July 11, 2025

To,	To,
The General Manager,	The Listing Department.
Department of Corporate Services,	National Stock Exchange of India Limited
BSE Limited,	Exchange Plaza, C-1, Block G
P.J. Towers, Dalal Street,	Bandra Kurla Complex
Mumbai – 400001	Bandra (E), Mumbai – 400 051
Company Code No.: 543972	**Trading Symbol: AEROFLEX**

Sub: Submission of copy of the Annual Report of the Company for the Financial Year 2024-25

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith copy of the 31st Annual Report of the Company for the financial year 2024-25 which is being sent only through electronic means to the Members.

The Annual Report is also available on the website of Company at www.aeroflexindia.com

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For AEROFLEX INDUSTRIES LIMITED

MUSTAFA ABID KACHWALA

Digitally signed by MUSTAFA ABID KACHWALA
Date: 2025.07.11 18:29:53 +05'30'

Mustafa Abid Kachwala
Whole Time Director & CFO
DIN: 03124453

Encl.: As above

Aeroflex Industries Limited
Annual Report
2024-25

Flexible Solutions,
Infinite Possibilities:
Engineering the Future of Flow

Across the Pages

Shaping Strategy. Elevating Impact.

Page 14

Dynamic Strategies. Innovative Horizons.

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For more investor-related information, please visit:

https://www.aeroflexindia.com/investor-relation/

Or simply scan

Investor Information

Market Cap	INR 2,200.64 Cr. (NSE Ltd.)
CIN	L24110MH1993PLC074576
BSE Code	543972
NSE Symbol	AEROFLEX
Dividend Declared	INR 0.30 per equity share with a face value of INR 2 each
AGM Date	5^{th} August, 2025
AGM Venue	Video Conferencing (VC)/Other Audio Visual Means (OAVMs)

Disclaimer

This document includes forward-looking statements pertaining to anticipated future events and the financial and operational outcomes of Aeroflex Industries Limited ('The Company'). Given their nature, these 'forward-looking statements' necessitate the Company to make assumptions and are inherently susceptible to risks and uncertainties. There exists a prominent risk that the assumptions, predictions, and other forward-looking statements may not prove to be precise. Readers are advised against placing undue reliance on these forward-looking statements, as various factors could lead to disparities between assumptions and actual future results and events. Consequently, this document is subject to a disclaimer and is qualified in its entirety by the assumptions, qualifications, and risk factors outlined in the Management Discussion and Analysis section of the Company's Annual Report. All trademarks, logos, and brand names of third parties used in this report are the property of their respective owners and are used for identification purposes only. Their inclusion does not imply endorsement or affiliation.

Flexible Solutions, Infinite Possibilities: Engineering the Future of Flow

At Aeroflex Industries, flexibility is more than a product feature it's the core of our engineering philosophy. In today's dynamic industrial landscape, efficient movement of solids, liquids, and gases is critical, and our metallic flexible flow solutions ensure precision, durability, and reliability across sectors.

Building on this strength, we have expanded into value-added segments with the launch of metal and miniature bellows, high-performance components designed for precision-critical environments. These next-gen solutions are already gaining traction, particularly in applications like liquid cooling systems for AI data centres, developed in collaboration with our U.S.-based global partner. Since commencing production in January 2025, we have seen strong domestic interest and ongoing international testing.

From railways and aerospace to robotics and electric mobility, our products are built to withstand extreme pressures, absorb vibrations, and adapt to complex installations where rigid systems fall short. Our growing presence in markets like the USA and Europe reflects our commitment to pushing boundaries and setting new industry benchmarks.

Sustainability is at the heart of our approach. Our technologies enhance safety, reduce waste, and boost efficiency for industries worldwide. The strategic acquisition of Hyd-Air has further strengthened our portfolio. By integrating their expertise with our R&D, we have expanded our assembly product range and gained a competitive edge, particularly in railways, shipbuilding, and heavy industries. This move positions us for strong growth in both sales and EBITDA margins.

At Aeroflex Industries, we are not just engineering products, we are reshaping how industries move. Our flexible flow solutions open up endless possibilities for a world in motion. As we continue to innovate, we remain focussed on delivering sustainable, customer-centric solutions that define the future of flow solutions.

Flexible Solutions, Infinite Possibilities: Infinite Growth.

Robust Financials

INR 376.23 Cr.
Revenue

INR 378.76 Cr.
Total Income

INR 81.58 Cr.
EBITDA

21.54%
EBITDA Margin

INR 52.51 Cr.
PAT

13.86%
PAT Margin

Operational Excellence

16.5 Mn Mtrs
Production Capacity

6
Composite Hoses Lines

40
Number of Assembly Stations

2,877
SKUs

58
Products in R&D

1,20,000 Pieces
Metal Bellow Capacity

Environmental Impact

15%
Reduction in Water Consumption

5%
Total Energy Usage from Renewable Energy

5%
Reduction in Energy Intensity

5%
Reduction in Greenhouse Gas Emissions Intensity

222+
Trees Planted

Social Responsibility

556
Total Employees

11%
Women Employees

INR 90.3 Lakhs
CSR Expenditure

SAT & SNEHA FOUNDATION
CSR Beneficiaries

Strong Governance

7
Directors

4
Independent Directors on Board

97.96%
Board Meeting Attendance

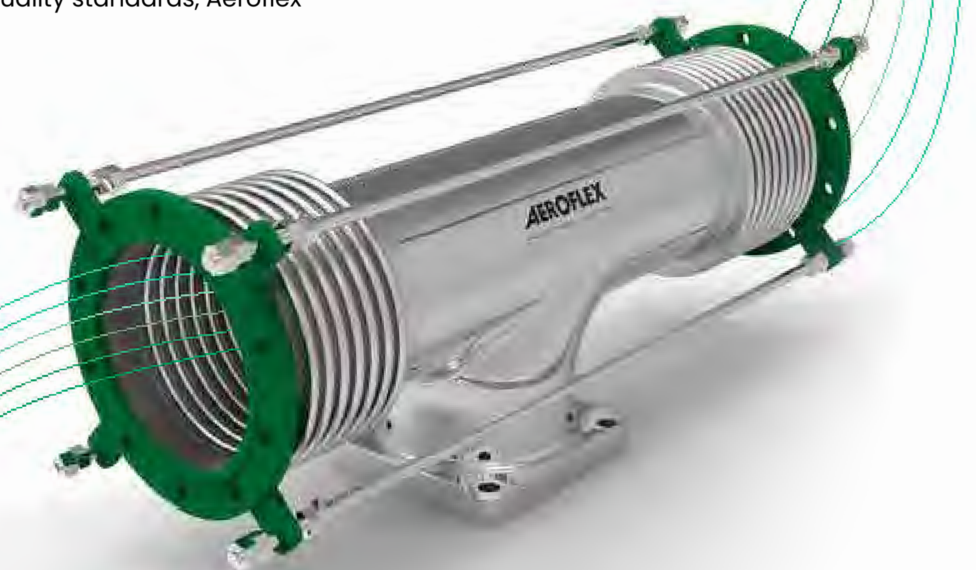
Innovative Solutions. Limitless Possibilities.

Aeroflex Industries Limited, incorporated in 1993, is a leading manufacturer of flexible flow solutions, offering scalable and customised products for a wide range of industries. As part of the promoter group Aeroflex Enterprises Limited (formerly Sat Industries Limited), we have built a de-risked, diversified portfolio that ensures resilience in dynamic global markets.

With a presence in 90+ countries across Asia, the Americas, Europe, and Africa, we are powered by advanced infrastructure, strong R&D, and a dedication to responsible innovation. Our manufacturing facilities in Taloja (Navi Mumbai), Lodha Industrial Estate, Palava (Thane), and MIDC-Chakan (Pune) are equipped to deliver high-precision flow solutions for solids, liquids, and gases.

Backed by a NABL-accredited in-house R&D lab, we continuously innovate to meet evolving industry needs. Our expanding product portfolio is developed by a dedicated technical team focussed on performance, reliability, and customer-specific applications.

Beyond engineering, we foster a culture of excellence. Recognition as a 'Great Place to Work' reflects our determination to creating an environment that supports collaboration, and growth. With a wide range of SKUs and industry-leading quality standards, Aeroflex Industries continues to set benchmarks in flexible flow technology.



Our Mission

To excel and become a world leader in the field of flexible flow solutions by offering total customer satisfaction.

Our Vision

To build and consolidate our leadership position through successful collaboration, market intelligence and thorough research & development.

Our Values

Aeroflex Industries is a people-centric organisation that strongly believes in empowering professionals with strong characters and ethics.

Our Purpose

Commitment to excellence.

Our Stature

26
Years of Industry Leadership

Customised
Solution Provider

Global Customers
Accreditations

NABL
Accredited Lab

16
Qualified R&D Team Members

Great Place to Work
Awarded by Great Place to Work Institute

Milestones

Innovating Flow. Redefining Excellence.

At Aeroflex Industries, our journey has been defined by precision engineering, and excellence in flexible flow solutions. From our early inception to our current global presence, each milestone represents a deliberate step forward demonstrating our dedication to quality, sustainability, and meeting the evolving needs of our customers worldwide.

1

1993

Incorporated as Suyog Intermediary Private Limited

2

1999

Transitioned to Aeroflex Industries Limited

3

2007

Awarded Government of India's 'One Star Export House' recognition

4

2008

Received private equity investment to accelerate growth

5

2009

Established a state-of-the-art manufacturing facility in Navi Mumbai, one of the largest in Asia in its category

6

2018

Acquired by Aeroflex Enterprises Limited, strengthening foundation for long-term growth

7

2020

Launched turbine hose assemblies; extended global footprint to 80+ countries

8

2021-22

Achieved NABL-certified R&D capabilities; awarded 'Two Star Export House' recognition by Government of India

9

2023

Launched IPO

10

2024

Increased manufacturing capacity from 11 mn mtrs to 16.5 mn mtrs; acquired Hyd-Air to bolster assembly capabilities

11

2025

Introduced advanced Metal Bellows; announced plans for Miniature Metal Bellows; further capacity expansion to 20 Mn metres

Products Offerings

Diverse Products. Boundless Potential.

At Aeroflex Industries, we provide high-performance, adaptable flow solutions tailored to diverse industry needs. Our product portfolio includes stainless steel flexible hoses, assemblies, fittings, composite hoses, interlock hoses, and advanced products like metal bellows and miniature metal bellows.

Key Properties of Our Products

- A superior alternative to rubber and polymer-based solutions
- Capable of withstanding high pressure
- Available in a diverse range of sizes
- Resistant to abrasion with flexible fitting options
- Compatible with a vast array of chemicals
- Well-suited for extreme environmental conditions
- Resistant to temperature fluctuations

Stainless-Steel Corrugated Flexible Hoses (with/without Braiding)

Seam-welded stainless-steel tubes with hydro-formed or mechanically formed corrugations; available in annular and helical types.

Key Properties

- High pressure & temperature resistance
- Superior flexibility & abrasion resistance
- Chemical compatibility
- Sizes: ¼" to 14"- Suitable for extreme conditions

Composite Hoses, Interlock Hoses & Others

Helically coiled metal strips with interlocked edges; ideal for medium pressure and protective jacketing.

Key Properties

- Lightweight & flexible
- High-pressure resistance
- Meets stringent specifications

- Exports: **74%**
- Domestic: **26%**

Assemblies&Fittings

Complete hose units with welded/soldered end fittings for secure connections across applications.

Key Properties

- Customisable fittings
- Strong & reliable connections
- Suitable for varied applications

- Europe: **30%**
- The Americas (North + South): **56%**
- Asia: **10%**
- Africa: **3%**
- Others: **1%**

Metal & Miniature Bellows

Made from SS, nickel alloys, and Inconel; designed to absorb vibrations, expansion, and misalignment.

Key Properties

- Absorbs stress & improves efficiency
- Precision-engineered to handle high dynamic applications

- SS Flexible Hoses (with & without Braiding): **48%**
- Assemblies & Others: **52**

Industries We Serve and Support

Empowering Industries.
Fuelling Innovation.

At Aeroflex Industries, we deliver high-performance stainless-steel hoses and assemblies for critical applications across aerospace, oil & gas, hydrogen, solar, robotics, and other new-age emerging sectors.

Stainless-Steel Braiding

Steel and Metal

1

Applications

- Blast furnaces
- Basic Oxygen Furnaces (BOF)
- Coke ovens
- By-product transfer
- Boiler and power generation units
- High-temperature lubrication lines
- Cooling water hoses
- Vacuum degassers

Petrochemicals and Oil Refineries

2

Applications

- Process piping
- Plastic resin transfer
- Steam lines
- Hydrocarbon transport
- By-product transport
- Additive transport
- Hydrocarbon drain hoses
- Lube oil and grease plant process lines
- Gas burner connections
- Process line connections

Solar

3

Applications

- Solar panel water connections
- Heating systems
- Hot and cold water transfer between solar thermal panels and storage tanks

Bulk Terminal Handling

Applications

- Cement transport
- Fertiliser transport
- Fly ash transport
- Glass transport
- Gravel transport
- Rock salt transport
- Suction systems
- Pneumatic systems
- Gravity-powered systems

Chemicals, Food and Pharmaceuticals

Applications

- Chemical transfer
- Loading and unloading of liquid chemicals
- Food product transfer
- Pharmaceutical product transfer

Paper & Pulp

Applications

- Steam transfer
- Chemical transfer
- By-product transport

Emerging Industries

Industry	Applications
Fire Sprinklers and Fire Fighting Solutions	Fire suppression systems – indoor and outdoor high-pressure hose applications.
Aerospace and Defence	Fuel, coolant, and hydraulic fluid transfer across aircraft systems.
Semiconductors	Transfer of ultrapure water, chemicals, and gases in chip fabrication.
Robotics and Automation	Pneumatic systems, robotic welding, and end-of-arm tooling.
Hydrogen	Hydrogen storage, dispensing, and transportation systems.
Electric Mobility	Thermal management in EV battery systems and fluid transfer assemblies.
HVAC	Thermal expansion control and vibration absorption in HVAC piping systems.

- Steel and Metal: **25%**
- Oil & Natural Gas: **20%**
- Petrochemicals & Chemicals: **16%**
- Refinery: **8%**
- Mining & Drilling: **7%**
- New-Age Industries & Others: **24%**

Our Esteemed Clientele

ONGC | Tata Steel | Tata Metaliks
Kirloskar Pneumatics | Blue Star | DCM Shriram
IndianOil | Pidilite | Welspun World

Global Presence

Robust Footprint.
Lasting Impact.

At Aeroflex Industries, we export to 90+ countries across Asia, the Americas, Europe, and Africa, continuously expanding our global reach. This broad geographic presence helps us seize growth opportunities worldwide while reducing risks tied to any single market.

Disclaimer
This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representations of political boundaries and the names of geographical features and states do not necessarily reflect the actual position. Our Company, any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or designed thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Country-Wise Export Sales for FY 2024-25

Country	% of Sales
USA	47
Italy	5
Spain	4
Belgium	4
France	4
UAE	3
Poland	3
Brazil	3
Canada	2
Netherlands	2
United Kingdom	2
Other Countries	21

Domestic Sales Breakup (in %)

FY 2024-25	16.49
FY 2023-24	23.85

International Sales Breakup (in % of Geographical Sales)

Americas (North + South)

FY 2024-25	55.83
FY 2023-24	60.77

Europe

FY 2024-25	30.28
FY 2023-24	26.12

Asia

FY 2024-25	9.65
FY 2023-24	10.31

Africa

FY 2024-25	3.45
FY 2023-24	2.15

Others

FY 2024-25	0.79
FY 2023-24	0.65

MD's Statement

Shaping Strategy. Elevating Impact.

Dear Shareholders,

With great pride and gratitude, I present to you our Annual Report for FY 2024–25, a year marked by resilience and purposeful growth.

At Aeroflex Industries, we believe that engineering and adaptability are our way forward. These values are embedded in everything we do, driving us to deliver flexible flow solutions that power industries across the globe. From improving functionality and reliability to championing sustainability, our solutions are designed to meet the evolving needs of modern fluid transfer systems.

This year, we continued to push the boundaries integrating advanced materials, smart technologies, and eco-conscious practices into our offerings. We are not just keeping up with industry standards; we are setting them.

Looking ahead, our mission remains clear: to lead with creativity, challenge conventions, and transform how the world moves and manages flow.

> Our strategic focus remains on expanding our product portfolio, enhancing our global presence, and driving operational efficiencies through digitisation and Industry 4.0 initiatives.

Navigating the Macroeconomic Dynamics

The past year has brought both challenges and opportunities amid macroeconomic fluctuations and evolving industry dynamics. However, global economic stabilisation, supported by easing inflation, resilient consumer demand, and improved financial conditions, has paved the way for progress and growth. Though supply chain disruptions and geopolitical tensions persist, the global economy expanded at a moderate pace of 3.3% in 2024.

India remains a standout performer in this changing business environment, with a projected growth rate of 6.5% for FY 2024-25. This resilience is fuelled by robust domestic demand, structural reforms, and strategic infrastructure investments. Strong performance in agriculture and services, stable private consumption, and improving labour markets further reinforce India's position as a key driver of global economic growth.

Amid this momentum, the stainless steel (SS) flexible hose market is set for strong expansion. Rising demand across oil & gas, chemicals, and pharmaceuticals is accelerating global growth. In India, the stainless-steel market is expected to grow from USD 17.45 Bn in FY 2024-25 to USD 31.91 Bn by FY 2034-35, recording a 6.2% CAGR. Large-scale infrastructure investments and a shift towards durable stainless-steel alternatives are driving this expansion. Established sectors like oil & gas, chemicals, pharmaceuticals, and automotive continue to boost demand, while emerging industries such as renewables, EVs, and semiconductors create new opportunities.

Operational Performance

As part of our vision for sustained growth and diversification, we strategically acquired Hyd-Air Engineering Private Limited. Known for its German technology-enabled hydraulic fittings, fluid connectors, valves, and related components, Hyd-Air serves critical sectors such as railways, shipbuilding, defense, steel, and heavy machinery. Its ISO 9001:2015-certified facility in Pune supports high-precision manufacturing, installation, and training.

This acquisition brings significant strategic advantages to Aeroflex Industries. It strengthens our foothold in high-potential industries, enhances vertical integration by bringing hydraulic fittings in-house, and expands our product portfolio to offer end-to-end fluid flow solutions. With ample room for capacity ramp-up, strong R&D synergies, and improved operational efficiencies, the integration of Hyd-Air is set to drive margin expansion, revenue growth, and reinforce our leadership in the assembly product segment.

Expanding Global Presence and Market Reach

While strengthening our leadership in the domestic market, where total income has risen by an impressive ~18% YoY, we are accelerating our global expansion. Today, we export to 90+ countries, serving key markets in the Americas, Europe, the Middle East, and Asia-Pacific. Our solutions cater to diverse industries, including oil & gas, automotive, power, and heavy engineering, with a growing customer base among global OEMs and industrial manufacturers. By adhering to the highest international quality standards and securing key certifications, we have positioned ourselves as a trusted supplier in highly regulated markets.

Strengthening Capacity Expansion

Aeroflex Industries has taken an industrial shed measuring 68,459 square feet on a long-term lease at the Lodha Industrial and Logistics Park Palava II, located in Narhen village, Ambernath. This facility is dedicated to our Metal Bellows project.

As part of our continued focus on precision, scalability, and operational excellence, we have set up this new

manufacturing unit near Taloja MIDC. Focussed on the production of bellows and composite hoses, the facility significantly enhances our capacity to meet rising customer demand while optimising overall operational output.

High-margin products, particularly assemblies and fittings, remain a key focus area, and now contribute more than 50% of our total revenue. To support this momentum, we continue to invest in capacity expansion and operational excellence. As of December 2024, we successfully scaled our production capacity to 16.5 Mn metres of stainless-steel hoses and braiding, with an ambitious target of 20 Mn metres by March 2026. To further enhance productivity and precision, 30 additional assembly stations are planned to be commissioned by March 2026, supporting ongoing automation efforts. Our company plans to integrate automated and robotic assembly lines as part of our phased expansion strategy.

Advancing Product Innovation

Alongside our core offerings, our expansion into metal bellows production is progressing as planned. This expansion not only broadens our product range but also cements our presence in high-precision applications.

Financial Performance

We are pleased to share that FY 2024-25 has been a year of strong growth and resilience for Aeroflex Industries. Our total income grew by 18% YoY to INR 378.76 Cr., reflecting our robust revenue trajectory. This momentum was further reinforced by an impressive 24% YoY increase in EBITDA, reaching INR 81.58 Cr., and a 26% YoY rise in PAT, rising to INR 52.51 Cr. The Board of Directors has recommended a final dividend of INR 0.30 per equity share of face value INR 2 each (i.e., 15%).

Technological Developments

We are pleased to announce significant infrastructure enhancements at our subsidiary, Hyd-Air, in Chakan, Pune. These upgrades include advancements in our quality lab and R&D centre, reinforcing our focus on progress and excellence. Additionally, the installation of state-of-the-art CNC machines has improved our manufacturing capabilities.

Our R&D efforts are focussed on expanding the product portfolio by exploring both existing and new materials, including stainless steel, bronze, Inconel, Monel, and PTFE, among others.. Simultaneously, we are expanding our product portfolio to include fire hose assemblies, vacuum hoses, interlock hoses for heavy-duty applications, and gas hose assemblies meeting EN14800 standards.

To enhance operational excellence, we have successfully implemented an integrated SAP ERP system, streamlined processes and enhanced management effectiveness. Furthermore, real-time data monitoring through digital tablets on production lines has optimised machine performance and throughput.

Sustainability Commitment

For us, sustainability is more than just business success; it is about creating a lasting impact on the environment, our employees, and the communities we serve. With responsible innovation at our core, we embed sustainable practices across our operations, while ensuring a healthy, supportive workplace for our people.

Our journey towards a greener future has seen us take decisive steps to minimise our environmental footprint. A significant milestone is the commissioning of a 750-kilowatt (kW) rooftop solar project at our Taloja manufacturing facility. We have also ensured the following practices:

- A structured transition to sustainable energy solutions
- Utilising an in-house treatment plant to conserve water
- Reducing emissions and improving operational efficiency
- Transitioning to materials with 35-40% recycled content, with a goal of reaching 100% within the next three years

Our focus on well-being extends beyond our workforce to the broader community. We recognise the significance of contributing to the communities that surround us. Through our community outreach programmes, we strive to create a meaningful impact in education, healthcare, and environmental sustainability. Parallelly, we are also backing local initiatives that

With the assembly business now contributing ~52% to our revenues, we are firmly on track to achieving our strategic goal of deriving 60–70% of our revenue from this high-growth segment over the next 3–4 years. Looking ahead, targeted capacity additions in value-added offerings are expected to further elevate our EBITDA margins and reinforce our leadership position in the market.

drive social welfare and long-term development.

We believe sustainability is about creating long-term value not just for our business but for society. By integrating environmental responsibility, employee well-being, and social commitment, we strengthen our mission to drive a lasting, positive impact in everything we do.

Future Roadmap

Our growth strategy centres on diversifying product offerings, expanding our global footprint, and entering high-value market segments with innovative solutions. To drive this vision, we have increased production capacity, prioritising value-added products that enhance EBITDA margins and strengthen our market position.

To support these initiatives, we are enhancing our R&D and design teams, fostering a culture of continuous improvement in flexible flow solutions. We are also expanding our global presence by establishing strategic delivery locations and broadening our product portfolio. Capitalising on our advanced manufacturing capabilities and Industry 4.0 initiatives, we aim to drive operational efficiencies and deliver cutting-edge solutions to meet the evolving needs of our customers across diverse industrial segments.

With our full production capacities now operational and the successful integration of our recent inorganic acquisition, we are pleased to report that we have surpassed the financial targets shared last year. Notably, the assembly business now contributes approximately 52% of our revenue. This marks a significant step towards our goal of generating 60% to 70% of revenue from this segment within the next three to four years and underscores the strong momentum in our growth strategy.

These transformative initiatives cement Aeroflex Industries' position as a leader in the evolving market, reaffirming our dedication to innovation, operational excellence, and customer-centric solutions.

Closing Note

As we look ahead, we remain confident in Aeroflex Industries' long-term growth trajectory. Our strategic focus continues to be on shifting the business mix towards high-margin, value-added products, particularly in metal bellows and assemblies, which we expect to be key growth drivers.

