 | 688.46 |
| Tax expense: | | | |
| Current tax - current year | 35 | 350.02 | 108.25 |
| Deferred tax charge | | 25.37 | 9.18 |
| Total tax expenses | | 375.39 | 117.43 |
| Profit for the year | | 1,838.65 | 571.04 |
| Other comprehensive income | | | |
| A) i) Items that will not be reclassified to profit or loss | | (8.78) | (0.49) |
| ii) Income tax relating to items that will not be reclassified to profit or loss | | 1.51 | 0.08 |
| 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) | | (7.27) | (0.41) |
| Total comprehensive income for the year | | 1,831.38 | 570.63 |
| Earnings per equity share [Nominal value ₹10] | | | |
| Basic (₹) | 36 | 150.47 | 176.50 |
| Diluted (₹) | | 150.47 | 176.50 |

Aerolloy Technologies Limited
Statement of cash flows for the year ended 31st March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| A Cash flow from operating activities | | |
| Net profit before tax | 2,214.04 | 688.46 |
| Net profit before tax after period period | | |
| Adjustment for: | | |
| Depreciation and amortisation expense | 25.83 | 19.16 |
| Unrealised foreign exchange fluctuation loss/(gain) | (8.50) | (20.17) |
| Interest Expense | 46.81 | 24.16 |
| Share based payment expense | 8.04 | 28.55 |
| Remeasurement of defined benefit plan | (8.78) | (0.49) |
| Interest income | (91.81) | (4.27) |
| Operating profit before working capital changes (current and non- current) | <u>2,185.63</u> | <u>735.41</u> |
| Inflow and outflow on account of: | | |
| Changes in trade receivables | (722.37) | (337.05) |
| Changes in inventories | (590.21) | (775.42) |
| Changes in other financial assets | (3.82) | (60.40) |
| Changes in other assets | (1,686.06) | (237.89) |
| Changes in financial assets-loans | (6.45) | (1.12) |
| Changes in provisions | 9.22 | 4.42 |
| Changes in trade and other payables | 79.88 | 99.56 |
| Changes in other financial liabilities | 356.08 | 17.34 |
| Changes in other liabilities | 83.52 | (166.61) |
| Cash generated from operations before tax | <u>(294.58)</u> | <u>(721.77)</u> |
| Income taxes paid (net) | <u>(311.50)</u> | <u>(71.96)</u> |
| Net cash generated from operating activities [A] | <u>(606.08)</u> | <u>(793.74)</u> |
| B Cash flow from investing activities | | |
| Purchase of property, plant and equipment and intangible assets [including capital advances and creditors for capital goods] | (9,822.84) | (6,620.82) |
| Interest received | 93.23 | 4.27 |
| Other bank balances not considered as cash and cash equivalents [net] | (1,887.28) | (24.71) |
| Net cash used in investing activities [B] | <u>(11,616.89)</u> | <u>(6,641.27)</u> |
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| C. Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 89.19 | 3,173.22 |
| Repayment of long-term borrowings | (201.15) | (286.15) |
| Proceeds from short-term borrowings (net) | 3.67 | 369.87 |
| Payment of lease liability | (33.77) | - |
| Finance cost paid | (46.81) | (24.16) |
| Increase in Equity Share Capital (Including security premium) | 12,366.23 | 4,267.39 |
| Net cash used in financing activities [C] | <u>12,177.36</u> | <u>7,500.17</u> |
| D Net (decrease)/increase in cash and cash equivalents [A+B+C] | <u>(45.61)</u> | <u>65.17</u> |
| E Cash and cash equivalents at the beginning of the year | <u>104.14</u> | <u>38.97</u> |
| Closing balance of cash and cash equivalent [D+E] | <u>58.53</u> | <u>104.14</u> |
| | As at | As at |
| | For the year ended | For the year ended |
| | 31 March 2024 | 31 March 2023 |
| Components of cash and cash equivalents (refer note 16): | | |
| Balances with banks | 55.82 | 103.68 |
| Cash in hand | 2.71 | 0.46 |
| | <u>58.53</u> | <u>104.14</u> |

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Aerolloy Technologies Limited
Statement of changes in equity as at 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

A Equity share capital

| | No. of shares | Amount |
|---|---------------|--------|
| Balance as at 01 April 2022 | 2,28,596 | 22.86 |
| Changes in equity share capital during the year | 4,26,739 | 42.67 |
| Balance as at 31 Mar 2023 | 6,55,335 | 65.53 |
| Changes in equity share capital during the year | 12,36,622 | 123.67 |
| Balance as at 31 Mar 2024 | 18,91,957 | 189.20 |

B Other equity

| | Reserves and Surplus | | | Total |
|-----------------------------|----------------------|--------------------|-------------------------------------|-----------|
| | Retained Earning | Securities premium | Share Based payment Reserve Account | |
| Balance as at 1 April 2022 | 329.06 | 2,164.10 | 2.91 | 2,496.07 |
| Profit for the Year | 570.63 | - | - | 570.63 |
| Addition During the Year | - | 4,224.72 | - | 4,224.72 |
| Share Based Payment Expense | - | - | 28.55 | 28.55 |
| Balance as at 1 April 2023 | 899.69 | 6,388.82 | 31.46 | 7,319.97 |
| Profit for the Year | 1,831.38 | - | - | 1,831.38 |
| Addition During the Year | - | 12,242.56 | - | 12,242.56 |
| Share Based Payment Expense | - | - | 8.04 | 8.04 |
| Balance as at 31 Mar 2024 | 2,731.07 | 18,631.38 | 39.50 | 21,401.95 |

Aerolloy Technologies Limited
Notes to financial statements for the year ended 31 March 2024

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.

The financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act. The financial statements of Aerolloy Technologies Limited as at and for the year ended 31 March 2024 were approved and authorised for issue by the Board of Directors on 28 May 2024.

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.

Basis of preparation and presentation

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivatives instruments) at fair value.
- Defined benefit liabilities are measured at present value of defined benefit obligation.

2. Summary of material accounting policies information

The financial statements have been prepared using the material accounting policies information 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 12 months for the purpose of current or non-current classification of assets and liabilities.

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

- 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.

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, net of their residual values, as determined by the management. Depreciation is charged on a pro-

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

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 |

Leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

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.

d) Intangible assets

Recognition, measurement and de-recognition

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any). Cost related to technical assistance for new projects are capitalised.

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

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset 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 are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software that are amortised over the useful economic life of 6 years, net of their residual values. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

e) 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.

f) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Foreign exchange transactions

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. All monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities if any that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

All exchange differences relating to foreign currency items are dealt with in the Statement of Profit and Loss in the year in which they arise.

h) 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.

The Company's gratuity fund is administered and managed by the Life Insurance Corporation of India ("LIC").

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

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

i) Revenue

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.

iii. Export benefits/incentives

Export entitlements from government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

j) 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
Notes to financial statements for the year ended 31 March 2024

k) Right of use assets and lease liabilities

For all existing and new contract, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company as a lessee

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Aerolloy Technologies Limited
Notes to financial statements for the year ended 31 March 2024

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

l) **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

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

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.

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.

m) 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.

n) 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.

o) 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.

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

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.

p) 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.

q) 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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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.

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

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 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.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Board of Directors assesses the financial performance and position of the Company, and makes strategic decision. The Board has been identified as the chief operating decision maker. The Company's business activity is organised and managed separately according to the nature of the products, with each segment representing a strategic business unit that offers different products and serves different market. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., manufacturing and selling of metal components for critical and super critical applications. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. In presenting the geographical information, segment revenue and receivables has been based on the geographic location of customers. Refer note 39 for segment information presented.

s) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

t) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments.