We are also entering new applications and building strategic partnerships globally, aligning with evolving industry needs. Our teams are diligently working to strengthen Aeroflex Industries' presence both in domestic markets and across international geographies.

Capacity expansion efforts are progressing in a phased manner, in line with our broader business plan. We view Aeroflex Industries as a compelling long-term growth story, with EBITDA and profit margin enhancement remaining at the core of our business philosophy. We are also actively exploring opportunities for organic and inorganic expansion both within India and internationally and are actively evaluating potential acquisition targets and partnership opportunities to support our global expansion goals.

For FY 2025-26, our focus is firmly on delivering profitable growth, led by operational efficiencies, a greater mix of value-added products, and benefits from our scaled-up capacities. We expect this combination to translate into meaningful EBITDA expansion and long-term value creation for all stakeholders.

Warm regards,

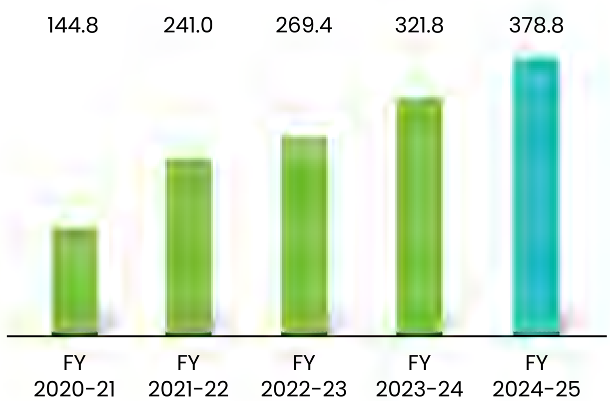
Asad Daud
Managing Director

Financial Performance

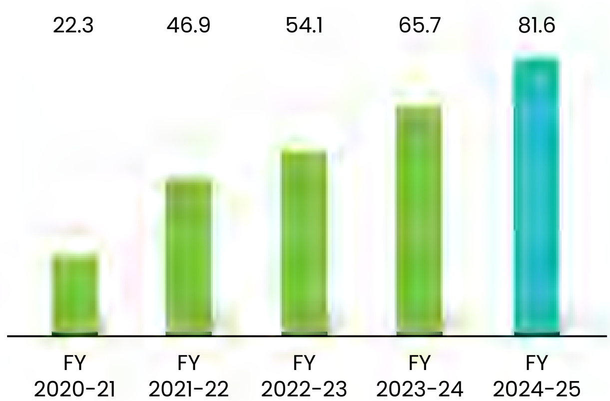
Economic Strength.
Sustainable Progress.

Our strong financial foundation empowers us to invest in innovation, expand operations, and strengthen our global presence. With a balanced risk management approach and a focus on maximising shareholder value, we continue to strengthen our financial position while fostering growth across multiple industries.

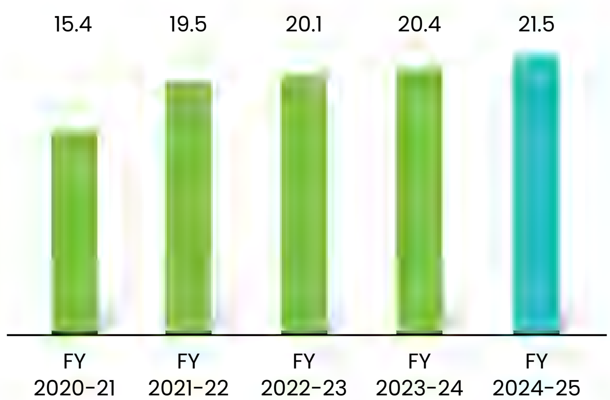
Total Income (INR in Cr.) **21%** CAGR



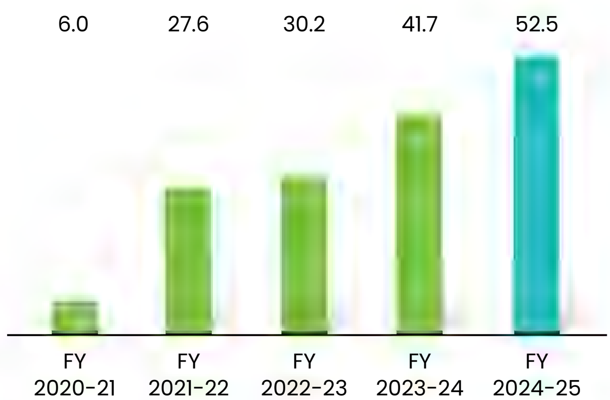
EBITDA (INR in Cr.) **30%** CAGR



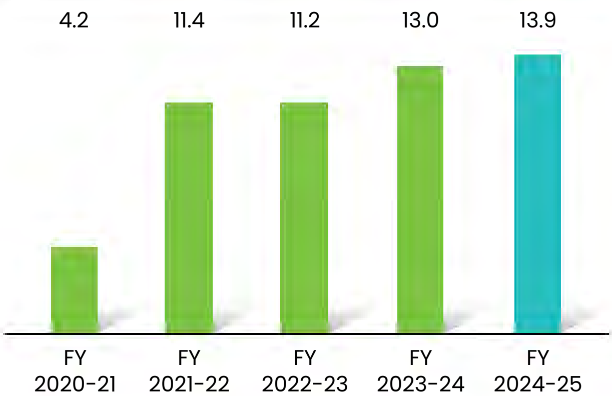
EBITDA Margin (in %)



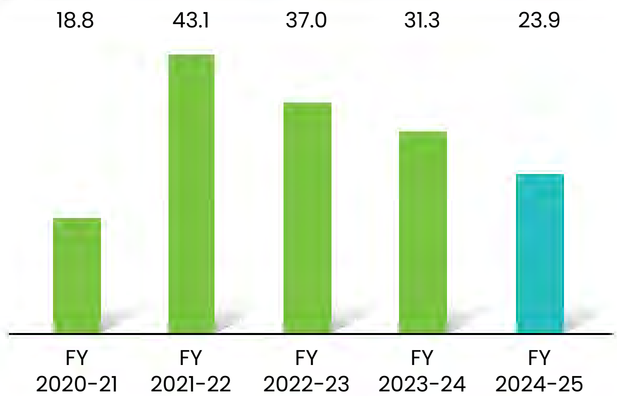
PAT (INR in Cr.) **62%** CAGR



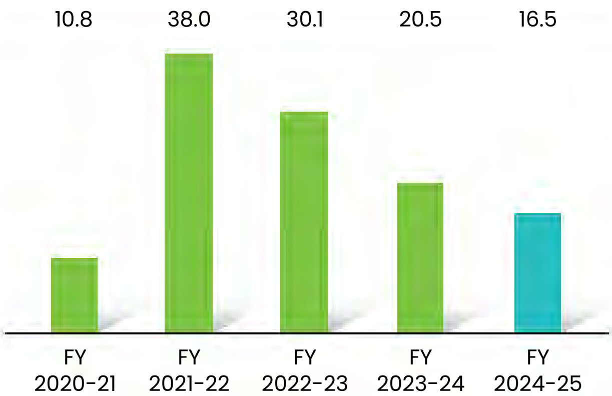
PAT Margin (in %)



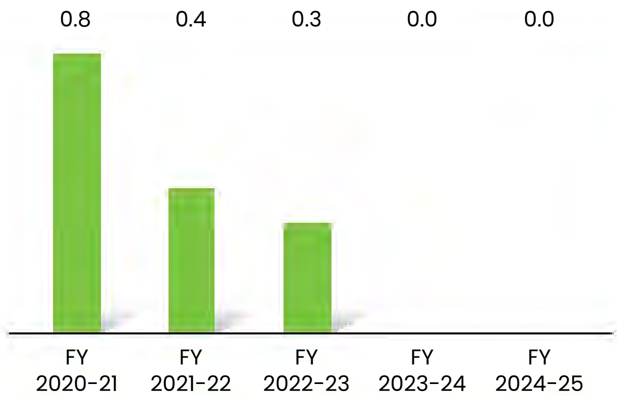
ROCE (in %)



ROE (in %)



Net Debt to Equity (in Times)



Future Growth Drivers

Strengthening Our Market Position with the Acquisition of Hyd-Air Engineering Private Limited

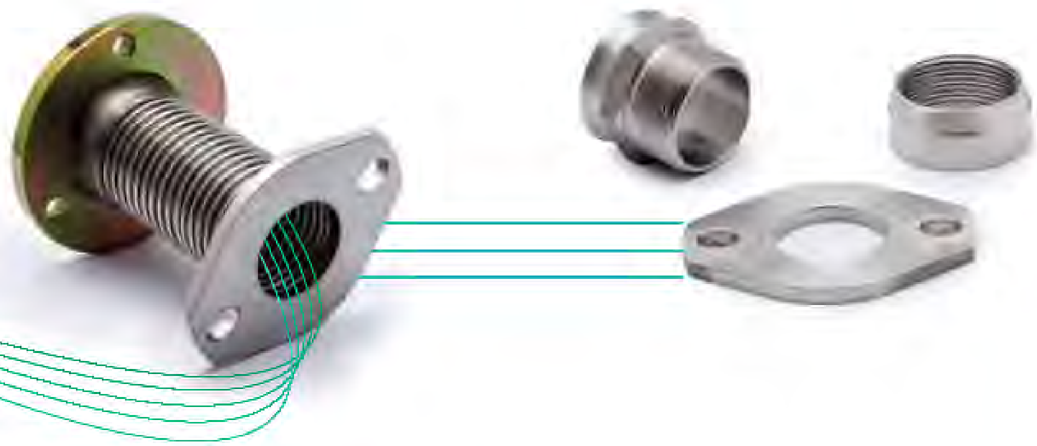
The acquisition of Hyd-Air enhances our integrated manufacturing capabilities and expands our presence in assembly-based solutions.

Through this acquisition, we are achieving:

- End-to-end solutions with vertical integration, streamlining our manufacturing processes.
- Enhanced operational efficiency, reducing production timelines.
- Access to a wider range of products, including hydraulic fittings, fluid connectors, flanges, and valves, seamlessly integrated into our existing offerings.
- Entry into new industries, including railways, shipbuilding, and heavy industries.
- Access to new clients such as Mazagon Dockyard, SAIL, BHEL, JSW, and Arcelor Mittal.
- Hyd-Air's expertise in hydraulic products enhances our ability to develop advanced flexible flow solutions, sharpening our competitive edge in system design.
- Streamlining manufacturing and distribution while reducing lead times, enabling production ramp-up without major infrastructure investments.
- Optimising existing infrastructure and increasing production will drive stronger sales and improved EBITDA margins.

Growth Synergies

- Complete fluid control systems with components like valves, flanges, and fittings
- New Customers; Mazagon Dockyard, SAIL, BHEL, JSW, and ArcelorMittal
- Faster production, optimised infrastructure, and improved EBITDA margins



Our Strategies

Dynamic Strategies. Innovative Horizons.

We drive advancement and sustainable growth by diversifying our product portfolio, expanding global reach, and entering high-value sectors with advanced offerings.

Expanding Product Portfolio to Capture Large Market Opportunities

Specialising in high-performance stainless steel flow solutions, we are now adding bellows production, including miniature metal bellows (10–50 mm diametre) for precision sectors like aerospace, robotics, and semiconductors.

Strengthening In-House Design and R&D Capabilities

Our NABL-accredited laboratory, backed by a team of qualified R&D professionals, is at the forefront of innovation. Our research and development efforts are focussed on expanding our product portfolio across both existing and new materials—including Stainless Steel (SS), Bronze, Inconel, Monel, and PTFE, among others.

Strengthening Global Reach for Sustainable Growth

Despite ongoing geopolitical challenges, we recorded an impressive 74% growth in exports. To further strengthen our global presence, we are establishing strategic hubs across the USA, Europe, and the Middle East—targeting critical sectors such as oil & gas, aerospace, defence, electric mobility, and robotics.

Domestic Market Growth

Domestic revenue currently stands at 26%. We are focussed on strengthening our presence in the domestic market by efficiently utilising our established capabilities and broadening our product portfolio and de-risking our global exposure by expanding our footprint in key domestic markets.

Digitisation and Industry 4.0

We are integrating SAP ERP, deploying digital production monitoring, and leveraging IoT, Machine Learning, and Industry 4.0 technologies to drive data-driven decision-making, enable lean manufacturing, and optimise sustainable water discharge. Additionally, we have implemented advanced simulation systems to support R&D and accelerate product innovation.

Strategic Inorganic Acquisitions

The April 2024 acquisition of Hyd-Air Engineering adds fluid control assemblies, opens railways, shipbuilding, and heavy industry sectors, and enables backward integration through in-house fittings manufacturing for cost and efficiency gains.

Focus on EBITDA Margins and Value-added Products

We are strategically expanding our portfolio of high-margin products, with a focussed shift towards assemblies and value-added offerings such as Metal Bellows. This transition is aimed at strengthening our value proposition and driving higher EBITDA margins.

State-of-the-Art Infrastructure

Advanced Infrastructure. Enhanced Efficiency.

Our world-class manufacturing facilities combine precision engineering and advanced technology to deliver flexible flow solutions with superior quality and durability. Focused on sustainability and continuous improvement, we employ cutting-edge processes to meet global industry demands reliably.

Our Manufacturing Prowess

- **3** Facilities
  Taloja (Navi Mumbai)
  Lodha-Palava (Thane)
  MIDC-Chakan (Pune)
- **16.5** Mn metres
  Production Capacity
- **87**
  Production Lines
- **556**
  Employee Strength
- **2,877**
  SKUs

- **In-house Design and R&D**
  Laboratory
- **Strategically Located**
  near JNPT Port
- **Critical Flow Application**
  across Diverse Industries

Our Taloja facility anchors our global supply network, serving over 90+ countries across automotive, oil & gas, aerospace, and other new-age sectors. To enhance capabilities, we have expanded at Lodha Industrial Park near Taloja MIDC, focussing on bellows and composite hoses for improved precision and efficiency.

Our subsidiary, Hyd-Air in Chakan, Pune, has upgraded its infrastructure, including quality labs and R&D centres, reinforcing advanced research and quality control. With state-of-the-art technology, stringent quality standards, and a focus on sustainability, we continue to deliver exceptional solutions and maintain industry leadership.

Certifications

ISO 9001:2015
(Quality Management Systems)

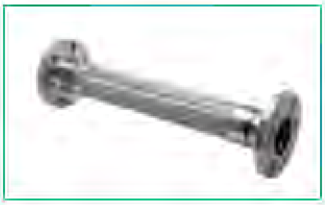
ISO 14001:2015
(Environmental Management Systems)

ISO 45001:2018
(Occupational Health and Safety Management Systems)

Our Manufacturing Prowess

Product Segment	Capacity as of	Details	Additional Capacity
SS Flexible Hoses Phase II	December 2024	Capacity increased from 13.5 Mn metres to 16.5 Mn metres	3 Mn metres
Composite Hoses	December 2024	Addition of 3 more lines for sizes up to 20 inches, leading to total 6 operational lines	3 Operational Lines
Metal Bellows	January 2025	Started production capacity of 1,20,000 pieces per annum	-
SS Flexible Hoses Phase III	March 2026	Planned capacity increase to 20 Mn metres	3.5 Mn metres
Assemblies and Fittings	March 2026	Planned increase in the number of stations to 70	30 Assembly Stations
Miniature Metal Bellows	March 2026	2,40,000 pieces annually	-



Pushing Boundaries. Achieving Excellence.

Our R&D is focussed on advancing flexible flow solutions through precision engineering, advanced materials, and rigorous research. We develop high-performance products that set industry standards in efficiency, durability, and reliability.

By leveraging stainless steel and next-generation materials, we address evolving global industrial needs, enhance product complexity, and optimise manufacturing processes—strengthening our competitive edge.

Our dedicated in-house R&D laboratory drives sustainable, high-quality innovation. Continuous testing and process improvements ensure our solutions meet the latest industry standards while maintaining environmental responsibility.

Our Stature

58
Products across Various Stages of R&D

16
Qualified R&D Professionals

NABL
Accredited Lab

Key Products Under R&D and their Applications

Solar Hose

HVAC and industrial & Residential Heaters

Interlock Hose Heavy Duty

Suction Pumps

Vacuum Hose Assembly

Vacuums

Gas Hose Assembly

Gas Hoses (as per EN14800 Standard)

Fire Fighting Network Hose Assemblies

Automobile – Commercial Vehicles

Air Delivery Hose

Compressors

Air Suction Hose

Compressors

Our subsidiary, Hyd-Air, in Chakan, Pune, seen major infrastructure enhancements, including upgrades to its quality lab and R&D centre. We have also invested in advanced CNC machinery to strengthen manufacturing capabilities. A major order from the railway coach factory has further accelerated Hyd-Air's growth, and we plan to continue expanding our CNC capabilities in the near future.

Sustainable Innovation. Responsible Progress.

As a leader in fluid management solutions, we are committed to developing sustainable technologies that improve efficiency, performance, and reduce environmental impact. Our responsible approach ensures that every advancement supports a greener, resilient future.

We minimise resource consumption, waste, and emissions through energy-efficient technologies, water optimisation, and waste recycling. Additionally, we reduce our carbon footprint by using renewable energy and sustainable transportation wherever possible.

Our Initiatives

Our manufacturing processes consume minimal fossil fuels and are designed for zero emissions.

Our in-house treatment plant supports 100% water recycling, minimising waste and optimising resource use.

We actively use electric vehicles for transporting goods and materials internally, reducing our reliance on conventional fuels.

Currently, 35-40% of our packaging materials are sourced from reprocessed materials. Our strategic goal is to transition to 100% recycled packaging within the next three years.

We actively engage in tree plantation initiatives at our factory premises and surrounding communities.

Our newly commissioned 750 kW rooftop solar project marks a significant step in reducing reliance on non-renewable energy, lowering electricity costs, and cutting our carbon footprint.

Social Commitment

Empowering Lives. Creating Impact.

We believe our success stems from the well-being of our employees, the strength of our communities, and the trust of our customers. We foster a workplace where our people feel valued, empowered, and inspired to grow. Our dedication extends beyond business success—we actively contribute to the community through healthcare, skill development, and sustainability initiatives. For our customers, we strive to deliver innovative, high-quality solutions that make a meaningful impact. Together, we are shaping a future where business excellence and social responsibility go hand in hand.

Ensuring Employee Well-being

We recognise our employees as the heart of our success. Their well-being is fundamental to our continued growth, and we are firm in our commitment to fostering an environment that nurtures both their physical and mental health. We offer far more than just a pay cheque—we nurture a culture of value, support, and empowerment, enabling our team to reach their highest potential. With continuous learning opportunities and advanced technology, we enable our people to thrive, innovate, and grow.

Providing Holistic Healthcare

At Aeroflex Industries, we place utmost importance on the health and well-being of our employees. Our Occupational Healthcare Centre and Mind & Body Wellness Centre at our Taloja facility are fully equipped with trained and qualified nurses, advanced medical equipment, and dedicated beds for examination, dressing, and physiotherapy.

To ensure top-tier healthcare access, we have onboarded specialised doctors for periodic check-ups and partnered with Medicover Hospitals, Kharghar, Navi Mumbai. In addition, every employee undergoes a body composition analysis every 60 days, enabling us to monitor their health. We also offer regular mental health support through professional sessions with a qualified psychologist. In case of emergencies, a standby ambulance is available 24/7 to ensure immediate assistance.

Wellness Workshops and Fitness Programmes

- **Eye Check-up Camps**
- **Annual Medical Health Check-ups**
- **Employee Reward Programmes**
- **Quarterly Health Checkups**

Supporting Working Parents with Childcare Services

Understanding the needs of working parents, we have established a Child Care Centre at our Taloja Factory, exclusively for our employees. This facility provides comprehensive childcare and crèche services to nurture our employees' children, giving parents peace of mind while working.

Organising Blood Donation Camps and Other Health & Fitness Initiatives

We believe in making a difference beyond the workplace. Our commitment extends to organising regular blood donation camps in partnership with leading blood banks and medical institutions. We ensure a safe and hygienic donation process, with our employees enthusiastically participating to help save lives—one donation at a time.

Through these initiatives, Aeroflex Industries ensures that our employees receive the best medical care, feel valued, and stay motivated both personally and professionally.

Caring for Communities

We believe our success is deeply connected to the prosperity of the communities we serve. With a strong sense of responsibility, we drive impactful initiatives in education, healthcare, environmental sustainability, and rural development. Through active community engagement, we strive to uplift lives and create a brighter, sustainable future.

SAT & SNEHA FOUNDATION
CSR Beneficiaries

INR 90.3 Lakhs
CSR Expenditure for FY 2024-25

Customer Engagement

We prioritise customer engagement through innovation, quality, and personalised service. By nurturing meaningful relationships, we ensure seamless communication, responsive support, and bespoke solutions. Our commitment to excellence drives trust and long-term partnerships and enhances customer satisfaction, while we evolve to meet industry needs with advanced technology and expertise.

We offer customised solutions based on customer specifications, and we aim to further enhance our value by providing upfront design services, optimising operating margins, and expanding our capabilities in flow solutions. These initiatives ensure we stay ahead of global industry trends, while consistently meeting the evolving demands of our clients.

Furthermore, we have integrated the Salesforce CRM system to optimise our customer relationship management. This platform streamlines the entire process, from lead generation to order fulfilment, ensuring a seamless and efficient customer journey.

Accreditations from Global Customers

Ethical Excellence. Trusted Leadership.

Strong governance forms the bedrock of our success. We believe that transparency, accountability, and ethical leadership are essential for driving sustainable growth and maintaining stakeholder confidence. Our governance framework ensures compliance, manages risks proactively, and nurtures a culture of integrity at all levels. With clear policies, robust oversight, and data-driven decision-making, we enhance operational efficiency, resilience, and long-term value creation.

We are deeply committed to strong corporate governance, upheld by our esteemed leadership. Our team comprises highly reputed skilled professionals, guided by independent directors with distinguished backgrounds from renowned organisations like the Tata Group, Ashok Leyland, and Senior India. Our strong dedication to ethical business practices defines our operations and values.

7
Directors

4
Independent Directors

Our Esteemed Board of Directors

Audit Committee | CSR Committee | Stakeholders' Relationship Committee | Nomination and Remuneration Committee

C Chairman   M Member

Asad Daud

Managing Director & Chairman

Asad Daud, 35, serves as the Managing Director & Chairman of our Company. He earned a bachelor's degree in accounting and finance from HR College, Mumbai, followed by a Master's degree in the same field from the prestigious London School of Economics. To enhance his leadership capabilities and business acumen, Asad has completed Executive Education programmes at IIM Bengaluru and ISB Hyderabad. He has also completed the 'Leading in the Digital Era' course at Harvard Business School, Boston. With over 15 years of experience in the manufacturing industry, he has been instrumental in expanding both domestic and international operations of our Company. His innovative approach has played a key role in diversifying our Company's operations and product offerings.

M Audit Committee   C CSR Committee   M Stakeholders' Relationship Committee

Mustafa Abid Kachwala

Whole-Time Director & Chief Financial Officer

Mustafa Abid Kachwala, 57, is the Whole-Time Director and Chief Financial Officer of our Company. He holds a Bachelor's degree in Commerce from Mumbai University. Mustafa has been with our Company since 2010, bringing over 15 years of experience to the organisation. He is responsible for overseeing our Company's financial affairs and has played a key role in shaping and managing our financial strategies.

M CSR Committee

Ramesh Chandra Soni

Independent Director

Ramesh Chandra Soni, 65, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from the University of Udaipur and is a fellow member of the Institute of Chartered Accountants of India. With over 37 years of experience in accounts, finance, taxation, and banking, he contributes invaluable knowledge and insight to our Board.

C Audit Committee   C Nomination and Remuneration Committee   M CSR Committee

Harikant Ganeshlal Turgalia

Non-Executive Director

Harikant Ganeshlal Turgalia, 63, is a Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce from the University of Udaipur and offers more than 32 years of experience in management and administration. Harikant has been associated with our Promoter since 2001, playing a key role in managing the financial aspects of Aeroflex Industries' operations.

- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee

Shilpa Bhatia

Independent Director

Shilpa Bhatia, 51, serves as an Independent Director of our Company. She holds a Bachelor's degree in Arts from St. Xavier's College, Mumbai, a Diploma in Personnel Management from XIM Mumbai, and both Bachelor's and Master's degrees in Law from Mumbai University. Shilpa is a practicing advocate at the Honourable High Court of Bombay, bringing over 22 years of legal experience to our Company.

Parthasarathi Sarkar

Independent Director

Parthasarathi Sarkar, 74, serves as an Independent Director of our Company. He holds a Bachelor's degree in Technology (Honours) from the Indian Institute of Technology, Delhi, and a postgraduate degree in Business Administration from the Indian Institute of Management, Ahmedabad. Partha's career spans extensive experience, having contributed to Unilever, Tata Administrative Services, and several other organisations, where he provided advisory and consultation services.

- Nomination and Remuneration Committee

Arpit Khandelwal

Independent Director

Arpit Khandelwal, 34, is an Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce from the University of Rajasthan. Arpit has also completed the Chartered Financial Analyst programme. With 12 years of experience, he specialises in risk management, corporate law, indirect taxes, and international trade laws.

- Audit Committee
- Stakeholders' Relationship Committee
- CSR Committee

Awards and Achievements

1 **Great Place to Work Certification (Employee Survey Result: 86%)**

2 **Great Manager Institute Certification (Self-Assessment and Reporting Manager Survey Result: 93%)**

3

CII Industrial Innovation Award (Recognised as Top 20, Based on Jury and Grand Jury Survey)

4

My Brand Award (Recognition for Outstanding Contribution)

5

EEPC India (EEPC Recognition for Star Performer: Steel Wire, Wire Products and Cables Large Enterprise)

Corporate Information

Board Members

Mr. Asad Daud
Chairman & Managing Director

Mr. Mustafa Abid Kachwala
Whole-Time Director

Harikant Ganeshlal Turgalia
Non-Executive Non-Independent Director

Non-Executive Independent Directors

Mr. Ramesh Chandra Soni

Mr. Parthasarathi Sarkar

Mr. Arpit Khandelwal

Ms. Shilpa Bhatia

Key Managerial Personnel

Mr. Asad Daud
Managing Director

Mr. Mustafa Abid Kachwala
Chief Financial Officer

Ms. Kinjal Kamlesh Shah
Company Secretary & Compliance Officer

Audit Committee

Mr. Ramesh Chandra Soni
Chairman

Mr. Asad Daud
Member Director

Mr. Arpit Khandelwal
Member Director

Nomination and Remuneration Committee

Mr. Ramesh Chandra Soni
Chairman

Mr. Harikant Ganeshlal Turgalia
Member Director

Mr. Parthasarathi Sarkar
Member Director

Stakeholders' Relationship Committee

Mr. Harikant Ganeshlal Turgalia
Chairman

Mr. Asad Daud
Member Director

Mr. Arpit Khandelwal
Member Director

Corporate Social Responsibility (CSR) Committee

Mr. Asad Daud
Chairperson

Mr. Ramesh Chandra Soni
Member Director

Mr. Mustafa Abid Kachwala
Member Director

Mr. Arpit Khandelwal
Member Director

Auditors

Statutory
M/s. Shweta Jain & Co., Chartered Accountants

Internal
M/s. D. M. Jain & Co., Chartered Accountants

Secretarial
M/s. S.K. Jain & Co., Practising Company Secretary

Registered Office Address

Plot No. 41, 42/(13, 14, 18), near Taloja MIDC, Village Chal, Behind IGPL, Panvel,
Navi Mumbai – 410 208, Maharashtra, India

Bankers

Kotak Mahindra Bank Limited

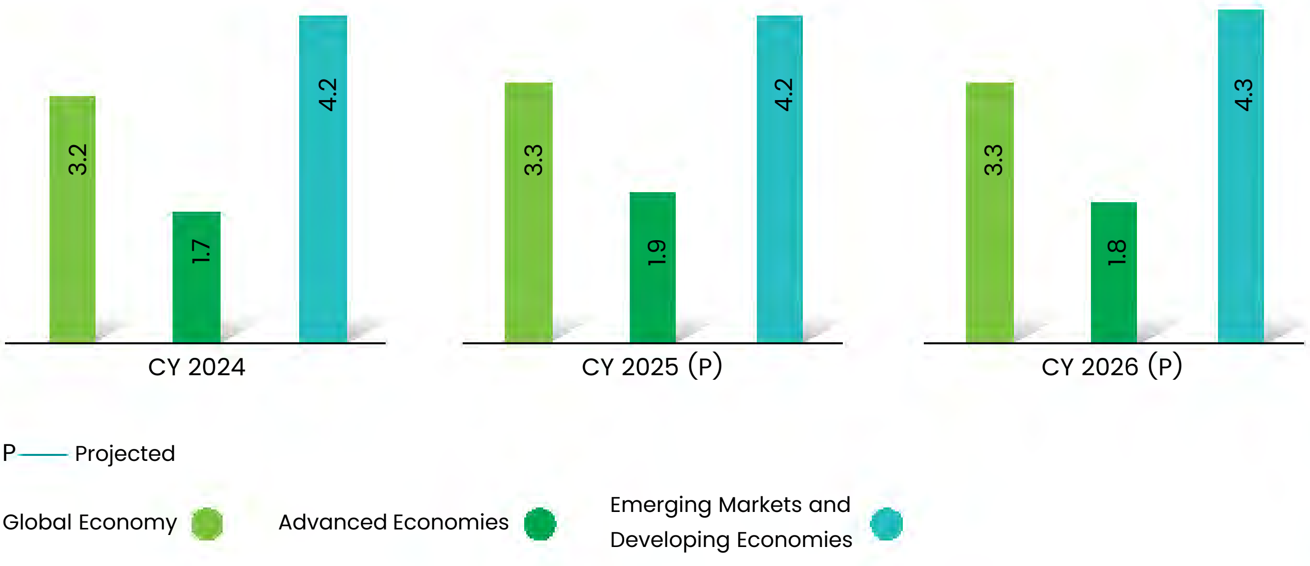
Management Discussion & Analysis

Global Economic Overview

In CY 2024, the global economy experienced moderate growth of 3.3%, indicating a period of relative stability. However, underlying momentum remained subdued. As CY 2025 unfolds, the global environment is undergoing a marked transformation, driven by a reorientation of policy priorities as countries confront escalating geopolitical tensions and increasing economic pressures.

GDP Growth Projections

(in %)



Outlook

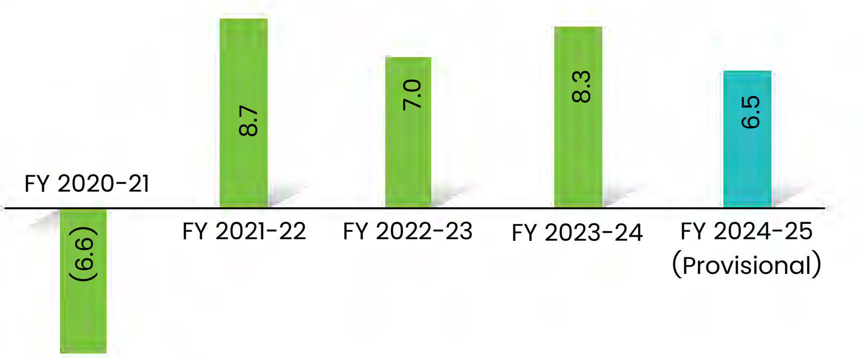
In spite of myriad challenges, the global economy has displayed a significant ability to adapt. With inflationary pressures gradually dissipating and monetary policies becoming more accommodative, there is a tempered sense of optimism for the future. The global economy is anticipated to sustain a steady growth rate of 3.3% in both CY 2025 and CY 2026, supported by reduced inflation, improved financial conditions, and persistent demand. One of the primary drivers of this positive outlook is the significant reduction in inflation over the past two years, which has led to a substantial boost in real incomes, as price increases have decelerated more rapidly than wage growth.

(Source: International Monetary Fund | January 2025; Global Economic Prospects | January 2025, OECD Economic Outlook)

Indian Economic Overview

India's economic trajectory remains promising, with a projected growth rate of 6.5% for FY 2024-25, a clear indication of its enduring strength amid global economic uncertainties. This projection is supported by robust domestic fundamentals and strategic policy interventions that continue to propel the nation's growth. Ongoing structural reforms, technological innovation, and significant infrastructure development fuel the nation's economic momentum. Targeted governmental measures further ensure the sustainability of this growth, while steady consumption and improved labour market conditions strengthen the outlook. The economic resilience is primarily driven by strong performance across the agricultural and service sectors, underpinned by stable private consumption and macroeconomic equilibrium.

GDP Growth Projections (in %)



Outlook

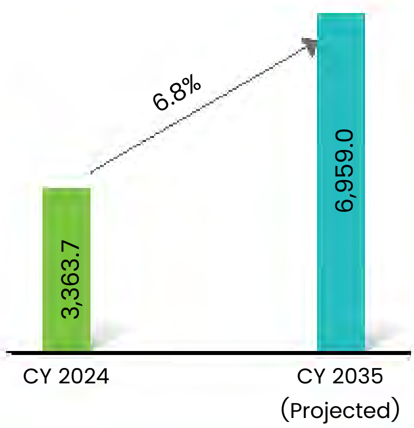
As India prepares for FY 2025-26, the nation's economic prospects remain cautiously measured in the face of ongoing geopolitical uncertainties, trade disruptions, and the potential for commodity price fluctuations. On the domestic front, maintaining the momentum of private sector investment, strengthening consumer confidence, and accelerating corporate wage growth will be essential to sustaining GDP growth. Rural demand is expected to rise as agriculture recovers, food inflation stabilises, and macroeconomic conditions remain favourable. To enhance medium-term economic resilience, India must focus on boosting its global competitiveness through structural reforms and deregulation at the grassroots level. Creating a more business-friendly environment will be critical to mitigating external vulnerabilities and ensuring long-term economic viability.

(Source: Economic Survey 2024-25)

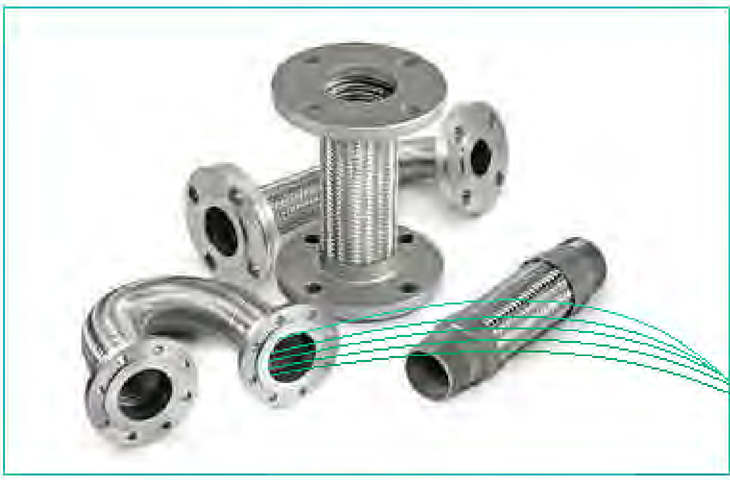
Industry Overview

Global Metallic Flexible Hose Market

The global metallic flexible hoses market is undergoing structural shifts due to evolving industrial demand and supply chain realignments. The market is projected to grow from USD 3,363.7 mn in CY 2024 to USD 6,959.0 mn by CY 2035, registering a CAGR of 6.8%.



The global metallic flexible hoses market is likely to witness robust growth over the next decade as expanding industrial operations, rising demand for eco-friendly solutions, advancements in hose technology and growing oil & gas exploration activities in emerging economies continue to fuel market growth.



The Corrugated Hoses segment is expected to maintain its market leadership from FY 2024-25 to FY 2031-32, driven by their versatility in transporting chemicals, gases, steam, and liquids across various industries. Their structure provides resistance to movement, vibration, and thermal expansion, making them ideal for demanding environments. Customisation through diverse materials further enhances their adaptability. Growth in the HVAC and automotive sectors, where these hoses are essential for system flexibility and advanced fluid transfer, is also fuelling market expansion.

(Source: https://www.giiresearch.com/report/anvi1408884-stainless-steel-flexible-hose-market-by-type-by.html)

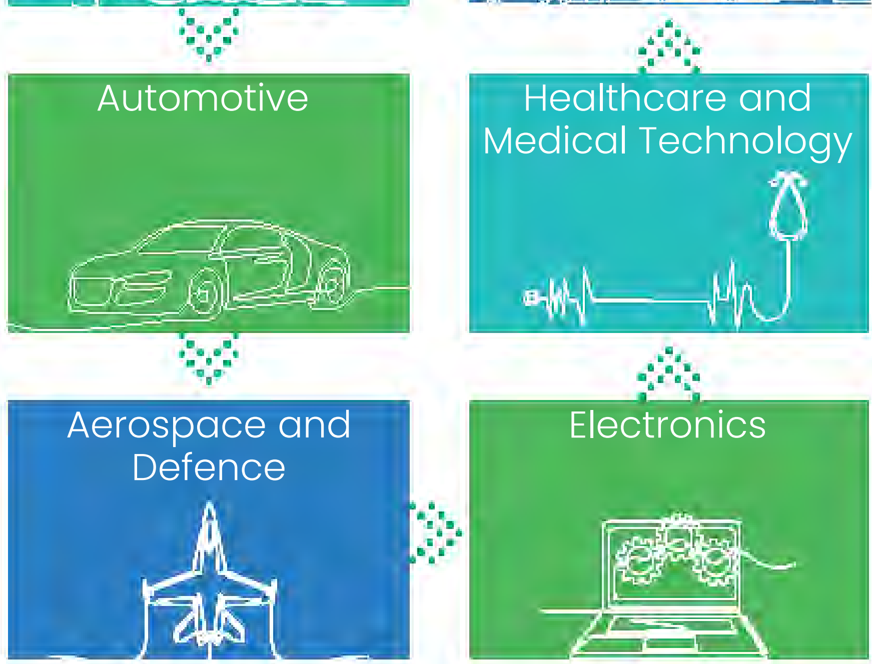
The oil & gas sector remains the largest end-user segment, while East Asia leads in regional growth, fuelled by China's rapid industrial and manufacturing expansion across automotive, construction, and energy sectors. North America and Europe are also witnessing growth, focussing on technological advancements and the increased use of high-performance materials in industries such as aerospace, oil & gas, and chemical processing.

(Source: Report by Future Market Insights)

Industry Trends

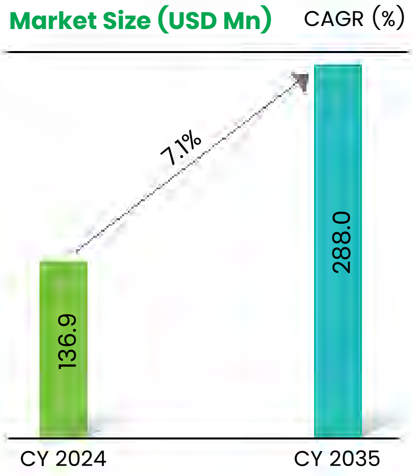
- **IoT & Smart Sensors:** Real-time monitoring for pressure, temperature, and flow improves performance and maintenance.
- **Customisation:** Tailored hoses for aerospace, pharma, and F&B sectors to meet specific industry needs.
- **Sustainability:** Use of recyclable materials to reduce environmental impact.
- **High-Performance Hoses:** Rising demand for hoses that handle extreme pressure and temperature.
- **Material Innovation:** Advancements in hose design and materials for durability and efficiency.

Demand from Key Industries



Indian Metallic Flexible Hose Market

The Indian metallic flexible hose market expanded from USD 109.0 mn in CY2020 to USD 136.9 mn in CY2024, registering a CAGR of 5.9%. Looking ahead, the market is projected to expand at a steady CAGR of 7.1%, reaching USD 288.0 mn by CY2035. This anticipated growth is primarily attributed to the hoses' versatility and increasing application across key industries such as automotive, oil & gas, and chemical processing, where flexibility and durability are essential.



(Source: Future Market Insights)

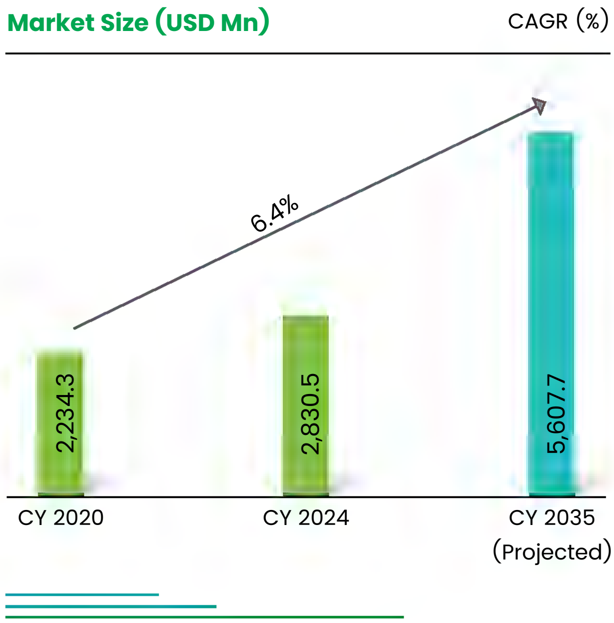
Historically, the demand for stainless steel corrugated flexible flow solutions has been primarily driven by the industrial sector, including manufacturing and HVAC applications. As industries transition from rubber, PTFE, and polymer hoses to more durable stainless-steel alternatives, demand for these solutions has steadily increased. This shift has established a stable user base within the industrial sector.

(https://www.reportlinker.com/dataset/5f3f02b673fd112c6b73066b9d7b9feec08fcc19)
(https://www.volza.com/p/flexible-hose-fitting/export/export-from-india/)

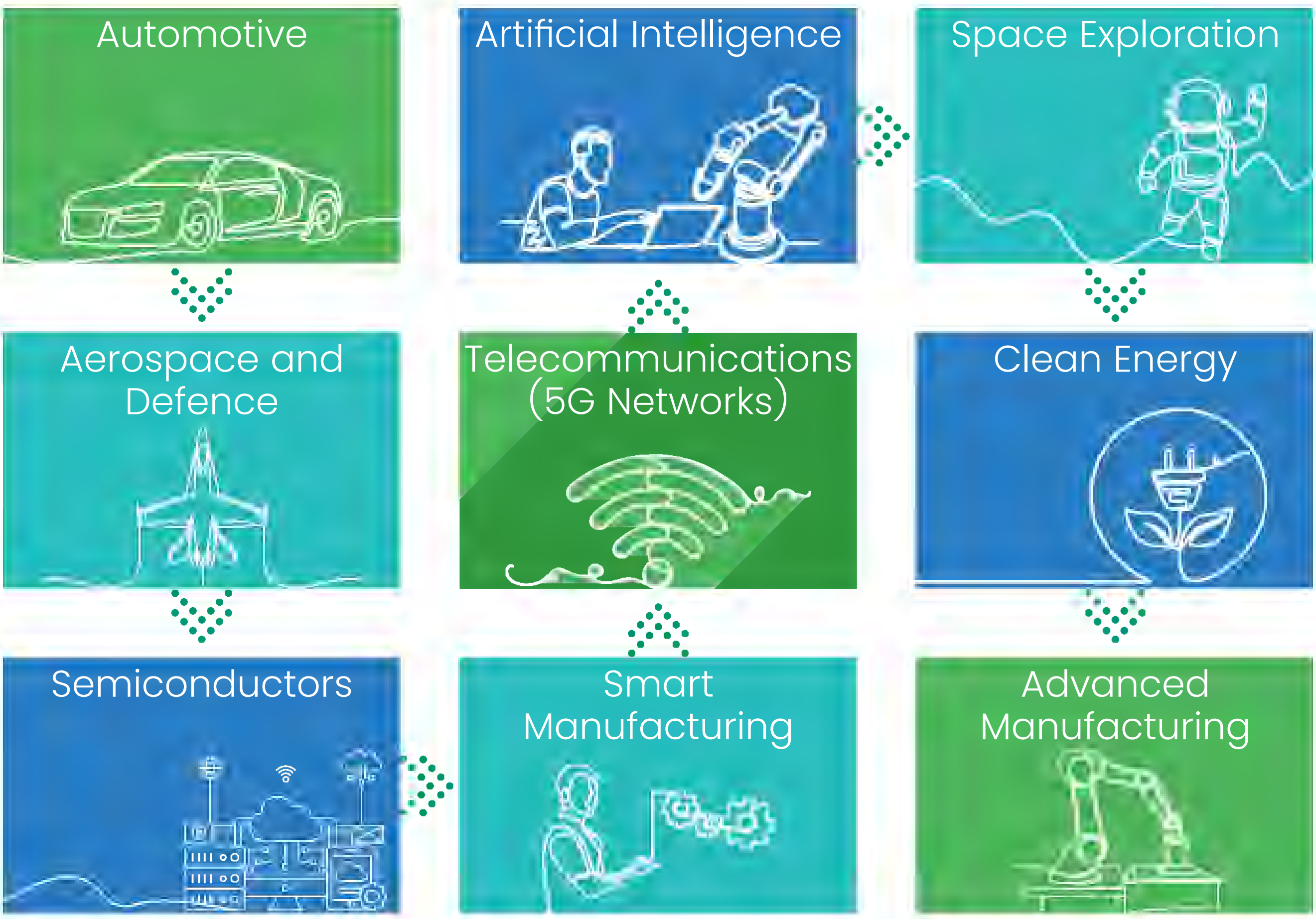
Global Metal Bellows Market

The global metal bellows market has witnessed consistent growth, rising from USD 2,234.3 mn in CY 2020 to USD 2,830.5 mn in CY 2024. This momentum is projected to continue, with the market expected to nearly double to USD 5,607.7 mn by CY 2035, reflecting a CAGR of 6.4%.

The market's growth is largely attributed to the increasing demand for metal bellows across sectors such as aerospace, automotive, and energy, where they play a crucial role in thermal management, exhaust systems, and precision industrial applications.



Demand from Key Industries



Indian Metal Bellows Market

India's metal bellows market has shown steady growth from CY 2020 to CY 2024, driven by rapid industrialisation and the adoption of advanced manufacturing technologies. The aerospace, automotive, and energy sectors remain major contributors to this growth, with increasing demand for durable and precise components.

Convoluted or formed bellows made from titanium and its alloys are the most widely used, owing to their durability and adaptability across various environments. Aerospace and defence lead in metal bellows consumption, followed by the construction cooling solutions for data centres. Growth is concentrated in industrial hubs, further strengthened by government initiatives promoting domestic manufacturing.

Roll-formed bellows, particularly those made from copper alloys, are gaining popularity due to their application in high-pressure environments. As industrial activity grows, especially in renewable energy and automotive sectors, the demand for metal bellows in India is expected to rise significantly.

(Source: Report by Future Market Insights)

Demand from Key Industries

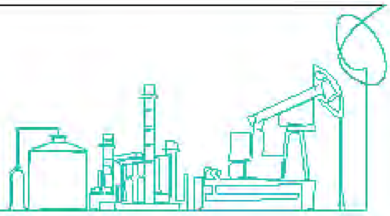
Key Growth Drivers

Industrial Growth in Emerging Economies

Rapid industrialisation in Asia-Pacific, particularly in China and India, is increasing demand for stainless steel and hydraulic hoses across multiple sectors.

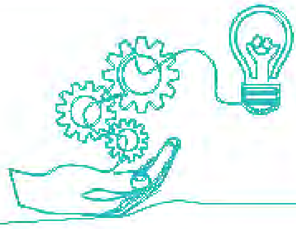
Expansion of Oil & Gas Industry

Growing exploration, extraction, and refining activities are driving demand for high-pressure, durable hoses.



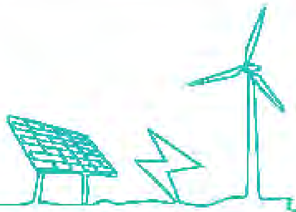
Technological Advancements

Innovations in hose materials, corrosion resistance, and pressure tolerance are expanding market applications.



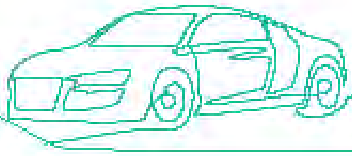
Rising Demand for Energy

Increasing global energy consumption is driving the need for fluid transfer solutions in power generation and renewable energy.