3 Property, plant and equipment

| Particulars | Leasehold land (Right to Use Asset) | Plant and machinery | Computers | Factory building | Mould and dies | Vehicles | Furniture and fixtures | Office equipments | Total |
|--------------------------------------|---|------------------------|--------------|---------------------|-------------------|----------|------------------------------|----------------------|-----------------|
| Gross | | | | | | | | | |
| As at 01 April 2022 | - | 275.28 | 0.42 | 0.29 | 0.47 | - | 0.30 | 3.65 | 280.42 |
| Additions | - | - | 4.56 | - | - | - | - | 5.26 | 9.82 |
| Balance as at 31 March 2023 | - | 275.28 | 4.98 | 0.29 | 0.47 | - | 0.30 | 8.92 | 290.24 |
| Additions | 1,696.04 | 69.75 | 5.42 | - | 35.91 | - | 2.23 | 4.00 | 1,813.33 |
| Balance as at 31 March 2024 | 1,696.04 | 345.03 | 10.40 | 0.29 | 36.38 | - | 2.53 | 12.92 | 2,103.57 |
| Accumulated depreciation | | | | | | | | | |
| As at 1 April 2022 | - | 8.69 | - | - | 0.03 | - | - | 0.35 | 9.06 |
| Charge for the year | - | 17.44 | 0.50 | 0.02 | 0.06 | - | 0.03 | 1.12 | 19.16 |
| Balance as at 31 March 2023 | - | 26.13 | 0.50 | 0.02 | 0.09 | - | 0.03 | 1.47 | 28.22 |
| Charge for the year | 10.09 | 18.97 | 2.65 | 0.02 | 1.14 | - | 0.07 | 2.82 | 35.76 |
| Balance as at 31 March 2024 | 10.09 | 45.10 | 3.15 | 0.04 | 1.23 | - | 0.10 | 4.29 | 63.98 |
| Net block as at 31 March 2023 | - | 249.15 | 4.48 | 0.27 | 0.39 | - | 0.27 | 7.45 | 262.02 |
| Net block as at 31 March 2024 | 1,685.95 | 299.93 | 7.25 | 0.25 | 35.15 | - | 2.43 | 8.63 | 2,039.59 |

Notes:

- Refer note 46 "Assets pledged as security" for details regarding property, plant and equipment pledged as security.
- No proceeding has been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 44 for disclosure related to leases.

4 Capital work-in-progress

| Particulars | Amount |
|-----------------------------|-----------|
| As at 01 April 2022 | 1,694.83 |
| Additions | 2,041.71 |
| Balance as at 31 March 2023 | 3,736.54 |
| Additions | 7,797.42 |
| Balance as at 31 March 2024 | 11,533.96 |

Note:

i) Additions to capital work in progress include interest and processing charges of ₹ 369.03 lakhs (31 March 2023: ₹ 216.22 lakhs), employee benefit expenses of ₹ 238.45 lakhs (31 March 2023: ₹ 194.83 lakhs) and depreciation ₹ 10.09 Lakhs ((31 March 2023: ₹ Nil) capitalised during the year.

ii) There are no projects whose completion is overdue or that have exceeded their cost compared to the original plan.

(a) Capital-work-in progress ageing schedule as at 31st March 2024

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 7,797.42 | 2,041.71 | 839.82 | 855.01 | 11,533.96 |
| Projects temporarily suspended | - | - | - | - | - |

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

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 2,041.71 | 839.82 | 855.01 | - | 3,736.54 |
| Projects temporarily suspended | - | - | - | - | - |

5 Other intangible assets

| Particulars | Software | Total |
|---------------------------------|----------|-------|
| Gross | | |
| At 1 April 2022 | - | - |
| Additions | - | - |
| Balance as at 31 March 2023 | - | - |
| Additions | 6.51 | 6.51 |
| Balance as at 31 March 2024 | 6.51 | 6.51 |
| Accumulated amortisation | | |
| At 1 April 2022 | - | - |
| Charge for the year | - | - |
| Balance as at 31 March 2023 | - | - |
| Charge for the year | 0.15 | 0.15 |
| Balance as at 31 March 2024 | 0.15 | 0.15 |
| Net block as at 31 March 2023 | - | - |
| Net block as at 31 March 2024 | 6.36 | 6.36 |

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ lakhs, unless stated otherwise)

| 6 | Non-current financial assets - others | As at 31 March 2024 | As at 31 March 2023 |
|---|--|------------------------|------------------------|
| | <i>Unsecured, considered good</i> | | |
| | Security deposits | 2.18 | 0.35 |
| | Deposits with original maturity more than 12 months* | 1,947.32 | 60.05 |
| | | 1,949.50 | 60.40 |
| | * The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits. | | |
| 7 | Non-current tax assets (net) | As at 31 March 2024 | As at 31 March 2023 |
| | Advance income-tax (net) | 1.44 | 0.27 |
| | | 1.44 | 0.27 |
| 8 | Other non-current assets | As at 31 March 2024 | As at 31 March 2023 |
| | Capital advances | 5,770.25 | 5,255.18 |
| | | 5,770.25 | 5,255.18 |
| 9 | Inventories | As at 31 March 2024 | As at 31 March 2023 |
| | <i>(Valued at lower of cost or net realisable value)</i> | | |
| | Raw materials | 1,076.45 | 354.54 |
| | Work-in-progress | 389.87 | 595.68 |
| | Stores and spares | 198.35 | 127.72 |
| | Loose tools | 3.48 | - |
| | | 1,668.15 | 1,077.94 |

Aerolloy Technologies Limited
Notes to financial statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

| 10 Trade receivables | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Unsecured, considered good | 1,063.34 | 339.36 |
| Less: Provision for expected credit loss | 1,063.34 | 339.36 |
| | <u>1,063.34</u> | <u>339.36</u> |

Note:

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
(ii) Refer note-40 for ageing schedule of trade receivables.

| 11 Cash and cash equivalents | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------|------------------------|------------------------|
| Balances with banks | 55.82 | 103.68 |
| Cash on hand | 2.71 | 0.46 |
| | <u>58.53</u> | <u>104.14</u> |

Note:

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

| 12 Other bank balances | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Deposits with original maturity more than 3 months but remaining less than 12 months* | - | 45.00 |
| Interest accrued on deposits | 1.76 | 3.17 |
| | <u>1.76</u> | <u>48.17</u> |

* The above balance includes margin money deposits which are pledged with banks for issuance of bank guarantees and letter of credits.

| 13 Loans | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| <i>Unsecured, considered good</i> | | |
| Loan to employees* | 12.51 | 6.06 |
| | <u>12.51</u> | <u>6.06</u> |

* No loans and advances provided to promoters, directors & KMP.

Note:

Refer note 40 for disclosure of fair values in respect of financials asset measured at cost.

| 14 Current financial assets - others | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Export incentives receivable* | 1.99 | - |
| Deposits with banks with original maturity more than 12 months | 45.00 | - |
| | <u>46.99</u> | <u>-</u> |

*Export Incentive receivable movement summary

| Particulars | Amount |
|---|--------|
| Balance as at 1 April 2022 | - |
| Income during the year | - |
| Amount utilised/refund received during the year | - |
| Balance as at 31 March 2023 | - |
| Income during the year | 6.04 |
| Amount utilised/refund received during the year | (4.05) |
| Balance as at 31 March 2024 | 1.99 |

Note:

Refer note 40 for disclosure of fair values in respect of financials asset measured at cost.

| 15 Other current assets | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Prepaid expenses | 6.35 | 6.27 |
| Balances with statutory and government authorities | 1,259.39 | 334.89 |
| Gratuity asset | 8.31 | 12.28 |
| Advances Paid to Suppliers | 935.43 | 211.45 |
| MEIS Licence Purchase * | 32.67 | - |
| | <u>2,242.16</u> | <u>564.88</u> |

*Refer note 41

¶ Nil/its space has been intentionally left blank(s)