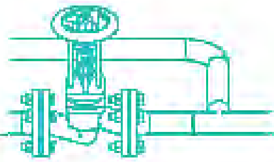
Automotive Industry Growth

The rise of electric vehicles (EVs) has boosted demand for hydraulic hoses in braking systems, cooling, and fluid handling.



Regulatory Compliance

Stringent industry regulations in pharmaceuticals, food & beverage, and chemicals necessitate the use of safe, durable hoses.

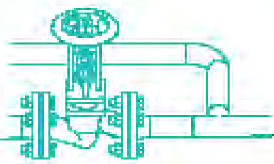


Aerospace & Defense Expansion

Increasing investments in these sectors require high-performance hoses for extreme conditions.

Environmental Awareness

Sustainability efforts are promoting the use of long-lasting stainless steel hoses in critical applications.



(Source: Report by Future Market Insight)

India's Manufacturing Transformation: Policies and Market Trends

Government Initiatives[1,2]

The Union Budget 2025–26 reinforces India's manufacturing push with an allocation of INR 1,200 Cr. to the Production Linked Incentive (PLI) Scheme and an additional INR 6,200 Cr. in expanded funding. Aligned with the goals of Atmanirbhar Bharat and Make in India, these initiatives aim to boost domestic manufacturing, reduce import dependency, and drive economic resilience. Complementing this, the National Manufacturing Policy targets increasing manufacturing's share of GDP from 16% to 25% by CY 2024–25. The newly introduced National Manufacturing Mission will further support this agenda, with a focus on empowering MSMEs and key industries.

1

Industry 4.0 and Market Growth[3]

The global Industry 4.0 market, valued at USD 217.18 Bn in CY 2024, is projected to reach USD 917.17 Bn by CY 2032, expanding at a CAGR of around 20%. In India, Industry 4.0 adoption is accelerating, with the industrial automation market expected to grow from USD 15 Bn in CY 2024 to USD 29 Bn by CY 2029, at a CAGR of 14.26%, driven by increased integration of automation across sectors.

2

Emerging Demand for Lithium-Ion Batteries in India[4,5]

The demand for lithium-ion batteries in India is rapidly growing, driven by government support for electric mobility through the FAME and PLI schemes, and incentives in the Union Budget 2025–26. This push aims to boost EV adoption and domestic battery manufacturing, reducing import dependence. Simultaneously, the expansion of solar power and Battery Energy Storage Systems (BESS) is fuelling demand for lithium-ion batteries in stationary applications. Flexible Flow Solutions with stainless steel corrugation play a vital role in indirectly cooling these batteries, enhancing their performance, efficiency, and lifespan across both mobile and grid-based systems.

3

[1]Sources: https://economictimes.indiatimes.com/news/economy/policy/union-budget-2025-government-to-launch-national-manufacturing-mission/articleshow/117823646.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

[2]https://www.cnbctv18.com/business/budget-2025-%E2%82%B91200-crore-for-production-linked-incentive-scheme-for-the-food-processing-industry-19549789.htm, https://pib.gov.in/PressNoteDetails.aspx?NoteId=153454&ModuleId=3&reg=3&lang=1

[3]https://www.polarismarketresearch.com/industry-analysis/industry-4-market#:~:text=The%20global%20industry%204.0%20market,19.7%25%20during%20the%20forecast%20period,

[4]https://www.indiaconnected.co.uk/industries/industrial-machinery-automation-india/#:~:text=Snapshot%20of%20the%20industrial%20machinery,15%20Bn%20dollars%20in%202024.

[5]https://www.downtoearth.org.in/energy/budget-2025-26-evs-to-become-affordable-government-announces-support-for-manufacturing-tax-relief-for-critical-minerals#google_vignette

Company Overview

Founded in 1998, Aeroflex Industries Limited (referred to as 'Aeroflex Industries' or 'the Company') is a leading manufacturer of Metallic Flexible Flow Solutions, catering to the efficient transfer of solids, liquids, and gases. A part of Aeroflex Enterprises Limited (formerly Sat Industries Limited), the Company operates within India's organised sector, offering high-performance alternatives to traditional rubber hoses across a wide range of industries. Aeroflex Industries is rapidly advancing in automation and digitisation, with robotic assembly lines and CNC machinery streamlining operations and production. It is also developing specialised products like fire hose assemblies and vacuum hose systems for emerging industries.

With a presence in 90+ countries across Asia, Europe, the Americas, and Africa, Aeroflex Industries is recognised for its superior quality often outperforming Southeast Asian counterparts leading to growing export demand. Its diverse clientele includes global and Indian companies from sectors such as EVs, solar, firefighting, satellites, and semiconductors. The Company operates state-of-the-art manufacturing facilities in Taloja, Navi Mumbai; Lodha Industrial Estate, Palava, Thane; and MIDC, Chakan, Pune. Aeroflex Industries holds top certifications, including ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, and TUV NORD Germany accreditation.

Aeroflex Industries' innovation is driven by a robust in-house NABL-accredited R&D lab with 16 experts currently developing 58 products using materials like SS, Bronze, Inconel, Monel, and PTFE. The recent integration of Hyd-Air Engineering's expertise has further strengthened its capabilities in sectors like railways and shipbuilding. Backed by an experienced Board of Directors, Aeroflex Industries is well-positioned for sustained growth and global leadership in the metallic flexible hose segment.

Business Performance Summary FY 2024-25

Operational Performance

Aeroflex Industries' production capacity increased to 16.5 Mn mtrs, marking a 22.22% growth, with a capacity utilisation of 75.14%. This growth was driven by a strategic shift towards value-added, high-margin products, increased R&D investments, and the attainment of key industry certifications.

The Company expanded into new-age sectors, including Firefighting, Solar, Robotics, Semiconductors, Aerospace & Satellites, Electric Mobility, and Railways. The acquisition of Hyd-Air Engineering enhanced its fluid control assembly capabilities, enabling integration of higher-margin solutions and strengthening its position in the assembly segment.

Aeroflex Industries is pursuing strategic inorganic growth opportunities across both domestic and global markets during FY 2024–25, with a focussed thrust on the Americas and Europe. The Company augmented its leadership team by onboarding seasoned professionals and expanded its production capacity to support growing demand. A strong emphasis on sustainability further enhanced operational efficiency and reinforced its long-term performance trajectory.

Financial Performance

In FY 2024-25, Aeroflex Industries underwent a significant transformation, achieving strong financial performance despite global economic challenges. Revenue from operations rose to INR 376.23 Cr., up 18.35% from the previous year, while EBITDA reached INR 81.58 Cr., reflecting a 24.26% increase with margins at 21.54%. Profit after tax stood at INR 52.51 Cr., marking a robust year-on-year growth of 25.82%. Exports remained a key growth driver, contributing 75% to total revenue, supported by sustained demand from North and South America and Europe.

Financial Ratios (Standalone)

Particulars of Ratio	Details of Numerator/ Denominator	Ratio as of 31st March 2025	Ratio as of 31st March 2024	% Variance	Comments
Current Ratio	Current Assets/ Current Liabilities	2.89	3.46	(16.43)	N.A
Debt-Equity Ratio	Total Debt/Total Equity	0.002	0.0004	313.04	Debt-equity ratio increased due to fresh vehicle loan availed during the year
Debt Service Coverage Ratio	EBITDA/Interest + Current Debt	283.24	1.08	26,236.65	Debt service coverage ratio increased due to reduction in interest cost as compared to the previous year
Return on Equity Ratio	PAT/Shareholders' Equity*100	16.34%	20.49%	(20.26)	N.A
Inventory Turnover Ratio	Sales/Average Inventory	6.31	5.53	14.05	N.A
Trade Receivables Turnover Ratio	Net Credit Sales/ Average Accounts Receivable	3.46	3.93	(12.06)	N.A
Trade Payables Turnover Ratio	Net Credit Purchases/ Average Accounts Payable	4.07	4.47	(8.97)	N.A
Net Capital Turnover Ratio	Income from Operations/Average Working Capital	2.12	2.82	(24.73)	N.A
Net Profit Ratio	(PAT/Total Income) *100	13.83%	12.98%	6.55	N.A
Return on Capital Employed	{EBIT/Average of (Total Equity + Long-Term Debt)} *100	23.60%	31.33%	(24.67)	N.A

Risk Management

Risks	Impact	Mitigation Strategy
Regulatory Risk	The Company's operations are governed by a myriad of legal frameworks, encompassing environmental regulations, climate change directives, trade policies, antitrust laws, and tax obligations. Failure to comply with these statutes may adversely affect both performance and reputation.	The Company upholds a comprehensive compliance framework designed to monitor and swiftly adapt to evolving regulatory landscapes, thereby ensuring consistent adherence to legal standards.
Market Risk	Market instability, competitive pressures, and shifting customer inclinations can exert significant influence on demand fluctuations and revenue generation.	The Company continuously tracks market dynamics, tailors its products to evolving customer preferences, and upholds an agile portfolio to ensure rapid responsiveness to changes.
Financial Risk	Variations in interest rates, the availability of credit, and shifts in financial market dynamics have the potential to impact liquidity and profitability.	Through a comprehensive approach that includes hedging practices, liquidity preservation, and capital structure optimisation, the Company adeptly manages financial risks.
Currency Risk	A substantial portion of Aeroflex Industries's revenue is derived from exports, making it susceptible to the volatility of foreign exchange rates, which can influence both revenue and profitability during the conversion of foreign earnings into the base currency.	Through the maintenance of a balanced and diversified export market portfolio, the Company effectively reduces its exposure to fluctuations in foreign currencies.
Commodity Fluctuation Risk	The Company's performance is intricately linked to the stainless-steel industry, with fluctuations in demand and supply dynamics having a significant impact on outcomes.	In order to manage this risk, the Company expands its product spectrum and employs dynamic sourcing strategies that provide the flexibility needed to navigate shifts in the market.

Environmental Risk	Environmental perturbations, from natural calamities to climate-induced fluctuations and resource scarcity, threaten the continuity of production and the sustainability of operations.	By adopting environmentally responsible protocols, the Company undertakes thorough risk assessments and ensures the readiness of contingency measures for unforeseen challenges.
Supply Chain Risk	The supply chain faces significant vulnerabilities from physical and environmental risks, geopolitical conflicts, and disturbances, including those arising from infrastructure challenges and external partnerships.	The Company reinforces its operational continuity by broadening its supplier network, maintaining critical inventory buffers, and embracing proactive scenario analysis to mitigate risk.
Operational Risk	Breakdowns in internal processes, system failures, or human oversights could precipitate significant disruptions to operations.	With the adoption of stringent internal protocols, regular evaluations of operational procedures, and a focus on employee skill enhancement, the Company proactively reduces the occurrence of operational lapses.
Cybersecurity Risk	The growing dependence on digital systems elevates the Company's vulnerability to data breaches, cyberattacks, and potential failures in IT infrastructure.	The Company strengthens its cybersecurity framework, conducts regular system evaluations, and rigorously implements data protection protocols.
Safety Risk	Compliance with stringent safety laws and regulations is non-negotiable for Aeroflex Industries's manufacturing facility. Failure to uphold to these standards could lead to operational disruptions and irreparably damage the Company's reputation.	The Company addresses this risk by conducting regular safety audits, empowering employees through comprehensive training, and ensuring the proactive upkeep of equipment.

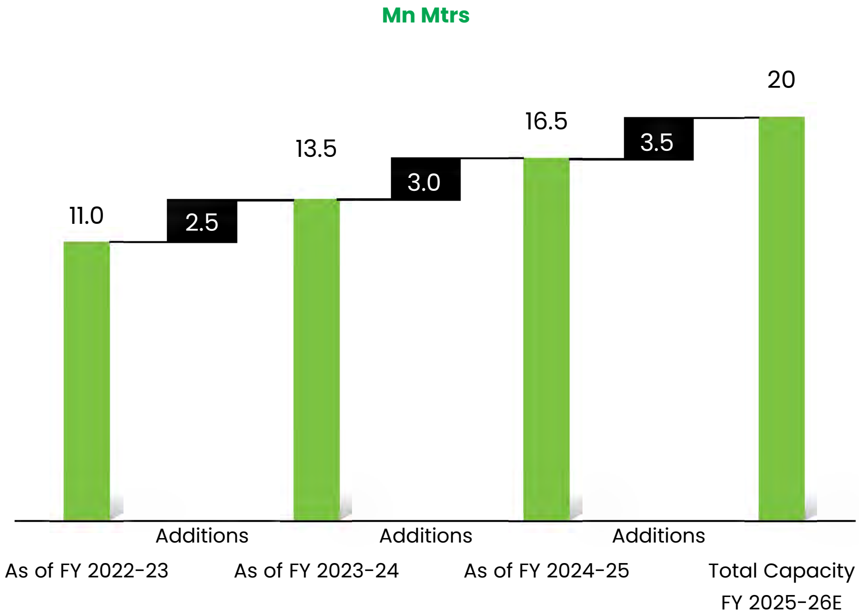
Outlook

Aeroflex Industries is poised for sustained growth, driven by capacity expansion, innovation in metal bellows, and advancements in assemblies. The acquisition of Hyd-Air Engineering strengthens its high-margin flow control product line and assembly segment. This move is expected to enhance EBITDA margins and enable entry into high-growth sectors such as EVs, hydrogen, aerospace, and semiconductors. With continued investments in new products, market expansion, and team development, Aeroflex remains focussed on diversifying across industries like oil & gas, solar, robotics, and firefighting solutions, reinforcing its leadership in flexible flow solutions.

Capacity Profile

SS Flexible Hoses (With & Without Braiding)

Timeline	Capacity (Mn Mtrs)	Remarks	Capacity Details
FY 2022-23	11.0	Existing Capacity	Includes Hoses & Braiding
FY 2023-24	13.5	Added 2.5 mn mtrs in FY 2023-24 in Phases	Additional 2.5 mn mtrs includes Hoses & Braiding
FY 2024-25	16.5	Added 3.0 mn mtrs in FY 2024-25 in Phases	Additional 3.0 mn mtrs includes Hoses & Braiding
FY 2025-26E	20.0	Planning to add 3.5 mn mtrs by FY 2025-26	Additional 3.5 mn mtrs includes Hoses & Braiding



Composite Hoses

- Existing three operational lines for manufacturing product sizes upto 14 inches
- Addition of three more lines for sizes up to 20 inches was completed in December 2024.

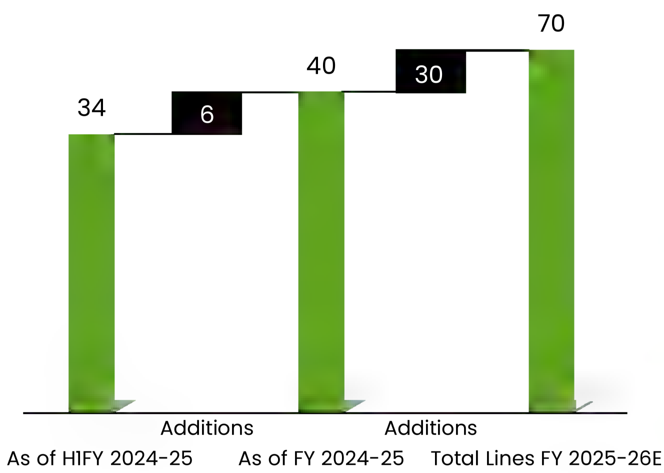
3 + 3 = 6 Operational Lines

E-Estimated

Assembly & Fittings

- As of March 2025, the facility is equipped with 40 assembly stations
- The Company plans to integrate automated and robotic assembly lines as part of its phased expansion strategy
- An additional 30 assembly stations are planned to be commissioned by March 2026

In Numbers

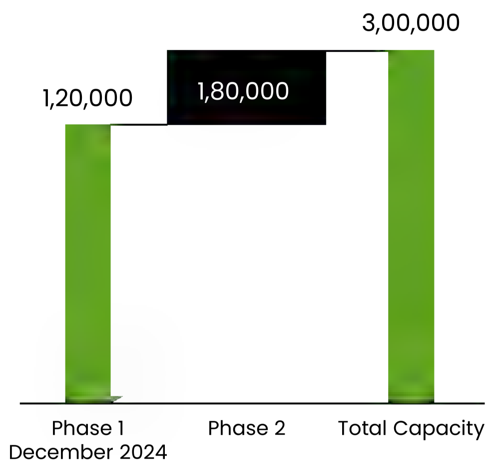


E-Estimated

Metal Bellows

- The Company has commenced the production of Metal Bellows and Expansion Joints in January, 2025. The first phase has an installed capacity of 120,000 pieces per annum, out of a total planned capacity of 3,00,000 pieces per annum
- Targeting a range of products with diametres ranging from 50mm to 3,000mm

Pieces Per Annum



Miniature Metal Bellows

- Miniature Metal bellows (10mm-50mm) designed for high-dynamic applications in various industries
- These bellows complement larger ones, enhancing functionality in advanced systems
- The manufacturing capacity is projected at 2,40,000 pieces annually, with completion targeted by March 2026

2,40,000 Pieces p.a.
Total Capacity
FY 2025-26E

Human Resources and Industrial Relations

Under strong leadership, Aeroflex Industries fosters a people-centric culture that balances operational excellence with employee well-being. The Company invests in talent development through internal and external learning programmes, ensuring a skilled and future-ready workforce. Its dedicated Environment, Health, and Safety division runs initiatives to maintain a safe workplace, while the Taloja facility houses an Occupational Healthcare and Wellness Centre with round-the-clock medical support, mental wellness sessions, and a Child Care Centre. These efforts have earned Aeroflex recognition as a Great Place to Work. As of 31st March 2025, the Company employed over 550 individuals.

Internal Control Systems and Their Adequacy

A comprehensive and resilient system of internal controls has been established, aimed at protecting all organisational assets from unauthorised use or disposal, while ensuring that every transaction is properly authorised, documented, and acutely reported. To further enhance operational efficiency, the Company has implemented mechanisms designed to optimise resource utilisation, monitor operational activities, and ensure strict adherence to applicable legal standards. The integration of SAP and ERP systems serves to strengthen these controls, providing real-time data insights and facilitating enhanced operational workflows. These internal control systems have been rigorously audited, confirming their adequacy and efficacy.

Cautionary Statement

We wish to emphasise that this report contains 'forward-looking' statements regarding anticipated future events, financial outcomes and operational milestones of Aeroflex Industries Limited. These statements inherently rely on assumptions and are subject to various risks and uncertainties. There is a significant risk that these assumptions, predictions, and other 'forward-looking' statements may not accurately reflect future outcomes. We advise readers to exercise caution and refrain from placing undue reliance on 'forward-looking' statements, as several factors could lead to disparities between assumptions and actual future results and events. Therefore, this document is subject to the disclaimer and is qualified in its entirety by the assumptions, qualifications, and risk factors outlined in Aeroflex's Annual Report for FY 2024-25, as discussed in the Management Discussion & Analysis.

BOARD'S REPORT

To the Members of

Aeroflex Industries Limited

It gives your Directors great pleasure to present the Thirty-First (31st) Annual Report, highlighting the Company's performance and achievements during the financial year ended 31st March 2025, along with the Audited Standalone and Consolidated Financial Statements.

1. FINANCIAL HIGHLIGHTS

Your Company's performance during the financial year as compared to the previous financial year is summarised as below:

(INR in Lakhs, except EPS data)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Sales and other income	37,529.27	32,168.72	37,876.24	32,175.05
Profit before tax, depreciation, exceptional items and Interest	8,068.35	6,566.83	8,157.96	6,565.08
Interest	34.97	213.86	35.92	213.86
Depreciation	1,100.26	626.19	1,127.23	626.19
Profit before Tax and Exceptional Items	6,933.13	5,726.78	6,994.81	5,725.03
Less: Exceptional Items				
Diminishing in value of Investment	(19.28)	-	-	-
Less: Provisions for tax:				
Current Tax	1,662.00	1,415.70	1,673.00	1,415.70
Deferred Tax (Assets)/ Liability	75.53	43.93	84.54	43.93
Taxation of Earlier Year	(13.49)	91.99	(13.49)	92.00
Profit after tax	**5,189.81**	**4,175.15**	**5,250.76**	**4,173.40**
Earnings per equity share	**4.01**	**3.39**	**4.06**	**3.39**

2. STATE OF COMPANY'S AFFAIRS

Aeroflex Industries Limited is primarily engaged in the manufacturing of Metallic Flexible Flow Solutions, which are widely used across diverse industries including oil and gas, aerospace, petrochemicals, renewable energy, electric mobility and other critical engineering sectors. The Company continues to maintain its position as a leading player in the flexible flow solutions segment, known for its quality, reliability, and customer-centric innovation.

During the financial year ended 31st March 2025, the Company reported a Standalone Revenue from Operations of INR 37,290.45 Lakhs, registering a robust growth over the previous year's revenue of INR 31,784.40 Lakhs. The Standalone Net Profit for the year stood at INR 5,189.81 Lakhs, as compared to INR 4,175.15 Lakhs in the previous financial year, reflecting strong operational performance and efficient cost management.

On a consolidated basis, the Company achieved a Revenue from Operations of INR 37,622.79 Lakhs (previous year: INR 31,790.73 Lakhs) and a Net Profit of INR 5,250.76 Lakhs (previous year: INR 4,173.40 Lakhs), continuing its upward growth trajectory.

In response to increasing market demand and in alignment with its long-term strategic vision, the Company undertook significant capacity expansion initiatives during the year. These included installation of advanced machinery and enhancement of operational capabilities aimed at improving efficiency, product output, and delivery timelines. These expansions are expected to support future growth, cater to a broader customer base, and strengthen the Company's global footprint.

Despite the challenging global economic environment, Aeroflex Industries demonstrated resilience and agility in its operations. The Company's emphasis on product innovation, quality assurance, and customer satisfaction enabled it to consolidate its leadership position and enhance its competitiveness in both domestic and international markets.

Aeroflex remains committed to sustainable growth, value creation for stakeholders, and adherence to the highest standards of corporate governance.

3. DIVIDEND

Your Directors have pleasure in recommending payment of final dividend Re. 0.30/- (thirty paisa Only) being 15 % per share on Equity Share of INR 2/- for the financial year ended 31st March, 2025. This will absorb total cash outflow of INR 3,87,96,111/-. The final dividend, if approved by shareholders in the ensuing Annual General meeting, will be paid to those members whose names shall appear on the Register of Members / List of Beneficiaries.

The Board of Directors of the Company has approved a Dividend Distribution Policy in line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This has been uploaded on the Company's website at https://www.aeroflexindia.com/wp-content/uploads/Dividend-Distribution-Policy.pdf.

4. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of report.

5. CHANGES IN THE NATURE OF BUSINESS

During the year under review there has been no change in the business of the Company.

6. TRANSFER TO RESERVE

During the year no amount was transferred to any Reserves.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

The i nformation on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - A**

8. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this report as **Annexure – B**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this report. Further, the report and the annual accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary and Compliance officer at corporate@aeroflexindia.com.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2024-25.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;

ii) they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii) they have taken proper and sufficient care for the maintenance of adequate accounting records, and the adequate steps have been taken to make it afresh, in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) they have prepared the annual accounts on a going concern basis.

v) they have had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

BOARD'S REPORT (Contd.)

vi) they have had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on 31st March, 2025, the Board comprised of 7(Seven) Directors including 4 (Four) Independent Directors. The Board has an appropriate mix of Executive, Non-Executive and Independent Directors, which is in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

I. Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Harikant Ganeshlal Turgalia (DIN: 00049544) Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered himself for re-appointment and your Board recommends his re-appointment.

II. Appointment and Re- appointment

During the year under review, Mr. Ramesh Chandra (DIN: 00049497) was re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from 15th October 2024 to 14th October 2029. Aforesaid appointment was approved by the Members at the 30th AGM held on 5th July 2024.

Moreover, the first term of Mr. Parthasarathi Sarkar (DIN:00047272) as Independent Director of the Company expires on 2nd September 2025. The Board placed on record its appreciation for the valuable services rendered by Mr. Parthasarathi Sarkar with his association as an independent director of the Company and proposes to re-appoint him as an Independent Director for the second term of 5 (five) consecutive years commencing from 3rd September 2025 to 2nd September 2030 subject to approval of the shareholders.

Brief details of directors proposed to be reappointed/ remuneration to be approved as stipulated under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI), are provided in Notice of Annual General Meeting of the Company.

III. Cessation

During the year under review, there has been no cessation or resignation of any Director.