16 Equity share capital

| | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|---------------|------------------------|---------------|
| | Number | Amount | Number | Amount |
| Authorised: | | | | |
| Equity shares of ₹ 10 each | 20,00,000 | 200.00 | 10,00,000 | 100.00 |
| | <u>20,00,000</u> | <u>200.00</u> | <u>10,00,000</u> | <u>100.00</u> |
| Issued, subscribed and fully paid up: | | | | |
| Equity shares of ₹ 10 each | 18,91,957 | 189.20 | 6,55,335 | 65.53 |
| | <u>18,91,957</u> | <u>189.20</u> | <u>6,55,335</u> | <u>65.53</u> |

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 | 6,55,335 | 65.53 | 2,28,596 | 22.86 |
| Add: Shares issued during the year | 12,36,622 | 123.67 | 4,26,739 | 42.67 |
| Outstanding at the end of the year | <u>18,91,957</u> | <u>189.20</u> | <u>6,55,335</u> | <u>65.53</u> |

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 (including beneficial ownership) | 18,91,957 | 100% | 6,55,335 | 100.00% |

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 31 March,24 | | | % Change during the year |
|---|---------------|------------|--------------------------|
| Promoter Name | No. of Shares | % of Total | |
| PTC Industries Limited | 18,91,957 | 100% | 189% |
| Total | | | |

| Shares held by promoters at the end of the year 31 March,23 | | | % Change previous the year |
|---|---------------|------------|----------------------------|
| Promoter Name | No. of Shares | % of Total | |
| PTC Industries Limited | 6,55,335 | 100% | 187% |
| Total | | | |

Notes:

During the year ended 31 March 2024, the Company has issued 12,36,622 Equity Shares of face value of Rs 10 per share at an issue price of Rs 1000/- per equity share to its Holding Company.

17 Other equity

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------------|------------------------|------------------------|
| a. Securities premium | | |
| Balance at the beginning of the year | 6,388.83 | 2,164.11 |
| Add: Additions during the year | 12,242.56 | 4,224.72 |
| Balance at the end of the year | <u>18,631.39</u> | <u>6,388.83</u> |
| b. Retained earnings | | |
| Balance at the beginning of the year | 899.69 | 329.06 |
| Add: Additions during the year | 1,831.38 | 570.63 |
| Balance at the end of the year | <u>2,731.07</u> | <u>899.69</u> |
| c. Share Based payment Reserve | | |
| Balance at the beginning of the year | 31.46 | 2.91 |
| Add: Additions during the year | 8.04 | 28.55 |
| Balance at the end of the year | <u>39.50</u> | <u>31.46</u> |
| Total | <u>21,401.96</u> | <u>7,319.98</u> |

(a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(b) Retained earnings

Retained earnings refer to the net profit retained by the company for its core business activities.

(c) Share Based Payment Reserve(SBP)

This reserve has been created to meet the cost of Employee Stock Option Payment(ESOP) scheme.

Notes:

During the year ended 31 March 2024, the Holding Company has allotted its 1,284 Equity Shares of face value of Rs 10/- each fully paid up at an exercise price of Rs 402 per equity share (including premium of Rs 392 per equity share), to the employees of the Company, under the PTC Employee Stock Option Scheme 2019.

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18 Non-current borrowings

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Secured | | |
| Term loans from banks | 3,262.41 | 3,173.22 |
| Term loans from financial institutions | - | 195.83 |
| Un-Secured | | |
| Lease Liability (refer note 44) | 267.23 | - |
| | <u>3,529.64</u> | <u>3,369.06</u> |
| Less: Current maturities of long term borrowings (refer note 19) | (165.00) | (125.93) |
| | <u>3,364.64</u> | <u>3,243.13</u> |

Terms and conditions of the outstanding borrowings are as follows:

| Particulars | Terms of repayment | Rate of Interest p.a. | Maturity | As at 31 March 2024 | As at 31 March 2023 |
|---|---------------------------|--------------------------|--------------|------------------------|------------------------|
| Term loan from Tata Capital Financial Services Ltd. | 48 Monthly Installments | 11.55% | October 2025 | - | 195.83 |
| Term loan from HDFC Bank | 24 Quarterly Installments | 10.12% | August 2030 | 1,978.91 | 1,889.72 |
| Term loan from Punjab National Bank | 90 Monthly Installments | 11.35% | March 2033 | 1,283.50 | 1,283.50 |

Term loans from banks are secured by way of equitable mortgage on first pari-passu basis on the entire fixed Assets (present & Future) created out of bank finance along with other lenders on Land and Building at Plot No F1 Defence Industrial Corridor Lucknow of the Company and second charge ranking pari-passu on the whole of the present and future current assets of the Company.

Further the term loans from banks are secured by way of personal guarantee of the certain Directors of the Company.

19 Current borrowings

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Secured | | |
| Loans repayable on demand- from banks* | 334.47 | 369.87 |
| Current maturities of long term borrowings | 165.00 | 125.93 |
| Lease Liability (refer note 44) | 32.18 | - |
| | <u>531.65</u> | <u>495.80</u> |

Notes:

Further the cash credit facilities and letter of credit facility are secured by way of personal guarantee of the certain Directors of the Company.

Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

Working capital loans from banks having interest rate of 9.56% are secured by way of equitable mortgage on first pari-passu basis on the entire fixed Assets (present & Future) and Land & Building at Plot No F1 Defence Industrial Corridor Lucknow of the Company and first charge ranking pari-passu on the whole of the present and future current assets of the Company.

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

| Particulars | Non-current borrowings | Current borrowings | Interest accrued |
|--|---------------------------|-----------------------|------------------|
| As at 1 April 2022 | 481.98 | - | |
| Add: Non cash changes due to- | | | |
| - Interest expense debited to statement of profit and loss | | | 24.16 |
| - Interest expense capitalised to capital work-in-progress | | | |
| Add: Cash inflows during the year | | | |
| - Proceeds from non-current borrowings | 3,173.22 | | |
| - Proceeds from current borrowings | | 369.87 | |
| Less: Cash outflow during the year | | | |
| - Repayment of non-current borrowings | 286.15 | | |
| - Interest paid | | | (24.16) |
| As at 1 April 2023 | <u>3,369.06</u> | <u>369.87</u> | <u>-</u> |
| Add: Non cash changes due to- | | | |
| - Interest expense debited to statement of profit and loss | 5.32 | | 37.29 |
| - Interest expense capitalised to capital work-in-progress | | | |
| Add: Cash inflows during the year | | | |
| - Proceeds from non-current borrowings | 89.19 | | |
| - Proceeds from current borrowings (Net) | | (35.40) | |
| Less: Cash outflow during the year | | | |
| - Repayment of non-current borrowings | 201.15 | | |
| - Interest paid | | | (37.29) |
| Closing balance as on 31 March 2024 | <u>3,262.42</u> | <u>334.47</u> | <u>-</u> |

20 Provisions

| | Non-current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| Provision for employees benefits | | | | |
| - Provision for compensated absences (refer note 37) | 4.75 | 4.88 | 0.99 | 0.42 |
| | <u>4.75</u> | <u>4.88</u> | <u>0.99</u> | <u>0.42</u> |

21 Deferred tax liabilities (net)

| | As at | As at |
|--|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Deferred tax liability arising on account of: | | |
| Difference between book balance and tax balance of property, plant and equipment | 33.81 | 8.74 |
| | <u>33.81</u> | <u>8.74</u> |
| Deferred tax asset arising on account of: | | |
| Brought forward losses and unabsorbed depreciation | - | - |
| Provision for employee benefits | 0.63 | (0.59) |
| | <u>0.63</u> | <u>(0.59)</u> |
| Net deferred tax liability | <u>33.18</u> | <u>9.33</u> |