IV. Key Managerial Personnel ("KMP")

During the financial year ended 31st March, 2025, the following persons were acting as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

Sr. No.	Name of the KMP	Designation
1.	Mr. Asad Daud	Managing Director
2.	Mr. Mustafa Abid Kachwala	Whole Time Director & Chief Financial Officer
3.	Ms. Kinjal Shah	Company Secretary & Compliance officer

V. Declaration from Independent Directors

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

The Company had sought a certificate from the M/s. S.K. Jain & Co, Secretarial Auditor of the Company confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.

VI. Annual performance evaluation by the Board

The annual evaluation of the Board of Directors, individual Directors, and Committees was conducted in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's performance was assessed based on inputs received from all Directors, considering criteria such as Board composition and structure, effectiveness of Board processes, quality of information, and overall functioning. Similarly, the performance of various Committees was evaluated by the Board after obtaining feedback from Committee members, focusing on aspects like Committee composition and the effectiveness of meetings. These evaluation criteria broadly align with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of individual Directors against parameters including their preparedness for meetings, meaningful participation, and contributions to Board and Committee discussions.

In a separate meeting exclusively of the Independent Directors, the performance of Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors also evaluated the Chairman of the Board, considering the perspectives of both Executive and Non-Executive Directors. Furthermore, the Board assessed the quality, adequacy, and timeliness of information flow between the Company's management and the Board, ensuring the Board is well-equipped to discharge its duties effectively. The performance of Independent Directors was reviewed by the entire Board, excluding the Independent Director under evaluation.

VII. Familiarisation Programme for Independent Directors

The Company has established and implemented a framework for Familiarisation Programmes for Independent Directors. The primary objective of this framework is to provide Independent Directors with comprehensive insights into the Company's business, operations, and regulatory environment, thereby enabling them to contribute effectively and meaningfully to the Board's decision-making process.

During the financial year under review, the Company conducted Familiarisation Programmes for its Independent Directors to enhance their understanding of the Company's strategic priorities, business model, and governance practices.

Details of the Familiarisation Programme are available on the Company's website at https://www.aeroflexindia.com/investor-relation/

11. SUBSIDIARY & ASSOCIATE COMPANIES

Subsidiary Company

Hyd-Air Engineering Private Limited is a Wholly Owned Subsidiary of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of Hyd-Air Engineering Private Limited in Form AOC-1, is annexed as **Annexure – C**

Aeroflex Industries Limited, U.K, a Wholly Owned Subsidiary Company incorporated in United Kingdom was dissolved w.e.f. 18th March 2025. Consequently, it ceased to be a subsidiary of the Company from the said date.

Holding Company

Your Company is a subsidiary of Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited) with a holding of 61.23%.

Joint Ventures and Associates

The Company had no Joint Venture or Associate Company during the financial year under review.

12. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements required pursuant to section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rule, 2014 have been prepared in accordance with the relevant accounting standards as per the Companies (Indian Accounting Standard) Rules, 2015. The audited consolidated financial statement is provided along with the Standalone Financial Statement.

13. DEPOSITS

The Company has not accepted any Deposit within the meaning of Section 73 of the Companies Act, 2013 and rules made there under. As such, no amount of principal or interest was outstanding as of the Balance Sheet date, nor is there any deposit in non-compliance of Chapter V of the Companies Act, 2013.

14. MEETINGS OF THE BOARD

Seven meetings of the Board of Directors were held during the year. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report forming part of the Annual Report.

15. INDEPENDENT DIRECTORS MEETING

During the year under review a separate meeting of the Independent Directors of the Company was held on 11th March 2025, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan or guarantee or provided any security during the year under review. Particulars of investments made are provided in the Standalone Financial Statement. Members may refer to Note 5 to the Standalone Financial Statement.

17. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All the transactions with related parties entered into during the financial year were in ordinary course of business and on arm's length basis. No Material Related Party Transactions were entered into during the financial year under review by the Company. Accordingly, the disclosure on Related Party Transactions, as required under Section 134(3) of the Companies Act, 2013, in Form AOC-2 is not applicable.

The Company has formulated a policy on dealing with Related Party Transactions. The same is available on the Company's website at https://www.aeroflexindia.com/wp-content/uploads/RPT-Policy-15.01.2025.pdf.

The details of all the transactions with Related Parties are provided in the accompanying financial statements. Members may refer to Note 36 to the Standalone Financial Statement which sets out related party disclosures pursuant to IND AS-24.

18. POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of the Nomination & Remuneration Committee, the Board of Directors have adopted a policy for selection and appointment of Directors, Key Managerial Personnel ('KMPs'), Senior Management Personnel ('SMPs') and their remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters, the key features of which is as follows:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person proposed to be appointed as Director, KMP or Senior Managerial Personnel and recommend to the Board his/her appointment.

A person should possess adequate qualification, expertise and experience for the position for which appointment is considered. The Committee has discretion to decide whether qualification, expertise and experience possessed by the person is sufficient as per the requirement of the concerned position.

The Company shall not appoint or continue employment of any person as Managing Director, Whole-time Director or Manager who has attained the age of seventy years provided that the term of person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the justification stating reasons/ clarification for extension of appointment beyond seventy years. Additionally in compliance with Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company shall not appoint or continue the appointment of a non-executive director who has attained the age of seventy-five years, unless a special resolution is passed by the shareholders, to that effect, in which case the explanatory statement annexed to such motion shall indicate the justification appointing such person.

The Nomination and Remuneration Policy has been placed on the website of the Company viz. https://www.aeroflexindia.com/wp-content/uploads/Nomination-and-Remuneration-Policy.pdf.

19. CORPORATE SOCIAL RESPONSIBILITY

Pursuant of the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has formed Corporate Social Responsibility committee and Corporate Social Responsibility (CSR) Policy.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your company along with the initiative taken by it are set out in **Annexure- D** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company, https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf.

As on the year ended 31st March 2025, the composition of the CSR Committee is as follows:

Sr. No.	Name of the Committee Members	Designation
1.	Mr. Asad Daud	Chairperson
2.	Mr. Ramesh Chandra Soni	Member
3.	Mr. Mustafa Abid Kachwala	Member
4.	Mr. Arpit Khandelwal	Member

20. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

21. COPY OF ANNUAL RETURN

As required under Section 92(3) read with the Section 134(3)(a) of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the copy of Annual Return in Form MGT-7 as on 31st March, 2025 will be placed on the website of the Company and can be accessed at https://www.aeroflexindia.com/.

22. STATUTORY AUDITORS

In line with the requirements of the Companies Act 2013, at the 27th Annual General Meeting M/s. Shweta Jain & Co., Chartered Accountants (FRN: 127673W) were appointed as the Statutory Auditors of the Company to hold the office for a period of 5 consecutive years., from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company.

M/s. Shweta Jain & Co., Chartered Accountants have furnished written confirmation to the effect that they are not disqualified from acting as the Statutory Auditors of the Company in terms of the provisions of Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014.

The Auditor's Reports on the Standalone and the Consolidated Financial Statements for the financial year ended 31st March 2025 do not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

23. REMARKS ON QUALIFICATIONS BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

The Statutory Auditors and the Secretarial Auditors have not made any qualifications, observations or adverse remark in their Reports.

Further, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act.

24. CORPORATE GOVERNANCE

Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximising shareholder value legally, ethically and sustainably.

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 17 to 27 and 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance along with the certificate from Dr. S.K. Jain from M/s. S. K Jain & Co., Practicing Company Secretaries confirming the compliance of Corporate Governance requirements is annexed as **Annexure – E** to the Board report.

BOARD'S REPORT (Contd.)

Your Company has also been enlisted in the new SEBI compliant redressal system (SCORES), enabling investors to register their complaints, if any, for speedy redressal.

25. COMPOSITION OF AUDIT COMMITTEE

As on 31st March, 2025, the Audit Committee comprised of Mr. Ramesh Chandra Soni, Mr. Arpit Khandelwal, Independent Directors and Mr. Asad Daud, Managing Director of the Company.

Mr. Ramesh Chandra Soni is the Chairman of Audit Committee of the Company. The Company Secretary and Compliance Officer of the Company acts as Secretary of the Audit Committee. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. Other details with respect to Audit Committee are given in Report of Corporate Governance, forming part of this Report.

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process and vigil mechanism.

26. COMMITTEES OF THE BOARD

In accordance with the provisions of the Companies Act, 2013, the Company has constituted Five committees of the Board, namely:

1. Audit Committee
2. Stakeholders' Relationship Committee;
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee and
5. Banking & Finance Committee

A detailed note on the composition of the Board and its committees, including its terms of reference, is provided in the Corporate Governance Report. The composition and terms of reference of all the Statutory & other Committee(s) of the Board of Directors of the Company is in line with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's Discussion and Analysis Report is set out in this Annual Report.

28. SHARE CAPITAL

As on 31st March 2025, the Authorised Share Capital of the Company was INR 56,00,00,000 /- (Rupees Fifty-Six Crores only) divided into 17,50,00,000 (Seventeen Crore Fifty Lakhs) Equity Shares of INR 2/- each (Rupees Ten Only),10,00,000 (Ten Lakhs) Series "A" Compulsorily Convertible Preference Shares of INR 10/- each (Rupees Ten) and 10,00,000 (Ten Lakhs) Series "A" Compulsorily Convertible Preference Shares of INR 200/- each (Rupees Two Hundred) respectively.

The issued, subscribed and paid-up equity share capital of your Company as on 31st March, 2025, is INR 25,86,40,740/- divided into 12,93,20,370 Equity shares of INR 2/- each.

29. INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Act read with Companies (Accounts) Rules, 2014, the Board, on recommendation of the Audit Committee, appointed M/s. D M Jain & Co., Chartered Accountants, Mumbai, as Internal Auditors of the Company for the financial year 2024-25. The Internal Auditors monitor and evaluate the effectiveness and adequacy of internal control systems in the Company, its compliances with the operating systems, accounting procedure and polices at all locations of the Company and reports to the Audit Committee on a quarterly basis.

30. RISK MANAGEMENT

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out to identify, evaluate, manage and monitor both business and non-business risks. The Board periodically reviews the risks and suggests the steps to be taken to control and mitigate the same through a properly defined framework.

The Policy is displayed on the website of the Company at https://www.aeroflexindia.com/wp-content/uploads/Risk-Management-Plan-28-06-2024.pdf.

31. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

BOARD'S REPORT (Contd.)

32. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, Aeroflex Industries Limited, U.K, ceased to be a subsidiary of your Company.

33. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014, appointment of cost auditor is not applicable to the Company.

34. COMPLIANCE WITH THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

It is stated that the Company has constituted Internal Complaints Committee and complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

35. VIGIL MECHANISM/WHITSLE BLOWER POLICY

The Company has adopted Vigil Mechanism / Whistle Blower Policy, which was approved and adopted by the Board of Directors of the Company as per the provisions of Section 177(9) and (10) of the Act, Regulation 22 of the SEBI Listing Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The said policy provides a formal mechanism for all Directors and employees of the Company to approach Chairperson of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct and Business Ethics. Under the Policy, each Director / employee of the Company has an assured access to the Chairperson of the Audit Committee.

The Policy is displayed on the website of the Company at https://www.aeroflexindia.com/wp-content/uploads/Vigil-Mechanism-policy.pdf.

36. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S. K Jain & Co., Practicing Company Secretaries to undertake Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report is appended as **Annexure – F** and forms part of this Report.

37. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your directors confirm compliance of the same during the financial year under review.

38. VALUATION OF ASSETS

During the financial year under review, there was no instance of one-time settlement of loans / financial assistance taken from Banks or Financial Institutions, hence the Company was not required to carry out valuation of its assets for the said purpose.

39. AEROFLEX INDUSTRIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2024 ("ESOP 2024")

The company has approved the "Aeroflex Industries Limited - Employee Stock Option Plan 2024 ("ESOP 2022")" in its 30th Annual General Meeting held in the year 2024.

During the financial year under review, no options were granted.

40. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

(a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(c) None of the Whole-time Director or Managing director of the Company received any remuneration or commission from any of its holding or subsidiary.

(d) No application was filed under the Insolvency and Bankruptcy Code, 2016.

41. ACKNOWLEDGEMENTS

The Board of Directors wishes to place on record its heartfelt appreciation for the unwavering commitment, hard work, and dedication demonstrated by all employees of the Company, who have been instrumental in driving its continued growth and success.

The Board also conveys its sincere gratitude for the steadfast support and cooperation extended by the Government and regulatory authorities, stock exchanges, depositories, banks, valued customers, vendors, and esteemed members. Their trust and collaboration have played a vital role in enabling the Company to navigate challenges and achieve its strategic objectives during the year under review.

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud	**Mustafa Abid Kachwala**
Managing Director	Whole-time Director & CFO
DIN: 02491539	DIN: 03124453

Place: Mumbai
Dated: July 08, 2025

ANNEXURE – A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy

The Company has taken significant steps to improve energy efficiency across its operations. As part of a recent capacity expansion, several state-of-the-art and energy-efficient machines have been installed. These machines are designed to deliver the same level of output with reduced energy input, thereby enhancing productivity while conserving energy. The adoption of newer technologies has resulted in measurable energy savings and a reduction in overall power consumption per unit of production.

ii. Steps taken by the Company for utilising alternate sources of energy

In a major step towards renewable energy adoption, the Company successfully commissioned a 750 kW rooftop solar power project. This initiative is expected to meet a significant portion of the Company's energy requirements, thereby reducing dependence on conventional power sources. The solar project not only ensures a sustainable energy supply but also contributes to the Company's broader environmental objectives, including carbon footprint reduction and progress toward carbon neutrality.

iii. Capital investment in energy conservation equipment

During the year, the Company has made a capital investment of INR 1,107.06 Lakhs towards energy conservation initiatives. This includes the installation of the 750 kW rooftop solar system as well as the procurement of high-efficiency machinery for the new plant setup. These investments are expected to yield long-term benefits in the form of energy cost savings and operational sustainability.

B. TECHNOLOGY ABSORPTION

i. Effort made toward technology absorption

Simulation Software for Product Testing and Development

The Company has implemented advanced simulation software that enables virtual testing of hose pipes under various operating conditions such as pressure, temperature, and cyclic load. This allows the team to accurately predict product behaviour — including potential failure points and lifecycle under specific stress conditions — without the need for physical testing over extended durations. This technology has significantly reduced product development time and cost, while improving product reliability and customer confidence.

Digitalisation of Shop Floor Operations

To enhance transparency and operational control, the Company has deployed handheld tablets across the shop floor, used by supervisors for real-time monitoring and reporting. These devices are integrated with the Company's central SAP system, enabling live data capture from individual machine lines. This system facilitates immediate visibility into production status, rejections, processed quantities, and other key performance indicators, thus helping in timely decision-making to improve efficiency and product quality.

Implementation of Salesforce CRM

The Company has adopted Salesforce CRM software to streamline and strengthen its customer relationship management processes. The system offers an integrated platform for managing the complete customer lifecycle — from lead generation and order placement to post-sales support. This has improved internal coordination, enhanced customer experience, and increased responsiveness across departments.

ii. Benefits derived like product improvement, cost reduction, product development or import substitution

Product Improvement

Simulation software has enabled accurate modeling of hose pipe performance under real-world conditions, improving design precision and reliability. Real-time shop floor monitoring has enhanced process control, reducing defects and improving overall product quality.

Cost Reduction

Virtual testing using simulation tools has significantly reduced the need for lengthy and costly physical trials. Digitalisation of production processes has optimised resource usage, reduced wastage, and minimised manual intervention. Salesforce CRM has streamlined lead and order management, lowering administrative overheads.

ANNEXURE – A (Contd.)

Product Development

Advanced simulation capabilities have shortened development cycles and accelerated time-to-market for new products. Feedback from shop floor data and customer inputs captured via CRM tools has contributed to more informed and agile product development decisions.

iii. Information regarding imported technology

During the reporting period, the Company has strategically invested in the import of advanced technology to enhance manufacturing capabilities and support product diversification. The imported machines are high-speed, state-of-the-art units that have significantly increased the existing production capacity. This technological upgrade has enabled greater efficiency, improved product quality, and optimised production cycles.

In addition to capacity enhancement, new machinery has also been imported specifically for the production of metal bellows, a new product line being introduced as part of our ongoing efforts to expand our market offerings and address emerging industry demands. These specialised machines are essential for achieving the precision and quality standards required in metal bellows manufacturing, marking a key step forward in our innovation and product development roadmap.

This technological advancement aligns with our long-term strategic objectives to modernise operations, increase productivity, and ensure readiness for future growth opportunities.

iv. Expenditure incurred on research and development

During the year under review, the Company incurred a total expenditure of INR 364.20 Lakhs towards Research and Development (R&D) activities. This investment reflects the Company's continued commitment to innovation, product enhancement, and process improvement.

The R&D expenditure was directed towards:

- Designing new products for catering further needs of our existing and potential customers.
- Enhancement of existing product designs to improve performance and durability.
- Process optimisation and quality improvement initiatives driven by real-time production data.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(INR in Lakhs)

Particulars	FY 2024-2025	FY 2023-2024
Foreign Exchange inflow	27,381.45	24,463.28
Value of direct imports (C.I.F. Value)	5,891.28	5,422.92
Foreign Exchange Outflow	271.40	154.30

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director
DIN: 02491539

Mustafa Abid Kachwala
Whole-time Director & CFO
DIN: 03124453

Place: Mumbai
Dated: July 08, 2025

ANNEXURE – B

PARTICULARS OF REMUNERATION

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013

[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i. Ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2024-25 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2024-25.

Sr. No.	Name and Designation of the Director/ Key Managerial Personnel (KMP)	Ratio of remuneration of each director to median remuneration of employees	Percentage increase in remuneration
1.	Mr. Asad Daud – Managing Director	28	20.8%
2.	Mr. Mustafa Abid Kachwala – Whole Time Director	3	12.4%
3.	Ms. Kinjal Kamlesh Shah - Company Secretary and Compliance Officer	NA	24.7%

ii. The percentage increase in the median remuneration of employees in the financial year 2024-25: 11.7%

iii. The number of permanent employees on the rolls of the Company: 556

iv. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

a. Average increase in remuneration of employees:16%

b. Average increase in remuneration of managerial personnel: 20%

Justification: The increment given to each individual employee including managerial personnel is based on employees' performance and the Company's overall performance.

v. The Company affirms remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director
DIN: 02491539

Mustafa Abid Kachwala
Whole-time Director & CFO
DIN: 03124453

Place: Mumbai
Dated: July 08, 2025

ANNEXURE – C

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(INR In Lakhs)

Sr. No.	Particulars	Details	
	Name of the subsidiary	**Hyd – Air Engineering Private Limited**	**Aeroflex Industries Limited– U.K.***
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA	NA
2.	The date since when subsidiary was acquired	04.04.2024	17.05.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR Exchange Rate: 1.00	GBP
4.	Share capital	4.72	-
5.	Reserves & surplus	2,698.01	-
6.	Total assets	3,711.14	-
7.	Total Liabilities	1,008.41	-
8.	Investments	-	-
9.	Turnover	1,043.34	-
10.	Profit before taxation	69.28	-
11.	Provision for taxation	11.00	-
12.	Deferred Tax	9.01	-
13.	Profit after taxation	49.27	-
14.	Proposed Dividend	Nil	-
15.	% of shareholding	100%	100%

Notes:

**Aeroflex Industries Limited, U.K is dissolved w.e.f 18th March 2025*

Part "B": Associates and Joint Ventures

Not Applicable as the Company does not have any Associate and Joint Venture

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director
DIN: 02491539

Mustafa Abid Kachwala
Whole-time Director & CFO
DIN: 03124453

Place: Mumbai
Dated: July 08, 2025

ANNEXURE – D

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2024-25

1. Brief outline of CSR Policy of the Company:

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken:

- To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To take up programmes that benefit the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.
- To generate a community goodwill for Company and help reinforce a positive and socially responsible image of the Company as a good corporate citisen of the Country.

2. Composition of CSR Committee

Pursuant to the provisions of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, during the financial year, the CSR Committee of the Company was duly constituted in accordance with the provisions of Section 135 of Companies Act, 2013 and during such period the CSR Committee comprised of:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Asad Daud	Chairman, Managing Director	1	1
2.	Mr. Mustafa Abid Kachwala	Member, Whole Time Director &CFO	1	1
3.	Mr. Ramesh Chandra Soni	Member, Independent Director	1	1
4.	Mr. Arpit Khandelwal	Member, Independent Director	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board on the website of the Company:

Composition of CSR committee	https://www.aeroflexindia.com/investor-relation/
CSR Policy	https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf
CSR projects	https://www.aeroflexindia.com/wp-content/uploads/CSR-Annual-Action-Plan-for-F.Y.-2024-25.pdf

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable): Not Applicable.

5. a. Average net profit of the Company as per section 135(5): **INR 45,14,00,196 /-**

b. Two percent of average net profit of the Company as per section 135(5): **INR 90,28,004 /-**

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

d. Amount required to be set off for the financial year, if any: **Nil**

e. Total CSR obligation for the financial year (b+c-d): **INR 90,28,004 /-**

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 90,30,000 /-**

b. Amount spent in Administrative overheads: **Nil**

c. Amount spent on Impact Assessment, if applicable: **Nil**

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 90,30,000/-**

ANNEXURE – D (Contd.)

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
INR 90,30,000/-	Nil	-	-	Nil	-

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	Amount (in INR)
1.	Two percent of average net profit of the Company as per section 135(5)	INR 90,28,004 /-
2.	Total amount spent for the Financial Year	INR 90,30,000/-
3.	Excess amount spent for the financial year [(ii)-(i)]	INR 1,996 /-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years[(iii)-(iv)]	INR 1,996 /-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1	2023-2024							
2	2022-2023				Nil			
3	2021-2022							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes /No: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director & Chairperson
DIN: 02491539

Place: Mumbai
Dated:: July 08, 2025

ANNEXURE – E

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company views corporate governance as a core pillar of its corporate identity and long-term success. For the Company, governance goes beyond regulatory compliance — it reflects a deep-seated commitment to ethical leadership, transparent decision-making, and responsible corporate citizenship.

The company's governance philosophy rests on the principles of integrity, accountability, fairness, and transparency. Aeroflex believes that these principles are essential not only for preserving stakeholder confidence but also for fostering innovation, operational excellence, and sustainable value creation.

The Board of Directors at Aeroflex is composed of a diverse mix of executive and independent members, ensuring balanced perspectives and strategic oversight. A formal Code of Conduct guides the actions of the Board and senior management, while a well-established Vigil Mechanism (Whistle Blower Policy) enables employees and stakeholders to report concerns safely and confidentially.

Aeroflex also places strong emphasis on regular performance evaluations of the Board, its committees, and individual directors, alongside structured training and familiarisation programs. These efforts ensure that governance practices remain robust, adaptive, and in tune with the dynamic business environment.

In every aspect of its operations, Aeroflex Industries Limited strives to uphold the highest standards of governance — not just as a framework for compliance, but as a culture that drives trust, reinforces accountability, and leads the Company toward its vision of responsible and sustained growth.

The Company confirms compliance with various provisions relating to Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are further elaborated in this Report.

2. BOARD OF DIRECTORS

a. Board composition & other details

The Board of Directors ('the Board') is the apex body, for overseeing the Company's overall functioning. The Board provides strategic direction, leadership and guidance to the Management as also monitors the performance of the Company with the objective of creating long-term value for the various stakeholders and the Company.

During the year under review, the composition of the Board was in conformity with Regulation 17 of the SEBI Listing Regulations read together with Section 149 and 152 of the Act and rules framed thereunder. As on March 31, 2025, the Board comprised of total Seven directors. Out of these, two directors are Executive Directors, one is Non-Executive Non-Independent Director and four are Non–Executive Independent Directors (including one Independent Woman Director).

During the financial year under review, Mr. Ramesh Chandra Soni (DIN: 00049497) was re-appointed as the Non-Executive Independent Director of the Company to hold office for a second term of 5 (five) consecutive years w.e.f 15th October 2024. The appointment was approved by Members at their Annual General Meeting held on 5th July 2024.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, as disclosed under Section 184 of the Act read with Rules framed thereunder and none of the Directors of the Company are related to each other. None of the IDs serve as IDs in more than seven listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairpersons of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a director.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149 of the Act read with Rules made thereunder and Regulation 16(1) of the SEBI Listing Regulations. Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the SEBI Listing Regulations and are independent of the Management.