(A) Movement in deferred tax liabilities:

| Particulars | As at 1 April 2022 | Recognised in statement of profit and loss | Recognised in other comprehensive income | 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 |
| | <u>5.66</u> | <u>3.09</u> | <u>-</u> | <u>8.74</u> |
| Deferred tax asset arising on account of: | | | | |
| Provision for employee benefits | 4.87 | (5.55) | 0.08 | (0.59) |
| Brought forward losses and unabsorbed depreciation | 0.55 | (0.55) | - | - |
| | <u>5.42</u> | <u>(6.10)</u> | <u>0.08</u> | <u>(0.59)</u> |
| Net deferred tax liability | <u>0.24</u> | <u>9.19</u> | <u>(0.08)</u> | <u>9.33</u> |

Movement in deferred tax liabilities:

| Particulars | As at 1 April 2023 | Recognised in statement of profit and loss | Recognised in other comprehensive income | As at 31 March 2024 |
|--|-----------------------|--|--|------------------------|
| Deferred tax liability arising on account of: | | | | |
| Difference between book balance and tax balance of property, plant and equipment | 8.74 | 25.07 | - | 33.81 |
| | <u>8.74</u> | <u>25.07</u> | <u>-</u> | <u>33.81</u> |
| Deferred tax asset arising on account of: | | | | |
| Provision for employee benefits | (0.59) | (0.29) | 1.51 | 0.63 |
| | <u>(0.59)</u> | <u>(0.29)</u> | <u>1.51</u> | <u>0.63</u> |
| Net deferred tax liability | <u>9.33</u> | <u>25.37</u> | <u>(1.51)</u> | <u>33.18</u> |

(This space has been intentionally left blank)

22 Trade payables

| | |
|---|---------------|
| Due to : | |
| Total outstanding dues of micro enterprises and small enterprises | 11.56 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises, | 208.11 |
| | <u>219.67</u> |

| | | |
|--|---------------|---------------|
| | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| | 11.56 | - |
| | 208.11 | 146.68 |
| | <u>219.67</u> | <u>146.68</u> |

*Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details are mentioned below:

| | | |
|--|---------------|---------------|
| Particulars | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| Principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year | 11.56 | - |
| The amount of interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |

Trade Payables ageing schedule as at 31st March 2024

| | | | | | |
|----------------------------|--|-----------|-----------|-------------------|--------|
| Particulars | Outstanding for following periods from due date of payment | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | 11.56 | - | - | - | 11.56 |
| (ii) Others | 208.11 | - | - | - | 208.11 |
| (iii) Disputed dues MSME | - | - | - | - | - |
| (iv) Disputed dues- Others | - | - | - | - | - |

Trade Payables ageing schedule as at 31st March 2023

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

Refer note 40 for disclosure of fair values in respect of financial liabilities measured at amortised cost and analysis of their maturity profiles.

23 Current financial liabilities- others

| | | |
|-----------------------------|---------------|---------------|
| | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| Creditors for capital goods | 415.24 | 87.39 |
| Employee related payables* | 58.11 | 38.32 |
| Other payables | 12.79 | 4.35 |
| | <u>486.14</u> | <u>130.06</u> |

*Refer note 41

24 Other current liabilities

| | | |
|------------------------|---------------|---------------|
| | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| Statutory dues payable | 93.05 | 9.53 |
| | <u>93.05</u> | <u>9.53</u> |

25 Current tax liabilities (net)

| | | |
|--|---------------|---------------|
| | As at | As at |
| | 31 March 2024 | 31 March 2023 |
| Provision for taxation (net of advance income tax) | 69.32 | 29.63 |
| | <u>69.32</u> | <u>29.63</u> |

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ lakhs, unless stated otherwise)

| | | | |
|----|---|-------------------------------------|-------------------------------------|
| 26 | Revenue from operations | | |
| | Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| | Sale of products* | 4,438.08 | 1,501.21 |
| | Other operating revenues (refer (a) below) | 6.04 | - |
| | Revenue from operations | 4,444.12 | 1,501.21 |
| | (a) Other operating revenues | | |
| | Export incentives | 6.04 | - |
| | Total | 6.04 | - |
| | Reconciliation of revenue recognised with contract price: | | |
| | Gross Revenue | 4,444.12 | 1,501.21 |
| | | 4,444.12 | 1,501.21 |
| | * Refer note 41. | | |
| 27 | Other income | | |
| | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| | Interest from assets valued at amortised cost | | |
| | - from banks | 91.81 | 4.27 |
| | Gain/(loss) on foreign exchange fluctuation (net) | 188.70 | -20.17 |
| | Miscellaneous income | 7.63 | - |
| | | 288.14 | 24.43 |
| 28 | Cost of materials consumed | | |
| | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| | Raw materials at the beginning of the year | 354.54 | 37.07 |
| | Add: Purchases* | 1,629.00 | 653.63 |
| | Less: Closing stock | 1,076.45 | 354.54 |
| | Cost of material consumed | 907.09 | 336.16 |
| | * Refer note 41. | | |
| 29 | Changes in inventories of finished goods and work-in-progress | | |
| | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| | Inventories at the beginning of the year | | |
| | Work-in-progress | 595.68 | 205.70 |
| | | 595.68 | 205.70 |
| | Inventories at the end of the year | | |
| | Work-in-progress | 389.87 | 595.68 |
| | Finished goods | - | - |
| | | 389.87 | 595.68 |
| | Changes in inventories of finished goods and work-in-progress | 205.81 | (389.97) |
| 30 | Employee benefits expense | | |
| | | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| | Salaries, wages and bonus | 346.69 | 183.54 |
| | Contribution to provident and other funds | 22.91 | 18.03 |
| | Gratuity expense (refer note 37) | 6.06 | 4.41 |
| | Staff welfare expenses | 1.06 | 2.23 |
| | Share Based Payment Expenses | 8.04 | 28.55 |
| | | 384.76 | 236.77 |

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ lakhs, unless stated otherwise)

31 Other expenses

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Manufacturing expenses | | |
| Stores and spares consumed | 316.99 | 209.01 |
| Power and fuel | 14.04 | 1.55 |
| - plant and machinery | 45.90 | 14.68 |
| - building | 0.90 | 0.03 |
| Packing and general consumables | 17.88 | 6.23 |
| Processing and work charges | 97.41 | 79.59 |
| Freight inward | 6.45 | 0.10 |
| Outsourced services | 47.17 | 14.49 |
| Testing and inspection charges | 104.96 | 54.96 |
| Sub-total (A) | 651.70 | 380.65 |
| Administrative, selling and other expenses | | |
| Rent* | 58.20 | 58.20 |
| Rates and taxes | 4.51 | 1.22 |
| Insurance expenses | 5.65 | 3.01 |
| Security expenses | 1.62 | 18.24 |
| Legal and professional expenses | 93.85 | 66.10 |
| Payment to Auditors [refer note 32 (a)] | 4.00 | 1.50 |
| Travelling and conveyance | 39.67 | 36.27 |
| Vehicle running and maintenance | 16.61 | 9.67 |
| Communication expenses | 1.56 | 0.56 |
| Printing and stationery | 4.05 | 1.54 |
| Training and Recruitment | 15.77 | 0.45 |
| Seminar, Conferences & Exhibitions | 1.16 | 1.61 |
| Freight and clearing | 18.50 | 6.39 |
| Advertisement and promotion | - | 0.18 |
| Computer expenses | 13.58 | 3.63 |
| Corporate social responsibility expenses [refer note 32 (b)] | 7.35 | - |
| Business promotion expenses | 0.89 | 0.08 |
| Office upkeep and maintenance charges | 9.37 | 6.71 |
| Miscellaneous expenses | (0.12) | 0.20 |
| Sub-total (B) | 296.22 | 215.55 |
| Grand total (C=A+B) | 947.92 | 596.20 |

*Refer note 41

Aerolloy Technologies Limited
Notes to financial statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, unless stated otherwise)

32(a) Payment to auditors

As auditor:

- Statutory audit (including limited reviews)

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| | 4.00 | 1.50 |
| | 4.00 | 1.50 |

32(b) Corporate social responsibility expenses

Gross amount required to be spent under section 135 of the Act

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| | - | - |

Amount spent during the year ended 31 March 2024:

- i) Construction/acquisition of any asset
ii) On purposes other than (i) above

| | In cash | Unspent amount | Total |
|--|-------------|----------------|-------------|
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 7.35 | - | 7.35 |
| | 7.35 | - | 7.35 |

Amount spent during the year ended 31 March 2023:

- i) Construction/acquisition of any asset
ii) On purposes other than (i) above

| | In cash | Unspent amount | Total |
|--|----------|----------------|----------|
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | - | - | - |
| | - | - | - |

CSR activity has been undertaken for purpose of skill training.

33 Finance costs

Interest expense on borrowings measured at amortised cost

- on working capital loans
- on term loans

Interest on others

Other borrowing cost

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|----------------------------|-------------------------------------|-------------------------------------|
| - on working capital loans | 32.40 | 16.15 |
| - on term loans | 4.14 | 8.01 |
| Interest on others | 0.75 | 0.01 |
| Other borrowing cost | 9.52 | 14.71 |
| | 46.81 | 38.87 |

34 Depreciation and amortisation expense

Depreciation on property, plant and equipment*

Amortisation on intangible assets

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Depreciation on property, plant and equipment* | 25.67 | 19.16 |
| Amortisation on intangible assets | 0.16 | - |
| | 25.83 | 19.16 |

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in ₹ lakhs, unless stated otherwise)

35 Tax expense

(a) Income tax expenses recognised in profit and loss

| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Current tax: | | |
| Current tax | 350.02 | 108.25 |
| | 350.02 | 108.25 |
| Deferred tax: | | |
| In respect of current year origination and reversal of temporary differences | 25.37 | 9.18 |
| | 25.37 | 9.18 |
| Total tax expense recognised in profit and loss | 375.39 | 117.43 |

(b) Income tax expenses recognised in other comprehensive income

| | | |
|---|-------------|-------------|
| Deferred tax: | | |
| Re-measurement of defined benefit obligations | 1.51 | 0.08 |
| Total tax expense recognised in other comprehensive income | 1.51 | 0.08 |

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

| | | |
|--|---------------|---------------|
| Accounting profit before income-tax | 2,214.04 | 688.46 |
| At India's statutory income-tax rate of 17.16% | 379.93 | 118.14 |
| | 379.93 | 118.14 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Non deductible expenses | (4.54) | (0.71) |
| | 375.39 | 118.85 |

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% |

36 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.

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit for the year attributable to equity shareholders | 1,838.65 | 571.04 |
| Weighted average number of equity shares (nos. in lakhs) | 12.22 | 3.24 |
| Nominal value per share (₹) | 10.00 | 10.00 |
| Earnings per share - basic and diluted (₹) | 150.47 | 176.50 |

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.

37 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 for 15/26 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 2024 | 31 March 2023 |
| Present value of the obligation at the beginning of the year | 43.25 | 36.00 |
| Recognised in profit and loss | | |
| - Interest cost | 3.24 | 2.61 |
| - Current service cost | 6.49 | 4.74 |
| Recognised in other comprehensive income | | |
| - Actuarial (gain)/loss from changes in financial adjustments and experience adjustments | 9.23 | 0.33 |
| Benefits paid | - | (0.43) |
| Present value of the obligation at the end of the year | 62.21 | 43.25 |

B. Changes in the fair value of planned assets:

| Particulars | As at | |
|--|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Fair value of plan assets at the beginning of the year | 56.62 | 39.28 |
| Expected return on plan assets | 4.11 | 2.95 |
| Contributions | 9.34 | 15.00 |
| Benefits paid | - | (0.43) |
| Actuarial gain/(loss) on plan assets | 0.45 | (0.17) |
| Fair value of plan asset at the end of the year | 70.52 | 56.62 |

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

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Present value of the obligation at the end of the year | 62.21 | 43.25 |
| Fair value of plan assets at end of year | 70.52 | 56.62 |
| Net liability/(asset) recognised in balance sheet (refer note 15) | (8.31) | (13.38) |

D. Reconciliation of liability in balance sheet

| Particulars | For the year ended | |
|--|--------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Opening net defined benefit liability/(asset) | (13.38) | (3.28) |
| Expenses to be recognised | 6.06 | 4.41 |
| OCI - Actuarial (gain)/loss - Total current period | 8.78 | 0.50 |
| Employer Contribution | (9.34) | (15.00) |
| Closing net defined benefit liability/(asset) | (8.31) | (13.38) |

E. Expenses recognised in profit and loss

| Particulars | For the year ended | |
|--|--------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Interest cost | 3.24 | 2.61 |
| Current service cost | 6.49 | 4.74 |
| Expected return on plan asset | (4.11) | (2.95) |
| Others | 0.44 | - |
| Amount recognised in profit and loss (refer note 30) | 6.06 | 4.41 |

F. Expenses recognised in other comprehensive income

| Particulars | For the year ended | |
|--------------------------------------|--------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Actuarial (gain)/loss on obligation | 9.23 | 0.33 |
| Actuarial (gain)/loss on plan assets | (0.45) | 0.17 |
| | 8.78 | 0.50 |

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

| Category of asset (% allocation) | 31 March 2024 | | 31 March 2023 | |
|----------------------------------|---------------|--------|---------------|--------|
| | (%) | Amount | (%) | Amount |
| Insurance Policies | 100 | 70.52 | 100 | 56.62 |

H. Actuarial assumptions

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| Discount rate | 7.25% | 7.50% |
| 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.

I. Sensitivity analysis

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Change in assumption | Effect on obligation | Change in assumption | Effect on obligation |
| Discount rate | 1.00% | 5.73 | 1.00% | 3.91 |
| | (1.00%) | (6.70) | (1.00%) | (4.55) |
| Salary growth rate | 1.00% | (6.72) | 1.00% | (4.58) |
| | (1.00%) | 5.85 | (1.00%) | 4.00 |
| Withdrawal rate | 1.00% | (0.43) | 1.00% | (0.35) |
| | (1.00%) | 0.51 | (1.00%) | 0.41 |

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.

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

| Period | 31 March 2024 | 31 March 2023 |
|-------------------|---------------|---------------|
| Less than 1 year | 3.93 | 1.35 |
| Between 1-2 years | 0.76 | 2.33 |
| Between 2-5 years | 10.11 | 3.37 |
| Over 5 years | 47.40 | 36.20 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (as at 31 March 2023 is 10 years).

Expected contribution to defined benefit plans in the next year is ₹7.99 lakhs (31 March 2023: 5.81 lakhs).

(ii) Other long-term benefits

A. Actuarial assumptions

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------|------------------------|------------------------|
| Discount rate | 7.25% | 7.50% |
| 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 31 March 2024 | As at 31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Amounts recognised in balance sheet | | |
| Current (refer note 20) | 0.99 | 0.71 |
| Non-current (refer note 20) | 4.75 | 4.88 |
| | <u>5.74</u> | <u>5.59</u> |

| Particulars | As at | As at |
|--|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Amounts recognised in statement of profit and loss | | |
| Interest cost | 0.40 | 0.20 |
| Current service cost | 1.83 | 1.77 |
| Actuarial loss | 0.50 | 2.21 |
| | 2.73 | 4.18 |
| Changes in benefit obligations | | |
| Present value of the obligation at the beginning of the year | 5.30 | 2.71 |
| Interest cost | 0.40 | 0.20 |
| Current service cost | 1.83 | 1.77 |
| Benefits paid | (2.29) | (1.59) |
| Actuarial loss | 0.50 | 2.21 |
| Present value of the obligation at the end of the year | 5.74 | 5.30 |

(iii) Defined contribution plan

The Company makes fixed contribution towards Employee provident fund and Employee state insurance(ESI) to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Company recognised ₹ 22.91 lakhs (31 March 2023: ₹ 18.03 lakhs) in respect of provident fund contributions and ESI contribution in the Statement of Profit and Loss and included in "Employee benefits expense" in note 34. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

38 Contingent liabilities and commitments

(i) Capital commitment:

| | As at | As at |
|---|------------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) | 13,664.32 | 6,371.60 |
| | 13,664.32 | 6,371.60 |

39 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:

| | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | 31 March 2024 | 31 March 2023 |
| Revenue from external customers | | |
| - domiciled in India | 3,159.16 | 1,499.25 |
| - domiciled outside India | 1,278.92 | 1.96 |
| | 4,438.08 | 1,501.21 |

(c) Information about major customers

Revenues of ₹ 3,107.50 lakhs, ₹ 407.92 lakhs and ₹ 379.01 lakhs (31 March 2023: ₹ 1,173.77 lakhs, ₹ 169.64 lakhs and ₹ 117.32 lakhs) are derived from the Company's external customers.