During the financial year under review, none of the Independent Director resigned before the expiry of his /her tenure.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The following table illustrates composition of the Board, attendance of the Directors at the Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), number of directorships and committee positions held in other public companies, their shareholding in the Company's shares or other convertible instruments and names of other listed entities in which Directorships is held, including category of Directorships, as on March 31, 2025:

Name of the Director	No. of Board meetings attended in the year	Attendance at the last AGM	Directorships in Other Public Companies *	Memberships of Committees of Other Boards*	Chairmanships of Committees of Other Boards**	Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
Mr. Asad Daud	7	Yes	2	2	-	500 Equity shares	i) Sah Polymers Limited- Non-Executive Non-Independent Director ii) Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited) - Non-Executive Non-Independent Director
Mr. Mustafa Abid Kachwala	7	Yes	-	-	-	500 Equity shares	-
Mr. Harikant Ganeshlal Turgalia	7	Yes	2	2	-	500 Equity shares	i) Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited) - Whole Time Director & CFO ii) Sah Polymers Limited – Non Executive Non-Independent Director
Mr. Ramesh Chandra Soni	7	Yes	-	-	-	-	-
Mr. Parthasarathi Sarkar	7	No	1	1	1	-	i) Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited) - Non-Executive Independent Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director	No. of Board meetings attended in the year	Attendance at the last AGM	Directorships in Other Public Companies *	Memberships of Committees of Other Boards*	Chairmanships of Committees of Other Boards**	Holding in Company's shares & other convertible instruments	Directorships in other listed entities (Category of Directorship)
Mr. Arpit Khandelwal	6	Yes	2	2	1	-	i) Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited) - Non-Executive Independent Director
Ms. Shilpa Bhatia	7	Yes	2	2	-	-	i) Bliss GVS Pharma Limited- Non-Executive Independent Director ii) AMJ Land Holdings Limited- Non-Executive Independent Director

Note: * The directorship and number of Committee positions held by directors as mentioned above does not include directorships and committee positions in private companies / high value debt listed entities / companies incorporated under Section 8 of the Act / foreign companies as on March 31, 2025.

** Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies / subsidiary of public companies, as provided under Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements),2015 have been considered.

b. Meetings of the Board of Directors

The Board of Directors met Seven times during the Financial Year 2024-25, i.e. on 2nd April 2024, 6th May 2024, 3rd June 2024, 2nd August 2024, 30th October 2024, 14th December 2024 and 15th January 2025. The maximum time gap between any two meetings was less than 120 days. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

c. Familiarisation Programme for Independent Directors

The details of Familiarisation Programs imparted to Independent Directors pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the Company athttps://www.aeroflexindia.com/investor-relation/

d. Matrix of Core Skills / Experience / Competencies of the Board of Directors

The Board of Directors of Aeroflex Industries Limited comprises individuals with a diverse range of skills, expertise, and experience. This collective diversity equips the Board to provide effective leadership and strategic oversight, aligned with the Company's long-term goals and stakeholder expectations.

The following matrix sets out the key skills, expertise and competencies that the Board considers essential for ensuring effective governance and guiding the Company's sustainable growth. The Directors collectively possess these attributes in varying combinations, which contribute meaningfully to the Board's functioning.

- **Strategic Planning**

  Proven track record of leadership roles, especially in dynamic or global business

REPORT ON CORPORATE GOVERNANCE (Contd.)

environments; expertise in strategic foresight, talent development, and succession planning.

- **Financial Acumen**

  Expertise in financial planning, budgeting, capital structuring, mergers & acquisitions, investor relations, and managing financial risk.

- **Corporate Governance**

  Experience with corporate governance frameworks, board charters, risk oversight, whistleblower policies, and ethical business practices.

- **Legal / Regulatory / Compliance**

  Knowledge of applicable corporate, securities, and commercial laws; ability to make informed decisions within legal frameworks and ensure compliance.

- **Business Operations**

  Deep knowledge of day-to-day operational management, process optimisation, supply chain, quality control, and efficiency improvement.

Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business	Names of Directors who have such skills/expertise/ competence
Strategic Planning	Mr. Asad Daud Mr. Harikant Ganeshlal Turgalia Mr. Ramesh Chandra Soni Mr. Parthasarathi Sarkar
Financial Acumen	Mr. Asad Daud Mr. Mustafa Abid Kachwala Mr. Harikant Ganeshlal Turgalia Mr. Ramesh Chandra Soni Mr. Parthasarathi Sarkar Mr. Arpit Khandelwal
Corporate Governance	Mr. Asad Daud Mr. Mustafa Abid Kachwala Mr. Harikant Ganeshlal Turgalia Mr. Ramesh Chandra Soni Mr. Parthasarathi Sarkar Mr. Arpit Khandelwal Ms. Shilpa Bhatia
Legal/ Regulatory /Compliance	Mr. Ramesh Chandra Soni Mr. Arpit Khandelwal Ms. Shilpa Bhatia
Business Operations	Mr. Asad Daud Mr. Mustafa Abid Kachwala Mr. Harikant Ganeshlal Turgalia Mr. Ramesh Chandra Soni Mr. Parthasarathi Sarkar

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

As stipulated in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements),2015 a separate meeting of the Independent Directors of the Company was held on 11th March 2025 to review the performance of Non-Independent Directors and the Board as a whole and also the flow of information between the Board and the Management of the Company.

COMPANY'S POLICY ON PROHIBITION OF INSIDER TRADING

As per provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code

of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. All the directors, designated persons and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations. The Company Secretary has been appointed as Compliance Officer of the Company and is responsible for adherence to the Code.

SUBSIDIARY COMPANIES

As on 31st March 2025, the Company had one subsidiary company i.e. Hyd-Air Engineering Private Limited which does not fall under the norms prescribed in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements),2015 for Material Subsidiary. The Company has formulated a policy for determining 'material' subsidiaries and the same is displayed on the website of the Company https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Material-Subsidiaries.pdf

3. AUDIT COMMITTEE

a. Terms of reference

The broad terms of reference of the Audit Committee, inter alia, include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions; and
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
7. Monitoring the end use of funds raised through public offers and related matters
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process

REPORT ON CORPORATE GOVERNANCE (Contd.)

9. Approval of any subsequent modification of transactions of the Company with related parties
10. Scrutiny of inter-corporate loans and investments
11. Valuation of undertakings or assets of the Company, wherever it is necessary
12. Evaluation of internal financial controls and risk management systems
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
15. Discussion with internal auditors of any significant findings and follow up there on
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
19. Reviewing the functioning of the whistle blower mechanism
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
22. Reviewing the utilisation of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments, as may be applicable
23. Management discussion and analysis of financial condition and results of operations
24. Statement of significant related party transactions (as defined by the audit committee), submitted by management
25. Management letters / letters of internal control weaknesses issued by the statutory auditors;
26. Internal audit reports relating to internal control weaknesses
27. Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
28. Statement of deviations

b. Composition

The Audit Committee comprises one Executive Director and two Non-Executive Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The partners / authorised representatives of Statutory Auditors and Internal Auditors are invited to the meetings of the Audit Committee, as and when required. The Company Secretary and Compliance officer of the Company acts as Secretary to the Committee. The Composition of Audit Committee as on 31st March 2025 is given below:

Name	Category	Designation
Mr. Ramesh Chandra Soni	Non-Executive Independent Director	Chairperson
Mr. Asad Daud	Executive Director	Member
Mr. Arpit Khandelwal	Non-Executive Independent Director	Member

REPORT ON CORPORATE GOVERNANCE (Contd.)

c. **Meetings and attendance**

The Audit Committee met Five times during the Financial Year 2024-25, i.e. on 6th May 2024, 3rd June 2024, 2nd August 2024, 30th October 2024 and 14th January 2025. The maximum time gap between any two meetings is not more than 120 days.

The necessary Quorum was present at the meetings. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	5	5
Mr. Asad Daud	5	5
Mr. Arpit Khandelwal	5	5

4. NOMINATION & REMUNERATION COMMITTEE

a. **Terms of reference**

The Nomination and Remuneration Committee, inter alia, recommends the appointment and remuneration payable to Directors, Key Managerial Personnel and Senior Management of the Company.

The broad terms of reference of the Nomination and Remuneration Committee, inter-alia, are:

i. To formulate criteria for determining qualifications, positive attributes and independence of a director;

ii. Formulate criteria for evaluation of Independent Directors and the Board;

iii. Identify persons who are qualified to become directors and who may be appointed in senior management;

iv. To carry out evaluation of every director's performance;

v. To recommend to the Board the appointment and removal of directors and senior management;

vi. To recommend to the Board policy relating to remuneration of directors, key managerial personnel and senior management;

vii. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

viii. To devise a policy on Board diversity;

ix. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

b. **Composition**

As on 31st March 2025 the Nomination and Remuneration Committee comprised of Non – Executive Directors. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee. The Composition of Nomination and Remuneration Committee as on 31st March 2025 is given below:

Name	Category	Designation
Mr. Ramesh Chandra Soni	Non-Executive Independent Director	Chairperson
Mr. Parthasarathi Sarkar	Non-Executive Independent Director	Member
Mr. Harikant Ganeshlal Turgalia	Non-Executive - Non-Independent Director	Member

c. **Meetings and attendance**

The Nomination and Remuneration Committee met Four (4) times during the financial year, i.e., on 3rd June 2024*, 26th October 2024 and 14th January 2025.

*The committee met twice on 3rd June 2024.

The requisite quorum was present for the meetings. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	4	4
Mr. Parthasarathi Sarkar	4	4
Mr. Harikant Ganeshlal Turgalia	4	4

d. **Performance evaluation criteria for Independent Directors**

The criteria on the basis of which evaluation of Independent Directors was carried out during FY25, included participation and contribution to the Board's/Committee's decision making, understanding of Company's business model and industry and maintenance of independence.

During the year under review, in terms of the requirement(s) of the Act and the SEBI Listing Regulations, annual performance evaluation of the Board, its Committees, Chairperson, other board members including Independent Directors was carried out, details whereof have been provided in the Board's Report section of this Annual Report.

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

Pursuant to the provisions of Section 178 of the Act and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

a. Terms of reference

The Stakeholders' Relationship Committee is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate share certificates, demat of shares and other miscellaneous complaints. This Committee is also responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. In addition, the terms of reference of this committee includes as provided under provisions of Regulation 20 read with Schedule II Part D (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition

As on 31st March 2025 the Stakeholder's Relationship Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is a Non-Executive Director.

The Committee consists of the following:

Name	Category	Designation
Mr. Harikant Ganeshlal Turgalia	Non-Executive Non - Independent Director	Chairperson
Mr. Asad Daud	Executive Director	Member
Mr. Arpit Khandelwal	Non-Executive Independent Director	Member

c. Meetings and attendance

The Stakeholders' Relationship Committee met Four (4) times during the financial year, on 6th May 2024, 2nd August 2024, 30th October 2024 and 14th January 2025.

The requisite quorum was present for the meetings. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Harikant Ganeshlal Turgalia	4	4
Mr. Asad Daud	4	4
Mr. Arpit Khandelwal	4	4

d. Name and designation of Compliance Officer

Ms. Kinjal Kamlesh Shah, Company Secretary and Compliance Officer is the Compliance Officer for resolution of shareholders' complaints.

e. Number of shareholders' complaints received during the financial year

3 shareholder's complaint were received during the financial year 2024-25.

f. Number of complaints not solved to the satisfaction of shareholders Nil

g. Number of pending complaints Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a. Terms of reference

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Act.

The company is committed to operate and grow its business in a socially responsible way, while reducing the environmental impact of its operations and increasing its positive social impact. It aims to achieve growth in a responsible way by encouraging people to take small everyday actions that will make a big difference. The CSR Policy is guided by the following vision:

i. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.

REPORT ON CORPORATE GOVERNANCE (Contd.)

ii. The Company is committed towards improving the quality of lives of people in the communities in which it operates because society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to society through CSR activities is its moral duty.

iii. The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

b. Composition

As on 31st March 2025, the Committee comprises of four members (including two Independent Directors). The Chairperson of the Committee is an Executive Director.

Name	Category	Designation
Mr. Asad Daud	Executive Director	Chairperson
Mr. Ramesh Chandra Soni	Non-Executive Independent Director	Member
Mr. Arpit Khandelwal	Non-Executive Independent Director	Member
Mr. Mustafa Abid Kachwala	Executive Director	Member

c. Meetings and attendance

The Corporate Social Responsibility Committee met One (1) time during the financial year on 3rd June 2024.

The requisite quorum was present for the meeting. The attendance of each member of the Company is given below:

Name	No. of meeting held	No. of meeting attended
Mr. Asad Daud	1	1
Mr. Ramesh Chandra Soni	1	1
Mr. Arpit Khandelwal	1	1
Mr. Mustafa Abid Kachwala	1	1

7. BANKING & FINANCE COMMITTEE

a. Terms of reference

For dealing with banks and financial institutions and to ensure that the Company's financial operations are conducted smoothly, efficiently, and in alignment with overall business objectives the committee is being constituted.

The broad terms of reference of the Banking & Finance Committee, inter-alia, are:

i. Review and approve all the documents pertaining to bank guarantee and the same be signed by any two members of the committee.

ii. Evaluate and select banking partners and financial institutions that best meet the Company's needs.

iii. Approve or review credit limits and terms with banks.

iv. Review and approve significant banking contracts and agreements.

b. Composition

As on 31st March 2025, the Committee comprises of three members. The Chairperson of the Committee is an Executive Director.

Name	Category	Designation
Mr. Mustafa Abid Kachwala	Executive Director	Chairperson
Mr. Asad Daud	Executive Director	Member
Mr. Harikant Ganeshlal Turgalia	Non-Executive Non - Independent Director	Member

c. Meetings and attendance

The Banking & Finance Committee met Four (4) times during the financial year i.e., on 28th November 2024, 12th December 2024, 12th February 2025 and 25th March 2025.

REPORT ON CORPORATE GOVERNANCE (Contd.)

8. KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Particulars of Key Managerial Personnel and Senior Management including the changes therein since the close of the previous financial year are as follows:

Name of the Key Managerial Personnel	Designation
Mr. Asad Daud	Managing Director
Mr. Mustafa Abid Kachwala	Chief Financial Officer
Ms. Kinjal Kamlesh Shah	Company Secretary & Compliance Officer
Name of the Senior Management Personnel	**Designation**
Mr. Kiran C. Kagalkar *(Appointed w.e.f. 1st February 2025)*	Chief Operating Officer
Mr. Harish Khatter	Operations- Vice President
Mr. Pervez Akhter	Senior Vice President
Mr. Amit Jha	Manager - Risk & Compliance
Ms. Drashti Chauhan	Finance Controller

9. REMUNERATION OF DIRECTORS

a. The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2024-25.

b. The Non-Executive Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him / her of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

c. Details of remuneration and sitting fees paid to the directors:

Details of remuneration / sitting fees paid during the financial year 2024-25 and number of shares held as on 31st March 2025 by the directors of the Company are as follows:

(INR in Lakhs)

Name of the Director	Salary & Perquisites	Performance/ Incentive/Bonus/ Stock option/Bonus/	Sitting Fees	Total	No. of Shares held
Mr. Asad Daud	115.41	-	-	115.41	500
Mr. Mustafa Abid Kachwala	13.04	-	-	13.04	500
Mr. Harikant Ganeshlal Turgalia	-	-	-	-	500
Mr. Ramesh Chandra Soni	-	-	1.75	1.75	-
Mr. Parthasarathi Sarkar	-	-	1.75	1.75	-
Mr. Arpit Khandelwal	-	-	-	-	-
Ms. Shilpa Bhatia	-	-	1.75	1.75	

i. The above details of remuneration or fees paid include all elements of remuneration package of individual directors summarised under major heads

ii. Apart from the above-mentioned remuneration or fees paid, there are no other fixed component and performance linked incentives based on the performance criteria

iii. No remuneration / compensation is paid to Non-Executive Directors, except sitting fees for attending board meetings

iv. The Company has entered into service contracts with Whole Time Director and Managing Director. The tenure of office of the Managing Director is for five years and for Whole Time Directors is for three years from their respective dates of appointment and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

The Nomination and Remuneration Committee recommends the remuneration to be paid to the Directors, to the Board of Directors, for its approval. The Remuneration Policy is available on the website of the Company at Nomination-and-Remuneration-Policy.pdf

REPORT ON CORPORATE GOVERNANCE (Contd.)

10. GENERAL BODY MEETINGS

a. Details of the Annual General Meetings of the Company held during the last 3 years are as follows:

Financial Year / Type of Meeting	Date & Time	Venue / Mode	Special Resolution (s) passed
FY 2024-25 Annual General Meeting	5th July 2024 at 11: 00 a.m.	Through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office of the Company situated Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh - 410208	i. To re-appoint Mr. Ramesh Chandra Soni (DIN: 00049497) as an Independent Director of the Company ii. Approval of Aeroflex Industries Limited Employee Stock Options Plan 2024 ("ESOP 2024") for employees of the Company iii. Aeroflex Industries Limited Employee Stock Options Plan 2024 (ESOP 2024) for the Employees of existing and future Subsidiary Company/ies
2023-2024 Annual General Meeting	July 08, 2023 at 11: 00 a.m.	Through Video Conferencing / Other Audio-Visual Means Deemed Venue: Registered Office of the Company situated Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh - 410208	i. Re-Appointment of Ms. Shilpa Bhatia (DIN: 08695595) as an Independent Women Director
2022-2023 Annual General Meeting	September 03, 2022 at 11: 00 a.m	Registered Office of the Company situated at Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Maharashtra – 410208	i. Approval of Allocation and Grant of Stock Options to Employees ii. Grant of Options to issue securities equal to or exceeding one per cent of the issued Capital

b. Extra General Meeting

The extraordinary General Meeting of the Members was held on 15th January 2025.

c. Postal Ballot

During the financial year under review, no resolution was passed by the Company through postal ballot.

11. MEANS OF COMMUNICATION

The Company recognises the importance of two-way communication with its stakeholders, and of giving a balanced reporting of results and progress made during the year and endeavors to respond to questions and issues raised by the stakeholders in a timely and consistent manner. Stakeholders seeking information may contact the Company directly throughout the year. Some of the modes of communication are mentioned below:

a. Financial Results

The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges and are generally published in Free Press Journal

REPORT ON CORPORATE GOVERNANCE (Contd.)

(English) and Navshakti (Marathi). The financial results are circulated to all the shareholders of the Company whose email addresses are registered with Company / Depositories and are also uploaded on the website of the Company at www.aeroflexindia.com.

b. Investor Presentation/ Analysts Meet /Earnings Calls

The Company periodically meets with investors and analysts including holding quarterly/half yearly/ annual earnings calls where the Company's performance is discussed. Presentations made to investors and analysts, audio/ video recording and transcript of the calls with analysts for quarterly/ half-yearly/annual results are filed with the Stock Exchanges through their respective portals and also made available on the website of the Company at www.aeroflexindia.com.

c. Website

The Company's website www.aeroflexindia.com provides detailed information regarding its business segments, products, and highlights its key numbers including leadership, apart from the quarterly key performance indicators.

d. Framework for handling and monitoring investor complaints

Shareholders are requested to approach the Company's RTA directly at the first instance for their grievances. If the RTA/ Company does not resolve the grievance within the stipulated timeline or the shareholder is not satisfied with the RTA/ Company's response, they may approach SEBI and file their grievance through SCORES at https://scores.sebi.gov.in, the centralised online system for lodging and tracking complaints where all activities are carried out online.

The Company is registered on SCORES and endeavors to resolve the investor complaints received through SCORES.

Further, SEBI has also introduced a common ODR portal https://smartodr.in to further streamline the complaint/dispute resolution mechanism, under the aegis of stock exchanges and Depositories by establishing an online conciliation and arbitration process where disputes between investors and listed companies (including their RTAs) can be referred for resolution.

It may be noted that in case the investor files a dispute on the ODR portal while the complaint is pending on SCORES, the complaint shall automatically be treated as disposed on SCORES.

In order to serve the investors better and in compliance with the SEBI Listing Regulations, the Company also has a designated e-mail Id viz. corporate@aeroflexindia.com. This e-mail Id is monitored by the in-house Corporate Secretary team to address grievances/requests/complaints, if any raised by the investors.

12. GENERAL INFORMATION FOR SHAREHOLDER

a. 31st Annual General Meeting

Day, Date & Time: Tuesday, 05th August, 2025 at 11.00 a.m.

Mode: Through Video Conferencing / Other Audio-Visual Means

Deemed Venue: Registered Office of the Company situated at Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh - 410208

b. Financial Year: The financial year of the Company starts on April 01 and ends on March 31 of next year.

c. Dates of Book Closure / Record Date: As mentioned in the Notice of this AGM

d. Dividend Payment Date:

The final Dividend, if approved by the Shareholders at the Annual General Meeting shall be paid/ credited on or before September 03, 2025 i.e. within 30 days from the date of approval

e. Listing on Stock Exchanges

The equity shares of the Company are listed on the following stock exchanges with effect from August 31, 2023:

Name of Stock Exchange	Address
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

REPORT ON CORPORATE GOVERNANCE (Contd.)

The ISIN of the Equity Shares of the Company is INE024001021. The Company has paid the annual listing fee for the financial year under review and the financial year 2024-25 to both the stock exchanges.

During the financial year under review, the equity shares of the Company have not been suspended from trading on any of the stock exchanges on which they are listed.

f. Registrar to an issue and Share Transfer Agents

M/s. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)
Address: C-101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400 083.
Tel: 8108116767
Toll-free number: 1800 1020 878
E-mail: rnt.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

g. Share transfer system

Shares held in the dematerialised form are electronically traded in the depository. The registrar and share transfer agents of the Company periodically receive from the depository the beneficiary holdings to enable them to update their records and to send out corporate communications such as dividend warrant.

h. Distribution of Shareholding as on 31st March 2025

Sr. No.	Categories (Shares)	No. of shareholders	% of total shareholders	No. of shares	% of total shares
1	1 to 500	98,018	92.36	91,91,156	7.11
2	5001 to 1000	4,296	4.05	33,55,054	2.59
3	1001 to 2000	2,098	1.98	31,72,968	2.45
4	2001 to 3000	676	0.64	17,15,554	1.33
5	3001 to 4000	241	0.23	8,57,442	0.66
6	4001 to 5000	244	0.23	11,54,332	0.89
7	5001 to 10000	316	0.30	23,05,775	1.78
8	10001 to above	242	0.23	10,75,68,089	83.18
Total		**1,06,131**	**100**	**12,93,20,370**	**100**

i. Dematerialisation of shares and liquidity

As on 31st March 2025, 100% equity shares of the Company are in dematerialised form. The equity shares of the Company are liquid and traded on BSE Limited and National Stock Exchange of India Limited.

j. Convertible instruments

The Company has not issued any Global Depository Receipts (GDRs) /American Depository Receipts (ADRs)/ warrants or any convertible instrument, which are likely to have impact on the Company's Equity.

k. Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's reporting currency, hence exposure to exchange rate fluctuations arises.

The Company's commodity risk is managed centrally through well-established control processes and also future market position in accordance with the risk management policy.

l. Plant location

Unit 1:
Plot No. 41, 42/(13, 14, 18),
Near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai – 410 208
Maharashtra, India

Unit 2:
Lodha Industrial and Logistics Park (LILP),
Palava A5B,
Survey No. 49/(1, 4, 7, 9),
50/(6, 9, 10), Village Narhen,
Taluka Ambernath,
Thane-421 501
Maharashtra, India

m. Address for Correspondence

i. Registrar and Share Transfer Agent

M/s. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

(Unit: Aeroflex Industries Limited)

Address: C-101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400 083.

Tel: 8108116767

Toll-free number: 1800 1020 878

E-mail: rnt.helpdesk@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

ii. Investor Relation Department of the Company

Ms. Kinjal Kamlesh Shah
Company Secretary and Compliance Officer
Address: Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh- 410208
Telephone No: +91 9594227356
Fax No: 022-61467136
Email: corporate@aeroflexindia.com
Website: www.aeroflexindia.com

n. Details of credit rating obtained by the entity along with revisions (if any):

During the year under review the Company has not obtained a credit rating

13. OTHER DISCLOSURES

a. Materially significant related party transaction

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors / KMPs during the financial year ended 31st March 2025 that may have potential conflict with the interest of the Company at large.

The transactions with the related parties, as per the requirements of the Indian Accounting Standard (Ind-AS) 24, are disclosed in the Notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transactions is available on Company's website at https://www.aeroflexindia.com/wp-content/uploads/RPT-Policy-15.01.2025.pdf

b. Penalties / Strictures

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of

India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years.

The Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets imposed no penalties or strictures on the Company during the last three years.

c. Whistle-Blower Policy / Vigil Mechanism and affirmation that no person has been denied access to the

Audit Committee

The Company's Whistleblower Policy meets the requirement of the vigil mechanism framework prescribed under the Act and the Listing Regulations. The Whistleblower Policy is hosted on the Company's website, https://www.aeroflexindia.com/wp-content/uploads/Vigil-Mechanism-policy.pdf. The Policy aims to provide an appropriate platform and protection to whistleblowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations. The Policy also provides for adequate safeguards against victimisation of the whistleblower. The Company investigates complaints speedily, confidentially and in an impartial manner, and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are maintained. All Employees and Directors have access to Chairperson of the Audit Committee. The Audit Committee reviews on a quarterly basis; the complaints received under the vigil mechanism.

During the financial year 2024-25, no director or employee was denied access to the Audit Committee.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of Regulation 27 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

i. **Un-Modified Opinion(s) in Audit Report:** During the year under review, there was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

ii. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

iii. **Shareholder Rights:** Annual financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website www.aeroflexindia.com.

e. Material Subsidiaries

During the financial year under review, the Company had one subsidiary company i.e. Hyd – Air Engineering Private Limited, which does not fall under the norms prescribed in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Material Subsidiary.

The Company has formulated a policy for determining 'material' subsidiaries and the same is displayed on the website of the Company www.aeroflexindia.com.

f. Details of utilisation of funds raised through preferential allotment or qualified institutions placement

During the financial year under review, the Company has not raised funds through preferential allotment or qualified institutions placement.

g. Certificate from Company Secretary in Practice

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority. The Company has received a certificate from S. K Jain & Co. (FCS No.: 1473), Company Secretaries and which is annexed to this Report.

h. Recommendation by the Committees

During the financial year under review, all recommendations made by the Committees of the Board as mandatorily required have been accepted by the Board.

i. Fees to Auditors

The total fees for all services (including out-of-pocket expenses) availed by the Company from M/s. Shweta Jain & Co., Chartered Accountants, Statutory Auditors for the Financial Year 2024-25 is INR 3.00 Lakhs.

j. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to creating a safe and healthy work environment, where every employee is treated with respect and is able to work without fear of discrimination, prejudice, gender bias or any form of harassment at the workplace. The Company has in place a Prevention of Sexual Harassment Policy ('POSH') in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy is gender neutral and the essence of the policy is communicated to all employees at regular intervals through assimilation and awareness programs. Details of complaints handled under the abovementioned policy are as follows:

Particulars	Status
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

k. Loans and Advances

During the financial year under review, no loans or advances were made by the Company or its subsidiaries in the nature of loans to firms / Companies in which Directors are interested.

14. CORPORATE GOVERNANCE REQUIREMENTS

During the financial year under review, the Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 21 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as it was not applicable to the Company.

15. DECLARATION ON COMPLIANCE FOR CODE OF CONDUCT

The Board has formulated and adopted Code of Conduct and Ethics for the Board of Directors and Senior Management. The said code has been hosted on the website of the Company at https://www.aeroflexindia.com/.

A confirmation from the Managing Director of the Company regarding compliance with the Code of Conduct and Ethics by all the Directors and Senior Management Personnel is annexed and forms part of this Report.

16. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from S. K Jain & Co. (FCS No.: 1473), Practicing Company Secretary certifying the compliance of conditions of Corporate Governance, is annexed and forms part of this Report.

17. CEO & CFO CERTIFICATE

In accordance with the provisions of Regulation 17(8) of the SEBI Listing Regulations, certificate of Managing Director and CFO in relation to the financial statements for the year ended 31st March 2025 is annexed and forms part of this Report.

18. CODE OF CONDUCT

The Company has framed a Code of Conduct for the Board members and Senior Management which is hosted on the Company's website:https://www.aeroflexindia.com/wp-content/uploads/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf. All Directors and Senior Management Personnel have affirmed compliance with the above Code for the financial year ended 31st March 2025. A declaration signed by Managing Director affirming compliance with the Code is annexed and forms part of this Report.

19. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

20. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

The Company has not entered into any types of agreements under Clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 with shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company.

21. POLICIES OF THE COMPANY

As a part of good Corporate Governance, the Company has from time to time adopted various policies / codes which are hosted on the website of the Company at https://www.aeroflexindia.com/ wherever required.

22. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

a. Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far, are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs.

b. Update your Correspondence Address / Bank Mandate / Email Id

Shareholder(s) holding shares in dematerialised form are requested to notify change in bank details / address / email Id directly with their respective DPs.

c. Quote Folio No. / DP ID No.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their Email IDs, Contact / Fax numbers for prompt reply to their correspondence.

d. SWAYAM developed by Registrar and Share Transfer Agents

The security holder may register on 'SWAYAM', RTA's online Investor Self-Service Portal that empowers holders to effortlessly access information through a dashboard and avail various services in digital mode - SWAYAM Portal - https://swayam.in.mpms.mufg.com/

Also, you can raise your request directly through service request https://web.in.mpms.mufg.com/helpdesk/Service_Request.html

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director
DIN: 02491539

Mustafa Abid Kachwala
Whole-time Director & CFO
DIN: 03124453

Place: Mumbai
Dated : July 08, 2025

Declaration of Compliance with the Code of Conduct

Pursuant to Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March 2025.

For and on behalf of the Board of Directors of
AEROFLEX INDUSTRIES LIMITED

Asad Daud
Managing Director
DIN: 02491539

Place: Mumbai
Dated : July 08, 2025

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Aeroflex Industries Limited
Plot No. 41, 42/13, 42/14 & 42/18
Near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai,
Raigarh – 410208

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AEROFLEX INDUSTRIES LIMITED having CIN: L24110MH1993PLC074576 and having Registered office at Plot No. 41, 42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh – 410208 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors as on 31st March, 2025 on the Board of the Directors of the Company as stated below have been debarred or disqualified from being appointed as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company	Date of Cessation
1.	Mustafa Abid Kachwala	03124453	07/05/2010	-
2.	Asad Daud	02491539	15/10/2019	-
3.	Harikant Ganeshlal Turgalia	00049544	15/10/2019	-
4.	Ramesh Chandra Soni	00049497	15/10/2019	
5.	Arpit Khandelwal	09684341	28/11/2022	-
6.	Parthasarathi Sarkar	00047272	05/08/2022	-
7.	Shilpa Bhatia	08695595	05/08/2022	

Ensuring the eligibility of for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. K. Jain & Co.**

Dr. S. K. Jain
Practicing Company Secretary
FCS No.: 1473
COP NO.: 3076
PR No.: 6574/2025

Place : Mumbai
Dated : July 05, 2025
UDIN : F001473G000718519

Compliance Certificate on Corporate Goverance Report

To,
The Members,
AEROFLEX INDUSTRIES LIMITED
Plot No. 41, 42/13, 42/14 & 42/18
Near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai,
Raigarh – 410208.

I have examined the compliance of conditions of Corporate Governance by **AEROFLEX INDUSTRIES LIMITED** ("the Company") for the year ended on March 31, 2025.

I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control, and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion

Based on my examination of the relevant records and according to the information and explanations provided to me and the representation provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clause (b) to (i) of Regulation 46 and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2025.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

The certification is addressed to and provided to the members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

For **S. K. Jain & Co.**

Dr. S. K. Jain
Practicing Company Secretary
FCS No.: 1473
COP NO.: 3076
PR No.: 6574/2025

Place: Mumbai
Dated: July 05, 2025
UDIN: F001473G000718585

CEO/CFO Certification

To,
The Board of Directors
Aeroflex Industries Limited
Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify that:

1. We, Mustafa Abid Kachwala, Whole Time Director & CFO and Asad Daud, Managing Director of Aeroflex Industries Limited ("the Company") have reviewed financial statements and the cash flow statements (standalone and consolidated) of the Company for the year ended March 31, 2025 and that to the best of our knowledge and belief:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across and are not aware of any reportable deficiencies in the design or operation of such internal controls.
4. I have indicated to the Auditors and the Audit Committee that:
   i. there are no significant changes in internal control over financial reporting during the year;
   ii. there are no significant changes in accounting policies during the year; and
   iii. there are no instances of significant fraud of which we have become aware.

For **AEROFLEX INDUSTRIES LIMITED**

Asad Daud
Managing Director
DIN: 02491539

Mustafa Abid Kachwala
Whole-time Director & CFO
DIN: 03124453

Place: Mumbai
Dated :July 08, 2025

ANNEXURE – F

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AEROFLEX INDUSTRIES LIMITED
Plot No. 41, 42/13, 42/14 & 42/18
Near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai,
Raigarh - 410208.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AEROFLEX INDUSTRIES LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2025** ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **AEROFLEX INDUSTRIES LIMITED** as given in "**Annexure-I**" for the period **1st April 2024 to 31st March 2025** according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(The shareholders of the Company, in their meeting held on 5th July 2024, approved the Employee Stock Option Plan 2024. The Company has also obtained in-principle approvals from NSE and BSE; however, no options have been granted as of now)**

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the audit period)**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the audit period)**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the audit period)** and

i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**

I have also examined Compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.

ii. The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock

ANNEXURE – F (Contd.)

Exchange of India Limited and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("Listing Regulations").

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is as per "**Annexure-II**".

During the period under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in Compliance with the provisions of the Act.

Adequate notices/ shorter notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decision at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meeting of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I further report that in case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I further report that during the audit period the Company has specific events as under:

1. Board of Directors of the Company at its meeting held on 2nd April 2024 has approved acquisition of 100% of the issued and paid up share capital of Hyd- Air Engineering Private Limited, consequent to this Hyd-Air Engineering Private Limited has become Wholly Owned Subsidiary of the Company w.e.f. 4th April 2024.

2. Board of Directors of the Company at its meeting held on 6th May 2024, recommended the payment of dividend on Equity Shares having face value of INR 2/- each @ Re. 0.25 (Twenty-five paisa) per share i.e. 12.5% of the paid-up Equity Share Capital for the financial year ended 31st March 2024, and the same was approved by the shareholders at the Annual General Meeting (AGM") of the company held on 5th July 2024.

3. Re-appointment of Mr. Ramesh Chandra Soni (DIN: 00049497) as Non-Executive Independent Director of the Company for a second term of 5 (five) consecutive years commencing from 15th October 2024 upto 14th October 2029.

4. The Shareholders of the Company at their Annual General Meeting held on 5th July 2024 approved Aeroflex Industries Limited Employee Stock Options Plan 2024 ("ESOP 2024") for the employees of the Company, existing and future subsidiary Company(ies) whether in or outside India, or holding Company of the Company or group company or its associate company.

5. Board of Directors of the Company at its meeting held on 30th October 2024, re-appointed Mr. Mustafa Abid Kachwala as Chief Financial Officer ("CFO") of the Company for a period of 2 (two) years from 28th November 2024 to 27th November 2026.

6. Board of Directors of the Company at its meeting held on 30th October 2024, has approved the closure of M/s. Aeroflex Industries Limited, U.K, a Wholly Owned Subsidiary Company incorporated in United Kingdom and stands dissolved w.e.f. 18th March 2025.

ANNEXURE – F (Contd.)

7. Board of Directors of Company at its meeting held on 14th December 2024 approved the proposal for raising of funds in one or more tranches by way of issuance of such number of equity shares having face value of INR 2/- each of the Company ("Equity Shares") for an aggregate amount not exceeding INR 4000 Mn (Rupees Four Thousand Mn only) by way of qualified Institutions Placement ("QIP") or other permissible modes in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the same was approved by shareholders in Extraordinary General Meeting ("EOGM") held on 15th January 2025.

8. Board of Directors of the Company at its meeting held on 15th January 2025, appointed Mr. Kiran C. Kagalkar as the Chief Operating Officer ("COO") of the Company w.e.f. 1st February 2025.

9. Hyd -Air Engineering Private Limited, Wholly Owned Subsidiary of the Company has allotted 1,800 equity shares of face value of INR100/- each at a price of INR58,853/- per share to the Company in lieu of and against the conversion of a loan.

For **S. K. Jain & Co**.

Date: May 29,2025
Place: Mumbai
UDIN: F001473G000497311

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
COP No.: 3076
PR No.: 6574/2025

This report is to be read with our letter of even date which is annexed as "**Annexure-III**" and forms an integral part of this report.

ANNEXURE – I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to: -

1. Minutes of the Meetings of the Board of Directors, Committee Meetings held during the financial year under Report;
2. Minutes of General Body Meetings held during the financial year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notices/Shorter Notices and Agenda papers submitted to all the Directors for the Board Meetings;
5. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report;
9. Closure of Register of Members/ record date for dividend.
10. Declaration and payment of Dividend.

ANNEXURE – II

LIST OF APPLICABLE LAWS TO THE COMPANY

i. The Factories Act, 1948;

ii. The Industrial Disputes Act, 1947;

iii. The Payment of Bonus Act, 1965;

iv. The Payment of Gratuity Act, 1972;

v. The Minimum Wages Act, 1948;

vi. The Payment of Wages Act, 1936;

vii. The Sexual Harassment Act, 2013;

viii. The Maternity Benefits Act, 1961;

ix. The Industrial Employment (Standing Orders) Act, 1946;

x. The Employees Provident Fund and Miscellaneous Provisions Act, 1970;

xi. The Workmen's Compensation Act, 1923;

xii. The Equal Remuneration Act, 1976;

xiii. The Air (Prevention and Control of Pollution) Act, 1981;

xiv. The Water (Prevention and Control of Pollution) Act, 1974;

xv. The Water (Cess Act), 1977;

xvi. The Environment (Protection) Act, 1986;

xvii. The Standard of Weights and Measure Enforcement Act, 1985;

xviii. Employees State Insurance Act, 1948

xix. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;

xx. The Hazardous Waste (Management and Handling) Rules, 1989.

ANNEXURE – III

To,
The Members,
AEROFLEX INDUSTRIES LIMITED
Plot No. 41, 42/13, 42/14 & 42/18
Near Taloja MIDC, Village Chal,
Behind IGPL, Panvel,
Navi Mumbai,
Raigarh – 410208.

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. K. Jain & Co.**

Dr. S. K. Jain
Practicing Company Secretary
FCS No.:1473
COP No.: 3076
PR No.: 6574/2025

Date: May 29, 2025
Place: Mumbai
UDIN: F001473G000497311

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
AEROFLEX INDUSTRIES LIMITED
Mumbai
Report on the Audit of the Consolidated Financial Statements:

OPINION :

We have audited the accompanying Consolidated Financial Statements of **AEROFLEX INDUSTRIES LIMITED** (hereinafter referred to as "**the Holding Company**") which includes the financial statements/financial information in respect of subsidiaries (Indian Subsidiary **Hyd-air Engineering Pvt Ltd** and foreign subsidiary **Aeroflex Industries Limited, incorporated at London UK. (the Subsidiaries") (The Holding company and its subsidiary together referred as the "the company/ Group**"), which comprise the consolidated Balance Sheet as at 31st March 2025, the consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements and a summary of material accounting policies and other explanatory information (**hereinafter referred to as "Consolidated Financial Statements**").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors of the subsidiary companies, the aforesaid Consolidated financial statements, give the information required by the Companies Act 2013 as amended (" the Act ") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group as at 31st March 2025, its consolidated profits including consolidated other comprehensive income, its consolidated cash flows and consolidated changes in the equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the Consolidated Financial Statements' section of our report. We are independent of the group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs of the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Accuracy, Completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress. The carrying value of property, plant and equipment includes the assets capitalized/ transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31st March 2025 of Rs. 888.41 lakhs. Cost recognition of property, plant and equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 3: Property, Plant and Equipment in Notes to the consolidated financial statements.

   Auditor's Response : Our audit procedures, amongst others, include the following :

   a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.

INDEPENDENT AUDITOR'S REPORT (Contd.)

b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.

c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the property, plant and equipment.

d) We have verified the capitalisation of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23. The company has made the capitalisation from the IPO funds and the internal accruals.

e) Ensuring adequacy of disclosures in the consolidated financial statements.

B. Disclosure with regards to certain legal and tax matters including uncertain tax positions :

Refer Note No 44.2 to the consolidated financial statements.

The Holding Company operates in a complex tax jurisdiction with certain tax exemption/ deduction that may be subject to challenge and audit by the tax authorities. Further, there are open tax matters under litigation with the tax authorities.

As at 31st March, 2025, the Holding Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters.

This is a key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognizing provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements.

Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following:

Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;

Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss as well as testing related to provisions and disclosures in the consolidated financial statements through inquiries with the management and legal counsel;

Assessing on test basis on the underlying calculation supporting the disclosure of litigation in the consolidated financial statements;

Reviewing orders and other communication from tax and regulatory authorities and management responses thereto;

Assessing the management expert's legal advice and opinion, as applicable, obtained by the Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and

Based on the above procedures performed, we did not identify any material exceptions in respect of disclosure of tax litigation in the consolidated financial statements with regard to such legal and tax matters.

OTHER INFORMATION :

The Holding Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board of Director's report including Annexures to Board of Director's report, Business responsibility and Sustainability report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

INDEPENDENT AUDITOR'S REPORT (Contd.)

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS :

The Holding Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the act, that give a true and fair view of the consolidated state of affairs, consolidated profit & loss including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective management and Board of Directors of the companies included in the group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of either entity intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the Company's financial reporting process of the respective companies.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS:

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

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

1. Identify and assess the risks of material misstatement of the consolidated 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.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

4. Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

INDEPENDENT AUDITOR'S REPORT (Contd.)

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial statements of Indian subsidiary Hyd-air Engineering Pvt Ltd whose financial statements reflect total assets of ₹ 3,711.14 lakhs as at 31st March, 2025, total revenues of ₹ 1,075.18 lakhs and net cash inflows amounting to ₹ (88.00) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of one foreign subsidiary Aeroflex Industries Limited UK whose financial statements reflect total assets of ₹ NIL as at 31st March, 2025, total revenues of ₹ (6.62) lakhs and net cash inflows amounting to ₹ NIL lakhs for the year ended on that date, as considered in the consolidated financial statements. This foreign subsidiary company has been struck off and the operations have winded up during the year. Therefore there are no assets & liabilities at the year ended which to be included in the consolidated financial statements except the balances of profit & loss account, which has been duly considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion in so far as it relates to the balances and affairs of one subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. A) 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 (xxi) of the Order to the extent applicable:

INDEPENDENT AUDITOR'S REPORT (Contd.)

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statement.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, Consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of written representations received from the directors of the holding company as on March 31, 2025, and taken on record by the Board of Directors, of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the group with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India 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 group to its directors of company incorporated in India, during the year is in accordance with the provisions of section 197 of the Act.

B) With respect to the other matters to be included in the Auditor's Report in accordance with the rule 11 of the companies (Audit and Auditor's) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us :

i. The Group does not have any other material pending litigations which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in Notes 44.2 of the consolidated financial statements

ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March 2025.

iii. There were no amounts which is required to be transferred to the Investors Education and Protection Fund by the Group companies incorporated in India during the year ended 31st March 2025.

iv. a. The management of holding company which is the company incorporated in India in the group whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management of holding company which is the company incorporated

INDEPENDENT AUDITOR'S REPORT (Contd.)

in India in the group whose financial statements have been audited under the Act, has represented us, that, to the best of its knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group 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 from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. During the year the holding companies in the group which is incorporated in India has complied with Section 123 of the Act, wherever applicable, with regard to dividend declared and paid.

vi. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 we here with report based on our examination which included test checks and that performed by the respective auditors of the holding company which is company incorporated in India in the group whose financial statements have been audited under the Act. The holding company have used an accounting software for maintaining its books of account 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.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN : 25416197BMJHAV1944

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT :

(As referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to the members of **AEROFLEX INDUSTRIES LIMITED** on the accounts as at and for the year ended 31st March, 2025)

In terms of the information and explanations sought by us and given by the Company and to the best of our knowledge and belief, we state that:

(i) With reference to the clause 3 (xxi) of the Order, there are no qualifications & adverse remark given by the respective auditor of the group companies in their auditor's report included in the consolidated financial statements.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN : 25416197BMJHAV1944

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT:

Report on the Internal Financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the holding company **AEROFLEX INDUSTRIES LIMITED** ("hereinafter referred to as "**the Holding Company**") which is the company incorporated in India in conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended 31st March, 2025 .

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS :

The Company's management and Board of Directors is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY :

Our responsibility is to express an opinion on the holding Company's internal financial controls which is company incorporated in India with reference to the consolidated financial statement based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statement were 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 judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained and the audit evidence obtained by the other auditors with reference to the companies under the group incorporated in India in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING:

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that :

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING :

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper

ANNEXURE "B" (Contd.)

management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements 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 the degree of compliance with the policies or procedures may deteriorate.