40 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 structure consists of debt which includes the borrowings as disclosed in note 18 and 19; cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued 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 Board 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 risk 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 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Equity | 21,591.15 | 7,385.50 |
| Liquid assets (cash and cash equivalent and current investments) (a) | 58.53 | 104.14 |
| Current borrowings [Note 19] | 531.65 | 495.80 |
| Non-current borrowings [Note 18] | 3,364.64 | 3,243.13 |
| Total debt (b) | 3,896.29 | 3,738.93 |
| Net debt (c=(b) - (a)) | 3,837.76 | 3,634.79 |
| Total capital (equity + net debt) | 25,428.91 | 11,020.29 |

(ii) Category of financial instruments

| Particulars | Note no. | As at 31 March 2024 | | | As at 31 March 2023 | | |
|------------------------------------|----------|------------------------|----------|----------|------------------------|----------|----------|
| | | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI |
| Financial assets | | | | | | | |
| Trade receivables | 10 | 1,063.34 | - | - | 339.36 | - | - |
| Cash and cash equivalents | 11 | 58.53 | - | - | 104.14 | - | - |
| Other bank balances | 12 | 1.76 | - | - | 48.17 | - | - |
| Loans | 13 | 12.51 | - | - | 6.06 | - | - |
| Other financial assets | 14 | 46.99 | - | - | - | - | - |
| Total financial assets | | 1,183.13 | - | - | 497.74 | - | - |
| Financial liabilities | | | | | | | |
| Borrowings | 18 & 19 | 3,896.29 | - | - | 3,738.93 | - | - |
| Trade payables | 22 | 219.67 | - | - | 146.68 | - | - |
| Other financial liabilities | 23 | 486.14 | - | - | 130.06 | - | - |
| Total financial liabilities | | 4,602.10 | - | - | 4,015.67 | - | - |

Cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

(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 amortised cost and 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 2024 | | | Carrying Amount | As at 31 March 2023 | | |
|---|--------------------|------------------------|----------|-----------------|-----------------|------------------------|----------|---------------|
| | | Level 1 | Level 2 | Level 3 | | Level 1 | Level 2 | Level 3 |
| Financial assets- not measured at fair value | | | | | | | | |
| Trade receivables | 1,063.34 | - | - | 1,063.34 | 339.36 | - | - | 339.36 |
| Cash and cash equivalents | 58.53 | - | - | 58.53 | 104.14 | - | - | 104.14 |
| Other bank balances | 1.76 | - | - | 1.76 | 48.17 | - | - | 48.17 |
| Loans | 12.51 | - | - | 12.51 | 6.06 | - | - | 6.06 |
| Other financial assets | 46.99 | - | - | 46.99 | - | - | - | - |
| | 1,183.13 | - | - | 1,183.13 | 497.73 | - | - | 497.73 |

There are no assets which is recognized at Fair value through profit & loss.

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 prices) or indirectly (i.e. 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).

(This space has been intentionally left blank)

Aerolloy Technologies Limited

Notes to financial statements for the year ended 31 March 2024

(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 is not engaged 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 range of hedging 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 from 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 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 as low, as its 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 and an analysis 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 to the 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 or negligible risk of default 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 expect the 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 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL) | | |
| Current loans | 12.51 | 6.06 |
| | 12.51 | 6.06 |
| Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL) | | |
| Trade receivables | 1,063.34 | 339.36 |
| | 1,063.34 | 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 during the reporting periods in respect of these assets.

(This space has been intentionally left blank)

(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 the 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 the credit loss from the past trend available with the Company.

Movement in the provision for expected credit loss

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Balance at the beginning of the year | | |
| Add: Allowance provided during the year | - | - |
| Balance at the end of the year | - | - |

(c) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

As at 31st March 2024:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|------------------|---------------|-----------|-------------------|-----------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 500.75 | 408.41 | 37.90 | 116.28 | - | - | 1,063.34 |
| (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 | - | - | - | - | - | - | - |
| Gross Carrying amount - Trade Receivables | 500.75 | 408.41 | 37.90 | 116.28 | - | - | 1,063.34 |
| Expected Credit loss | - | - | - | - | - | - | - |
| Net Carrying Amount | 500.75 | 408.41 | 37.90 | 116.28 | - | - | 1,063.34 |

As at 31st March 2023:

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|------------------|-----------|-----------|-------------------|---------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | 339.36 | - | - | - | - | 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 | - | - | - | - | - | - | - |
| Gross Carrying amount - Trade Receivables | - | 339.36 | - | - | - | - | 339.36 |
| Expected Credit loss | - | - | - | - | - | - | - |
| Net Carrying Amount | - | 339.36 | - | - | - | - | 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 and the cash flow 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 rolling 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 so that it does not breach borrowing limits.

As at 31 March 2024, the Company had a working capital of ₹ 3,692.62 lakhs including cash and cash equivalents of ₹ 58.53 lakhs. As at 31 March 2023, the Company had a working capital of ₹ 1,328.43 lakhs including cash and cash equivalents of ₹ 104.14 lakhs.

(a) Maturities of financial liabilities

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

31 March 2024

| Particulars | Contractual cash flows | | | |
|---|------------------------|-----------------|-------------------|-----------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Non-derivative financial liabilities | | | | |
| Borrowings | 531.65 | 2,747.27 | 617.37 | 3,896.29 |
| Provisions | 0.99 | 4.75 | - | 5.74 |
| Tax Liabilities | - | - | - | - |
| Other Liabilities | 93.05 | - | - | 93.05 |
| Other financial liabilities | 486.14 | - | - | 486.14 |
| Trade payables | 219.67 | - | - | 219.67 |
| Total | 1,331.50 | 2,752.02 | 617.37 | 4,700.89 |

31 March 2023

| Particulars | Contractual cash flows | | | |
|---|------------------------|-----------------|-------------------|-----------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Non-derivative financial liabilities | | | | |
| Borrowings | 495.80 | 3,243.13 | - | 3,738.93 |
| Provisions | 0.42 | 4.88 | - | 5.30 |
| Tax Liabilities | - | - | - | - |
| Other Liabilities | 9.53 | - | - | 9.53 |
| Other financial liabilities | 130.06 | - | - | 130.06 |
| Trade payables | 146.68 | - | - | 146.68 |
| Total | 782.49 | 3,248.01 | - | 4,030.49 |

(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 and control 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 the currency other than the functional currency of the Company which exposes it to foreign currency risk.

(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 arises. The 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.

| Particulars | Currency | In foreign currency | | In INR | |
|---|----------|------------------------|------------------------|------------------------|------------------------|
| | | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| Financial assets (Gross) | | | | | |
| Trade receivables | USD | 9.56 | 3.79 | 789.80 | 308.49 |
| | EURO | 2.66 | - | 235.85 | - |
| | GBP | 0.14 | 0.02 | 15.00 | 2.00 |
| Financial liabilities (Gross) | | | | | |
| Trade payables | USD | (0.24) | (0.70) | (20.41) | (58.40) |
| | EURO | (0.08) | - | (7.51) | - |
| | GBP | (0.06) | (0.07) | (5.96) | (6.84) |
| Capital creditors | USD | - | (0.16) | - | (13.01) |
| | EURO | (0.03) | - | (2.74) | - |
| | GBP | (0.59) | (0.64) | (62.63) | (66.68) |
| Net Foreign currency receivable/(payable) | USD | 9.32 | 2.93 | 769.39 | 237.08 |
| | EURO | 2.55 | - | 225.60 | - |
| | GBP | (0.51) | (0.69) | (53.59) | (71.52) |

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EURO and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax 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 before tax | |
|-------------|--|-----------------------------|------------------------|
| | | As at 31 March 2024 | As at 31 March 2023 |
| USD | 5% | 38.47 | 11.85 |
| | (5%) | (38.47) | (11.85) |
| EURO | 5% | 11.28 | - |
| | (5%) | (11.28) | - |
| GBP | 5% | (2.68) | (3.58) |
| | (5%) | 2.68 | 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 cash flows 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 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Variable rate instruments | | |
| Term loan from banks | 3,262.41 | 3,173.22 |
| Term loans from financial institutions | - | 195.83 |
| Working capital loan | 334.47 | 369.87 |
| | 3,596.89 | 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 before tax | |
|-------------|-------------------------------|-----------------------------|------------------------|
| | | As at 31 March 2024 | As at 31 March 2023 |
| Borrowings | 0.50% | (17.98) | (18.69) |
| | (0.50%) | 17.98 | 18.69 |

41 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:

A Enterprises exercising control

Parent Company PTC Industries Limited

B Name of the related parties and description of relationship:

| Relationship | Name of related party |
|----------------------------------|---|
| Parent Company | PTC Industries Limited |
| Key Management Personnel ("KMP") | Mr. Sachin Agarwal, Chairman and Managing Director Mr. Priya Ranjan Agarwal, Director Mr. Alok Agarwal, Director Ms. Smita Agarwal, Director and Chief Financial Officer Mr. Vishal Mehrotra, Independent Director (w.e.f. 29th May 2023) |

(C) Disclosure of related parties transactions:

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Transactions during the year with Parent Company | | |
| 1. Purchase of Goods | 309.79 | - |
| 2. Services received | 330.12 | 286.29 |
| 3. MEIS License Purchased | 77.85 | - |
| 4. Sale of Goods | 3,107.50 | 1,173.78 |
| 5. Purchase of Fixed Assets | 19.13 | - |
| 6. Share Capital | 12,366.22 | 4,267.39 |
| 7. Rent paid | 58.20 | 58.20 |

(D) Balance outstanding at the year end:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------|------------------------|------------------------|
| Share Capital | 189.20 | 65.53 |

Guarantee given to lenders by Parent Company for Loan outstanding as at 31 March 2024 ₹ 2,500.00 lakhs (previous year ₹ 2,500.00 lakhs)

42 Accounting Ratios

| No. | Particulars | Numerator | Denominator | FY 23-24 | FY 22-23 | % Variance | Reason above 25% |
|-----|---|-------------------------------------|-----------------------------|----------|----------|------------|--|
| 1 | Current Ratio (in times) ^ | Current Assets | Current Liabilities | 3.64 | 2.64 | 37.95% | Due to increase in inventory and debtors for new orders and GST input on capital goods also increased for purchase capital goods during the year which will be utilized in next years. |
| 2 | Debt Equity Ratio (in times) # | Total Debt | Equity | 0.18 | 0.51 | -64.35% | This ratio changed as Holding company has employed huge capital during the year. |
| 3 | Debt Service Coverage ratio (in times) | Earnings available for debt service | Total Debt Service | 4.15 | 7.71 | -46.13% | Decrease as last year there was almost nil repayment of principal compared to current year due to moratorium. |
| 4 | Return on Equity (in %) | Net profit | Average Share holder Equity | 12.64 | 11.52 | 9.72% | |
| 5 | Inventory Turnover Ratio (in times) | Sales | Average Inventory | 3.23 | 2.17 | 48.61% | Due to increase in sale of products as compared to last year for newly developed customers. |
| 6 | Trade Receivables turnover ratio (in times) | Net Sales | Average Trade Receivables | 6.34 | 8.79 | -27.89% | Decrease due to increase in debtors for newly developed products. |
| 7 | Trade Payables turnover ratio (in times) | Net Purchases | Average Trade Payables | 14.53 | 6.11 | 137.75% | Since most of the raw material is purchased on advance basis hence trade payable decreased as compared to increase in sales. |
| 8 | Net Capital Turnover Ratio (in times) | Net Sales | Working Capital | 1.20 | 1.13 | 6.36% | |
| 9 | Net Profit Ratio (in %) | Net Profit | Net Sales | 41.21 | 38.01 | 8.42% | |
| 10 | Return on Capital Employed (in %) * | Earnings before interest and taxes | Capital Employed | 9.05 | 6.83 | 32.50% | Increase sales revenue through strategies such as expanding into new products of defence and aerospace. |

43 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- i) Identify the contract(s) with customer;
- ii) Identify separate performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations; and
- v) Recognise revenue when a performance obligation is satisfied

a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

| Particulars | 31-Mar-24 | | | 31-Mar-23 | | |
|-------------------------|-----------------|--------------------------|-----------------|-----------------|--------------------------|-----------------|
| | Goods | Other operating revenues | Total | Goods | Other operating revenues | Total |
| Revenue from operations | | | | | | |
| Revenue by geography | | | | | | |
| Domestic | 3,159.16 | - | 3,159.16 | 1,499.25 | - | 1,499.25 |
| Export | 1,278.92 | 6.04 | 1,284.96 | 1.96 | - | 1.96 |
| Total | 4,438.08 | 6.04 | 4,444.12 | 1,501.21 | - | 1,501.21 |

b) Assets and liabilities related to contracts with customers

| Particulars | 31-Mar-24 | | 31-Mar-23 | |
|------------------------|-------------|-----------------|-------------|---------------|
| | Non Current | Current | Non Current | Current |
| Trade receivables | - | 1,063.34 | - | 339.36 |
| Advance from customers | - | - | - | - |
| Total | - | 1,063.34 | - | 339.36 |

44 Leases

The Company as a lessee

The Company's leases primarily consists of leases for land. Generally, the contracts are made for fixed period and does not have a purchase option at the

(i) Amount recognised in the Balance sheet

The balance sheet shows the following amounts relating to the leases:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Carrying amount of right-of-use assets: | | |
| Land | 1,685.95 | - |
| Total | 1,685.95 | - |

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Carrying amount of lease liability: | | |
| Current | 32.18 | - |
| Non-current | 267.23 | - |
| Total | 299.41 | - |

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|----------------------------------|----------------------------------|
| Additions to right-of-use assets: | | |
| Land | 1,696.04 | - |
| Total | 1,696.04 | - |

Maturity analysis of lease liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Within one year | 32.18 | - |
| Later than one year but less than five years | 93.40 | - |
| Later than five years | 173.83 | - |
| Total | 299.41 | - |

(ii) The amount recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to the leases:

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|----------------------------------|----------------------------------|
| Depreciation charge of right of use of assets: | | |
| Land | 10.09 | - |
| Total | 10.09 | - |

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|----------------------------------|----------------------------------|
| Interest expense on lease liabilities (included in finance cost) | 1.84 | - |
| Expenses relating to short term and low value leases (included in other) | 58.20 | 58.20 |
| The total cash outflow for leases for the year ended were Rs. | 2.56 | - |

(iii) Extension and termination option

(iv) The Company do not have any operating leases that are non-cancellable.

45 Share based payments

(a) Scheme details

During the financial year 2021-22, the Holding Company had adopted 'PTC Employees Stock Option Scheme 2019 (Plan)' in shareholders Annual General Meeting on September 28, 2019, and obtained an in-principal approval from BSE limited on 7 September 2021 for 1,37,170 Equity shares of Rs. 10/- each. The Compensation Committee (Nomination & Remuneration Committee) at its meeting held on 11 June 2022 had approved grant of 2,255 (convertible into 2,255 Equity shares of the Company, upon exercise) (Tranche-2) to certain Eligible Employees in pursuance of the ESOS Plan.

On 30 August 2022, The Compensation Committee (Nomination & Remuneration Committee) at its meeting had approved the adjustment in the plan, pursuant to the right issue of 78,58,594 fully paid-up equity shares of the face value of ₹ 10 each ("rights equity shares") of the Holding Company for cash at a price of ₹ 10/- per rights equity share aggregating up to ₹ 785.86 lakhs on a rights basis to the eligible equity shareholders of Company in the ratio of 3 rights equity shares for every 2 fully paid-up equity shares held by the eligible equity shareholders of the Holding Company on the record date, that is, on July 22, 2022, in the following manner:

| Details | Existing | Adjustment pursuant to the Rights Issue | Total Employees Stock Option after adjustment |
|-----------------|----------|---|---|
| Total Pool | 1,57,170 | 2,35,755 | 3,92,925 |
| Exercise price* | 990/- | 402/- | 402/- |

*The exercise price shall be adjusted to Rs. 402/- per share instead of Rs. 990/- per share on account of rights issue of equity shares.

The Compensation committee had also approved the below mentioned adjustments in respect of previous grants:

| (i) Adjustment in number of options granted | | | |
|---|----------|---------------------------------------|---|
| Options | Existing | Adjusted pursuant to the Rights Issue | Total Employees Stock Option after adjustment |
| Tranche -2 | 2,255 | 3,382 | 5,637 |

(ii) Adjustment in Exercise price: The exercise price shall be adjusted to Rs. 402/- per share.
(iii) Other terms: other terms shall remain same.

| Particulars | Number of options Granted* (Refer above) | Grant date | Vesting date | Exercise period | Exercise price (Refer above) | Fair value on grant date |
|-------------|--|------------|--------------|----------------------------------|------------------------------|--------------------------|
| Tranche -2 | 1,619 | 11-Jun-22 | 15-Oct-23 | 1 Month from the date of vesting | 402.00 | 1,239.93 |
| | 1,584 | 11-Jun-22 | 15-Oct-24 | | 402.00 | 1,274.36 |
| | 1,840 | 11-Jun-22 | 15-Oct-25 | | 402.00 | 1,305.81 |
| | 598 | 11-Jun-22 | 14-Sep-26 | | 402.00 | 1,334.60 |

During the year, the Nomination & Remuneration Committee (Compensation Committee) of the Board of Directors, in its meeting held on December 15, 2023, allotted 1,284 Equity Shares with a face value of Rs. 10 each. These shares were issued under the PTC Employees Stock Option Scheme 2019 (PTC-ESOS 2019 or Scheme) to eligible employees following the exercise of stock options at an exercise price of Rs. 402 per share.

(b) Compensation expenses arising on account of the share based payments

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Expenses arising from equity – settled share-based payment transactions | 8.04 | 28.55 |
| Total | 8.04 | 28.55 |

(c) Fair value on the grant date

The fair value at grant date is determined using "Black Schules Pricing Model" which takes into account the exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option. The following inputs were used to determine the fair value for options granted on September 15, 2021, on June 11, 2022 and on August 30, 2022.

Options granted as on 11 June 2022

| Description | Vest 1 | Vest 2 | Vest 3 | Vest 4 |
|---------------------------------------|-----------|-----------|-----------|-----------|
| Number of options outstanding | 1,619 | 1,584 | 1,840 | 598 |
| Grant date | 11-Jun-22 | 11-Jun-22 | 11-Jun-22 | 11-Jun-22 |
| Financial year of vesting | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| Share price on grant date (in INR) | 3,794.05 | 3,794.05 | 3,794.05 | 3,794.05 |
| Expected life (in years) | 1.3 | 2.3 | 3.3 | 4 |
| Price volatility of company's share * | 46.22% | 56.96% | 55.75% | 56.10% |
| Risk free interest rate | 5.94% | 6.47% | 6.82% | 7.07% |
| Exercise price (in INR) | 402.00 | 402.00 | 402.00 | 402.00 |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Fair value of option (in INR) | 1,239.93 | 1,274.36 | 1,305.81 | 1,334.60 |

* The measure of volatility used is the annualized standard deviation of the continuously compounded rates of return of stock over the expected lives of different vests, prior to grant date. Volatility has been calculated based on the daily closing market price of the Company's stock on BSE over these years.

(d) Fair value on the grant date

| Description | Number of options | Weighted average exercise price ₹ |
|--|-------------------|-----------------------------------|
| Outstanding as on 01 April 2022 | - | - |
| Options granted during the year | 2,255 | 402.00 |
| Adjustment pursuant to the Rights issue* | 3,382 | 402.00 |
| Options forfeited/lapsed/expired during the year | - | - |
| Options exercised during the year | - | - |
| Options outstanding as at 31 March 2023 ^# | 5,637 | 402.00 |
| Exercisable at the end of the period. | - | - |
| Outstanding as on 01 April 2023 | 5,637 | 402.00 |
| Options granted during the year | - | - |
| Adjustment pursuant to the Rights issue* | - | - |
| Options forfeited/lapsed/expired during the year | 355 | - |
| Options exercised during the year | 1,284 | 402.00 |
| Options outstanding as at 31 March 2024 ^# | 4,018 | 402.00 |
| Exercisable at the end of the period. | - | - |

* Refer above

^ The weighted average remaining contractual life of the share options outstanding at the end of current year is 1.30 years (previous year 1.81 years).

The weighted average fair value of share options outstanding at the end of current year is ₹ 1299.00 per share option (previous year ₹ 1282.03).

46 Assets pledged as security:

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| Non-current borrowings: | | |
| <i>Equitable mortgage</i> | | |
| Land | 1,685.95 | - |
| <i>First charge</i> | | |
| Other movable property, plant and equipment | 353.64 | 262.02 |
| <i>Second charge</i> | | |
| Current assets* | 5,093.44 | 2,140.55 |
| | <u>7,133.03</u> | <u>2,402.57</u> |
| Current borrowings: | | |
| <i>First charge</i> | | |
| Current assets* | 5,093.44 | 2,140.55 |
| Land | 1,685.95 | - |
| Other movable property, plant and equipment | 353.64 | 262.02 |
| | <u>7,133.03</u> | <u>2,402.57</u> |

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

- 47 The Company does not have any charges which are yet to be registered with the Registrar of Companies beyond the statutory period.
- 48 (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
(b) The Company has not received any funds from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 49 There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024 and 31 March 2023.
- 50 The Company has not revalued any property, plant and equipment and intangible assets during the year ended 31 March 2024 and 31 March 2023.
- 51 The Company did not enter into any transactions which are not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 during the year ended 31 March 2024 and 31 March 2023.
- 52 The Company has not traded or invested in Crypto currency or Virtual currency anytime during the year ended 31 March 2024 and 31 March 2023.
- 53 The company does not have any transaction/balances with struck off companies during the year ended 31 March 2024 and 31 March 2023.
- 54 The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 55 The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the year ended 31 March 2024 and 31 March 2023.
- 56 The Company maintains the books of account electronically and its back-up on a server located outside of India. These data are accessible in India at all times. The Company is in the process of evaluating the options to comply with the rules.
- 57 The Company has used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which have a feature of recording audit trail (edit log) facility and same
- 58 Previous year figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification and disclosure.

ALOK
AGARWAL

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