OPINION :

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the other Matters paragraph below with respect to the companies in group which are companies incorporated in India, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal financial control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS :

Our aforesaid reports under Section 143(3)(i) of the Act, on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to financial statements of companies in the group Incorporated in India, to the extent applicable, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of this matter.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN : 25416197BMJHAV1944

Consolidated Balance Sheet

As at 31st March 2025

(INR in Lakhs)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
NON CURRENT ASSETS			
a) Property, plant and equipment	3	16,966.10	8,237.28
b) Capital Work In Progress (CWIP):	3.1	984.22	537.83
c) Investment property			
d) Goodwill		126.75	
e) Intangible assets	4	88.26	59.63
f) Intangible assets - WIP	4.1	-	3.78
g) Biological assets other than bearer plants			
h) Financial assets			
i) Trade receivables			
ii) Loans			
iii) Other financial assets	5	272.62	345.84
i) Deferred tax assets net	6	-	-
j) Other non-current assets	7	269.01	304.83
Total Non-Current Assets		**18,706.95**	**9,489.18**
CURRENT ASSETS			
a) Inventories	8	6,668.28	5,894.24
b) Financial assets			
i) Investments			
ii) Trade receivables	9	11,651.79	9,472.28
iii) Cash and cash equivalents	10	2,630.19	7,650.03
iv) Bank balances other than cash and cash equivalent	11	44.85	2,922.28
v) Loans			
vi) Other financial assets			
c) Current tax assets net			
d) Other current assets	12	2,953.04	2,068.94
Total Current Assets		**23,948.15**	**28,007.77**
TOTAL ASSETS		**42,655.11**	**37,496.95**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13	2,586.41	2,586.41
b) Other equity	14	31,655.22	26,728.57
Total Equity		**34,241.62**	**29,314.98**
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	15	32.64	6.34
(A) Lease liabilities			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (b) to be specified)			
b) Provisions			
c) Other non current liabilities			
d) Deferred tax liability (net)	6	156.49	71.95
Total non-current liabilities		**189.13**	**78.29**
CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	16	25.71	5.77
(A) Lease liabilities			
ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	17	425.69	322.10
(B) Total outstanding dues of creditors other than micro & small enterprises	17	5,257.35	5,192.16
(iii) Other financial liabilities (other than those specified in item (c))			
b) Other current liabilities	18	1,976.87	2,396.88
c) Provisions			
d) Current tax liabilities (net)	19	538.75	186.77
Total Current Liabilities		**8,224.36**	**8,103.68**
Total Liabilities		**8,413.49**	**8,181.97**
TOTAL EQUITY AND LIABILITIES		**42,655.11**	**37,496.95**

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)

Membership No: 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAV1944

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND COMPLIANCE OFFICER
(M. No. : A58678)

Statement of Consolidated Profit and Loss

For the Year Ended 31st March 2025

(INR in Lakhs)

	Particulars	Note	Year Ended 31st March 2025	Year Ended 31st March 2024
	REVENUES:			
I	Revenue from operations	20	37,622.79	31,790.73
II	Other income	21	253.45	384.32
	TOTAL INCOME		**37,876.24**	**32,175.05**
	EXPENSES:			
III	Cost of material consumed	22	22,006.04	20,723.88
IV	Changes in inventories	23	373.35	(583.59)
V	Employee benefit expenses	24	3,528.15	2,620.18
VI	Finance costs	25	35.92	213.86
VII	Depreciation and amortisation expense	26	1,127.23	626.19
VIII	Other expenses	27	3,810.74	2,849.51
	TOTAL EXPENSES		**30,881.43**	**26,450.02**
	Profit/(loss) before exceptional item and tax		**6,994.81**	**5,725.03**
IX	Exceptional item		-	-
	Profit/(loss) before tax		**6,994.81**	**5,725.03**
	Tax expense:			
X	(1) Current tax		1,673.00	1,415.70
XI	(2) Deferred tax liability/(assets)		84.54	43.93
XII	(3) Taxation of earlier year		(13.49)	92.00
	Profit/(loss) for the year from continuing operation		**5,250.76**	**4,173.40**
XIII	Profit/(loss) from discontinued operations.			
XIV	Tax expense of discontinued operations			
XV	Profit/(loss) from discontinued operation			
	Profit/(loss) for the year		**5,250.76**	**4,173.40**
	Other comprehensive income/(loss)			
XVI	a) Item that will not be reclassified subsequently to profit or loss			
	i) Net change in fair values of investments in equity shares carried at fair value through OCI			-
XVII	b) Income tax relating to item that will not be reclassified subsequently to profit or loss			-
XVIII	c) Item that will be reclassified subsequently to profit or loss			-
	i) Exchange differences on translation of financial statements of foreign operations		0.22	0.33
XIX	d) Income tax relating to item that will be reclassified subsequently to profit or loss			-
	Total other comprehensive income/(loss)		**0.22**	**0.33**
	Total comprehensive income for the year		**5,250.99**	**4,173.72**
XX	Earnings per equity share : (for continued operation) in INR			
	(1) Basic		4.06	3.39
	(2) Diluted		4.06	3.39
XXI	Earnings per equity share : (for discontinued operation) in INR			
	(1) Basic			-
	(2) Diluted			-
XXII	Earnings per equity share : (for discontinued & continuing operations) in INR			
	(1) Basic		4.06	3.39
	(2) Diluted		4.06	3.39

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME
DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND
COMPLIANCE OFFICER
(M. No. : A58678)

Membership No : 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAV1944

Consolidated Cash Flow Statement

For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss) before tax	6,994.81	5,725.03
Add : Other comprehensive income/(loss)	0.22	0.33
Add : Depreciation	1,127.23	626.19
Add : Interest paid	35.92	213.86
Add : Loss on sale, disposal, discard of property, plant and equipment (net)	19.00	1.36
Less : Realised exchange gain on impairement of investment	(1.04)	
Less : Interest received	(230.37)	(278.22)
Operating profit before working capital changes	7,945.77	6,288.55
Adjustments for :		
(Increase)/decrease in non current other financial assets	73.22	(289.87)
(Increase)/decrease in other non current assets	35.82	(103.01)
(Increase)/decrease in change in inventories	(774.05)	(293.54)
(Increase)/decrease in current trade receivables	(2,179.51)	(2,775.27)
(Increase)/decrease in other current assets	(884.10)	451.98
Increase/(decrease) in other non current liabilities	-	(98.57)
Increase/(decrease) in current trade payables	168.78	1,851.21
Increase/(decrease) in other current liabilities	(68.03)	885.44
Cash Generated from Operations before tax	**4,317.90**	**5,916.94**
Income tax paid	(1,659.51)	(1,507.70)
Net Cash Flow from Operating Activities	**2,658.39**	**4,409.23**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipements & intangibles including CWIP	(10,346.28)	(3,770.04)
Goodwill in subsidairy	(126.75)	-
Movement in other bank balances (net)	2,877.43	(2,910.17)
Interest received	230.37	278.22
Net Cash Flow from Investing Activities	(7,365.24)	(6,401.99)
C. CASH FLOW FROM FINANCEING ACTIVITIES		
Proceeds from issuance of equity share capital	-	300.00
Proceeds from borrowings	64.00	-
Repayment of borrowings	(17.77)	(4,488.48)
Interest paid	(35.92)	(213.86)
Dividend paid	(323.30)	(228.64)
IPO issue expenses	-	(2,239.41)
Proceeds from issue of equity share capital (including securities premium)	-	15,900.00
Net Cash Flow from Financing activities	(312.99)	9,029.60
Net Increase in Cash & Cash Equivalents	(5,019.84)	7,036.85
Cash and cash equivalents at the beginning of the year	7,650.03	613.18
Cash and cash equivalents at the end of the year	2,630.19	7,650.03
Net Increase in Cash & Cash Equivalents as at	(5,019.84)	7,036.85

Consolidated Cash Flow Statement
For the Year Ended 31st March 2025 (Contd.)

(INR in Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Reconciliation of cash and cash equivalents at end of the year with Balance Sheet:		
Cash and cash equivalents as per balance sheet (As per Note 10)		
Cash on hand		
– In rupees	1.20	4.75
– In foreign currency	5.25	4.78
Balances with banks:		
– On current accounts	1,076.21	548.26
Fixed deposits with maturity of less than 3 months*	1,547.54	7,092.24
TOTAL	**2,630.19**	**7,650.03**

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Mumbai
Dated : 30th April 2025
UDIN No : 25416197BMJHAV1944

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND COMPLIANCE OFFICER
(M.No : A58678)

Notes:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.

(ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 11 & 12).

Consolidated Statement of Changes in Equity

For the Year Ended 31st March 2025

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	Balance at the beginning of the reporting Year	Changes in equity share capital due to prior year errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended on 31st March 2025	2,586.41	–	–	–	2,586.41
For the year ended on 31st March 2024	2,286.41	–	–	300.00	2,586.41

B. PROMOTOR'S HOLDING

(INR in Lakhs)

Name of Promotors	Shares held at the end of the year 31st March 2025		Shares held at the end of the year 31st March 2024		% of change during the year
	No of shares held	% of total shares	No of shares held	% of total shares	
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%	0.00%

Consolidated Statement of Changes in Equity
For the Year Ended 31st March 2025 (Contd.)

C. OTHER EQUITY

(INR in Lakhs)

	Share application money pending allotment	Equity component of compound financial instrument	Reserves & surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Revaluation surplus	Exchange difference on translating financial difference of foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital reserve	Securities premium	General reserve	Retained earnings								
Balance at the beginning of the reporting year– 1st April 2024	-	-	-	16,080.08	-	10,648.49	-	-	-	-	-	-	-	26,728.57
Changes in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	5,250.76	-	-	-	-	-	-	-	5,250.76
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(0.82)	-	-	-	-	-	-	-	(0.82)
Dividends	-	-	-	-	-	(323.30)	-	-	-	-	-	-	-	(323.30)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security premium on issue of new share														-
IPO expense				-	-									-
Balance at the end of the reporting year– 31st March 2025	**-**	**-**	**-**	**16,080.08**	**-**	**15,575.13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,655.22**

Consolidated Statement of Changes In Equity
For the Year Ended 31st March 2025 (Contd.)

(INR in Lakhs)

	Share application money pending allotment	Equity component of compound financial instrument	Reserves & surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Revaluation surplus	Exchange difference on translating financial difference on foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital reserve	Securities premium	General reserve	Retained earnings								
Balance at the beginning of the reporting year- 1st April 2023	-	-	-	2,419.49	-	6,703.41	-	-	-	-	-	-	-	9,122.90
Changes in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	4,173.40	-	-	-	-	-	-	-	4,173.40
Other comprehensive income	-	-	-	-	-	0.33	-	-	-	-	-	-	-	0.33
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(228.64)	-	-	-	-	-	-	-	(228.64)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security premium on issue of new share				15,900.00										15,900.00
IPO expense				(2,239.41)	-									(2,239.41)
Balance at the end of the reporting year-31st March 2024	**-**	**-**	**-**	**16,080.08**	**-**	**10,648.49**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26,728.57**

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place : Mumbai
Dated : 30th April 2025
UDIN No : 25416197BMJHAV1944

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND COMPLIANCE OFFICER
(M.No : A58678)

Notes to Consolidated Financial Statement

For the Year Ended 31st March 2025

NOTE 1 : GROUP CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of **AEROFLEX INDUSTRIES LIMITED** ("The Company" or "the Parent") bearing Corporate Identity Number (CIN) L24110MH1993PLC074576 and subsidiaries (collectively referred to as "the Group") for the year ended 31st March 2025.

AEROFLEX INDUSTRIES LIMITED ("The holding Company") is a public limited company incorporated under the provision of Companies Act, 2013. The equity shares of the Company are listed on BSE Ltd and National Stock Exchange of India Ltd (NSE). The holding Company's registered office is at Plot No. 41,42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh-410208. The Company is engaged in manufacturing of stainless-steel flexible hose with braiding and without braiding and assemblies. The Company has done the expansion of the manufacturing activities during the year for production of Metal Bellows & Composite hoses & related products at its Unit No -2, Survey No. 49, A5B, Lodha Industrial and Logistics Park (LILP), Palava, Taluka, Narhen, Ambernath, Maharashtra -421501.

The Company has its holding company Aeroflex Enterprises Limited (formerly Sat Industries Limited) a listed company, which holds 61.23% of the equity shares of the company at the year ended .

Subsidiaries :

1. The Company has acquired 100% equity shares of the company Hyd-Air Engineering Pvt Ltd ("The Subsidiary") during the year which is now wholly owned Subsidiary of the company. The company has principal place of Business in India and engaged in manufacturing of engineering goods.
2. The company had its wholly owned foreign Subsidiary named Aeroflex Industries Limited UK at London, United Kingdom ("**The foreign Subsidiary**") for which the operations has been closed during the year and the name of the company has been struck off from the corporate during the year.

The consolidated financial statements ("the financial statements") have been approved for issue by the Board of Directors of the Company in their meeting held on 30th April 2025, presents the financial position of the Group.

NOTE 2 : ACCOUNTING POLICY INFORMATION

This note provides a list of the Material accounting policies adopted by the group in preparation of the consolidated financial statements. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiaries.

A. Basis of Preparation, Presentation & Measurement of Financial Statement :

The Consolidated financial statements of the group have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules 2015 , as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

The Consolidated financial statements comprises the Consolidated Balance Sheet as at 31 March, 2025, the Statement of Consolidated Profit and Loss for the year ended 31 March 2025, the Statement of Consolidated Cash Flows for the year ended 31 March 2025 and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies, and notes & other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements').

The Consolidated financial statements of the group are prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, as per the provisions of the Companies Act, 2013 ("the Act"), except for certain financial assets and liabilities that are measured at fair value at the end of each reporting year. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sale an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments – measured at fair value; Assets held for sale – measured at fair value less cost of sale; Plan assets under defined benefit plans – measured at fair value Liability for cash settled - measured at fair value In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The Consolidated financial statements are presented in Indian Rupee (INR), which is the company's functional currency and all amounts disclosed in financial statements and notes have been rounded off to

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

the nearest lakhs rupees with two decimals, unless otherwise stated.

B. Basis of Consolidation :

(i) The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110 - Consolidated Financial Statements. The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries.

(ii) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Company drawn up to the same reporting date i.e 31st March 2025. Subsidiary Company is the entity over which the holding company has control.

(iii) The financial statements of the Group companies are consolidated on a line-by-line basis and all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions including unrealised gain / loss from such transactions between the Group are eliminated in full on consolidation. These financial statements are prepared by applying uniform accounting policies in use in the Group. Assets and liabilities with the functional currency other than the functional currency of the holding company have been translated using the exchange rates prevailing on the date of the balance sheet. Statement of the profit and loss account of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of Profit & Loss under other comprehensive income /losses. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

C. Significant accounting estimates, judgments and assumptions :

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. The accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation. The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described as below. The Company based on its assumptions, judgments and estimates on parameters available, when the financial statements were prepared, the existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The following are the areas involving critical estimates and judgments

- Useful life of property, plant and equipment
- Provision for litigations and contingencies:
- Recognition of Deferred Tax
- Fair Valuation of Financial instruments
- Valuation of inventories
- Impairments
- Evaluation of recoverability of deferred tax assets and estimation of income tax payable and income tax expense in relation to an uncertain tax position Provisions and Contingencies & Tax litigations.

Management judgments related to the provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of and are further areas involving critical estimates and judgments for which

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

D. Current or Non-current classification :

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

An asset is classified as current when it is :

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading, or

iii) Expected to be realised within twelve months after the reporting period. Or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current when :

i) It is expected to be settled in normal operating cycle;

ii) Held primarily for the purpose of trading, or

iii) It is due to be settled within twelve months after the reporting period; or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

Further the management of the group provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as non current. Auditor has classified the same based on the prudence of the same as given by the management.

E. Property, plant and equipment and intangible assets and Depreciation /

Amortisation :

a) Property, plant and equipment (PPE)

Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the consolidated Balance sheet at cost less accumulated depreciation and impairment, if any.

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

The cost of Property, plant and equipment comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance related to such assets

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

which are in recurring nature and has no certainty of the useful life are charged to Statement of Profit and Loss during the year.

The Group based on the technical assessment made by the technical expert/ management estimate, depreciates certain items of building, plant and equipments over the estimated useful lives which 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.

An item or part of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 & Loss as and when the asset is derecognised.

Capital work-in-progress :

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/ erection or are pending to be commercialised and put to use. The same is carried at cost which is determined in the same manner as for any Property, plant and equipment. The Capital Work in progress is transferred to the respective assets head once the same is ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.

Repairs and maintenance costs related to property, plant & equipment are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss

b) Depreciation methods, estimated useful lives of PPE :

Depreciation is provided (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:

Assets class	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building	3 - 10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Solar Panels	15 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipment	5 Years
Office Equipment	5 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years

Fixed Assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter. No Depreciation has been provided for the land.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition or till the date of sale/retirement.

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit or Loss.

c) Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years

d) Intangible Assets :

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

Intangible assets are stated at acquisition cost, net of accumulated amortisation. The Company amortised intangible assets over their estimated useful lives using the Written Down method as per Companies Act, 2013. The Management of group has estimated the useful lives of intangible assets are as follows:

Computer Software 6 years

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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.

All intangible assets are tested for impairment. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and/or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

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.

e) Goodwill :

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Critical accounting judgement and key sources of estimation uncertainty

The recoverable amount is determined based on value in use or fair value less cost to sell calculations which require the use of assumptions as directly observable market prices generally do not exist for the Group's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

F. Intangible Assets Under Development :

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at the consolidated balance sheet date has been disclosed under intangible assets under development -WIP.

G. Foreign Currency Transactions :

a) Functional and presentation currency :

The consolidated financial statements are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The Consolidated financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the group and the same is rounded off to the nearest lakhs rupees with two decimals.

b) Transactions and balances :

For the preparation of the consolidated financial statements all the assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end and income and expense items are translated at the weighted average exchange rates prevailing during the period.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

All foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction on initial recognition. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the capital goods, has been attributed to the cost of the fixed assets.

H. Revenue Recognition :

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

i) Sales of Goods :

The group recognises revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The group identifies contracts with customers and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The revenue from sale is recognised when significant risk and reward of ownership /control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.

ii) Sale of services & Other Operating Revenue :

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognised in the accounting year in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.

iii) Foreign Exchange Fluctuation in Export & Imports Import :

As the group has been mainly engaged in export & import of goods therefore profit and gains from the foreign exchange fluctuation

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the company.

iv) Export benefits :

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

v) Other Income :

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income has been recorded where no significant uncertainty as to measurability or collectability exists.

I. Inventories :

Inventories are valued at lower of the cost and net realisable value considering the various other related parameters and uniformity of the valuation. Costs incurred in bringing each product to its present location and condition are accounted for as follows :

Raw materials, packaging materials and stores and spare parts are valued at after reviewing the cost and net realisable value considering the various other related parameters and uniformity of the valuation. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at cost of production till the date work completed. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average cost basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on item-by-item basis.

J. Cash and cash equivalents:

For the purpose of presentation in the consolidated Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

K. Taxation :

Income tax expense comprises current Tax Expenses and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

The current tax payable is based on the taxable profit for the year based on applicable rate of taxes of the particular country to which the group entities belongs. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates tax laws that have been enacted or substantially enacted by the end of the reporting year. Provisions for

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

L. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the year in which they are accrued or incurred.

M. Provisions :

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognised as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

N. CONTINGENT LIABILITIES :

Contingent liability is :

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) A present obligation that arises from past events but is not recognised because :

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

(ii) The amount of the obligation cannot be measured with sufficient reliability.

O. Financial instruments:

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Management classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(a) Financial Assets measured at Amortised Cost :

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

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :

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

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Impairment:

The group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. The 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

De-recognition of Financial Assets :

The financial assets are derecognised when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and the transfer qualifies for de-recognition under Ind AS 109. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income, if any, is recognised in the Statement of Profit or Loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of the financial asset.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES :

(a) Financial liabilities measured at Fair Value through Profit or Loss :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(b) Other Financial liabilities :

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments:

Classification

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

Offsetting of Financial Instruments :

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments :

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. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the

carrying amounts approximate fair value due to the short maturity of these instruments.

Foreign exchange gains and losses for assets & liabilities :

Financial assets and liabilities denominated in a foreign currency and are measured at amortised cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the Statement of Profit or Loss.

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets where the amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has to uniformly followed the practice.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

De-recognition of Financial Liability :

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

P. Employee Benefits:

The group has its subsidiary at different geographical location therefore under the consolidated financial statement , the employee benefits has been considered as per the applicable provisions of that geographical location of the entities as provided in the relevant standalone balance sheet has been covered under the consolidated financial statement.

Short-term Employee Benefits:

All employee benefits such as salaries, wages and short term compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

Post-employment benefits

a) Defined contribution plans

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Superannuation Schemes, Employees State Insurance which are defined contribution schemes. The contribution paid/ payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services."

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognises such contributions as an expense when incurred.

b) Defined benefit plans

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

Gratuity : The Group has an obligation towards gratuity. The gratuity liability of the group is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The group recognises the net obligation of a defined benefit plan in its Balance Sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. In case of subsidiary in the group, the gratuity provision is identified by the respective management and provided accordingly and has been considered under the group.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(INR in Lakhs)

Particulars	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Air conditioner	Computer	Electrical installation	Testing equipment	Workshop tool & equipment	Water cooler	TOTAL
Year ended as on 31st March 2025													
Opening Gross Carrying Amount	**2,168.46**	**2,943.81**	**8,742.70**	**449.44**	**61.31**	**204.61**	**34.01**	**283.46**	**524.62**	**89.75**	**385.35**	**25.93**	**15,913.44**
Additions	1,176.00	1,868.05	6,602.32	160.40	85.72	106.03	10.10	19.96	45.46	41.95	146.97	0.78	10,263.73
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(256.62)	-	(14.64)	-	-	-	-	-	-	-	(271.26)
Closing Gross Carrying Amount	**3,344.46**	**4,811.86**	**15,088.39**	**609.85**	**132.39**	**310.64**	**44.10**	**303.42**	**570.07**	**131.70**	**532.32**	**26.70**	**25,905.90**
Accumulated Depreciation	-	2,079.91	4,290.43	329.42	57.99	174.63	27.83	241.72	506.38	77.43	280.51	20.24	8,086.50
Depreciation charged during the year	-	285.33	615.97	35.70	18.87	30.14	3.57	32.02	10.65	12.09	43.43	2.67	1,090.43
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(225.66)	-	(11.46)	-	-	-	-	-	-	-	(237.12)
Closing Accumulated Depreciation	**-**	**2,365.24**	**4,680.74**	**365.13**	**65.39**	**204.77**	**31.41**	**273.74**	**517.02**	**89.52**	**323.94**	**22.91**	**8,939.80**
NET CARRYING AMOUNT	**3,344.46**	**2,446.62**	**10,407.65**	**244.72**	**67.00**	**105.87**	**12.70**	**29.68**	**53.05**	**42.18**	**208.39**	**3.80**	**16,966.10**
Year Ended as on 31st March 2024													
Opening Gross Carrying Amount	**1,621.39**	**2,429.50**	**6,721.66**	**377.56**	**61.31**	**182.35**	**29.10**	**229.87**	**521.95**	**85.18**	**361.31**	**25.62**	**12,646.80**
Additions	547.07	514.31	2,037.93	71.88	-	22.26	4.91	53.59	2.67	4.56	24.05	0.31	3,283.53
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets included in a disposal group for sale	-	-	(16.89)	-	-	-	-	-	-	-	-	-	(16.89)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**2,168.46**	**2,943.81**	**8,742.70**	**449.44**	**61.31**	**204.61**	**34.01**	**283.46**	**524.62**	**89.75**	**385.35**	**25.93**	**15,913.44**
Accumulated Depreciation	-	1,739.41	3,820.14	307.56	37.44	151.60	24.81	186.06	504.91	68.71	236.01	15.81	7,092.46
Depreciation charged during the year		92.63	349.50	20.18	9.52	14.53	3.02	45.71	1.47	8.73	44.50	4.43	594.22
Assets included in a disposal group for sale	-	-	(10.53)	-	-	-	-	-	-		-	-	(10.53)
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**-**	**1,832.04**	**4,159.11**	**327.74**	**46.96**	**166.13**	**27.83**	**231.77**	**506.38**	**77.43**	**280.51**	**20.24**	**7,676.16**
NET CARRYING AMOUNT	**2,168.46**	**1,111.77**	**4,583.59**	**121.70**	**14.35**	**38.48**	**6.17**	**51.68**	**18.24**	**12.31**	**104.84**	**5.69**	**8,237.28**

Note : The group has not revalued property, plant and equipment during the year.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 3.1: CAPITAL WORK IN PROGRESS (CWIP):

The Group has incurred expenses towards purchase of the machineries and equipment which are not ready to use till the year ended has been shown under the capital work in progress for the Company. The ageing schedule of tangible assets under CWIP is as follows :

(INR in Lakhs)

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31st March 2025				TOTAL	Amount of CWIP for the year ended 31st March 2024				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion projects in progress	984.22				**984.22**	537.83				**537.83**

NOTE 4: INTANGIBLE ASSETS

Particulars	Software & Licences	TOTAL
Year Ended as on 31st March 2025		
Opening Gross Carrying Amount	166.62	166.62
Additions	65.43	65.43
Exchange difference	-	-
Assets included in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	**232.05**	**232.05**
Accumulated Depreciation	106.99	106.99
Depreciation charged during the year	36.80	36.80
Assets included in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	**143.80**	**143.80**
NET CARRYING AMOUNT	**88.26**	**88.26**
Year Ended as on 31st March 2024		
Opening Gross Carrying Amount	152.47	152.47
Additions	14.15	14.15
Exchange difference	-	-
Assets included in a disposal group for sale	-	-
Disposals	-	-
Closing Gross Carrying Amount	**166.62**	**166.62**
Accumulated Depreciation	75.03	75.03
Depreciation charged during the year	31.97	31.97
Assets included in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
Closing Accumulated Depreciation	**106.99**	**106.99**
NET CARRYING AMOUNT	**59.63**	**59.63**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 4.1: INTANGIBLE ASSETS UNDER DEVELOPMENT:

(INR in Lakhs)

Capital Work In Progress (Intangible Assets)	Amount of CWIP for the year ended 31st March 2025				TOTAL	Amount of CWIP for the year ended 31st March 2024				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
New software under development	–	–	–	–	**–**	3.78				**3.78**

NOTE 5: NON CURRENT – OTHER FINANCIAL ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Security deposits	272.62	345.84
TOTAL	**272.62**	**345.84**

NOTE 6: DEFERRED TAX

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance for deferred tax assets/(liabilities)	(71.95)	(28.02)
Add/less: Deferred tax assets/(liabilities) for depreciation difference	(67.69)	(42.28)
Add/less: Deferred tax assets/(liabilities) for gratuity	(16.85)	(1.65)
DEFERRED TAX ASSETS/(LIABILITIES) – Refer Note 1 & 2	**(156.49)**	**(71.95)**
Opening balance for deferred tax assets/(liabilities)	–	–
Add/less: Deferred tax assets/(liabilities) for the year	–	–
DEFERRED TAX ASSETS –	**–**	**–**
Net amount charged to Statement of Profit and Loss	**(84.54)**	**(43.93)**
Deferred tax liabilities (net)	**(156.49)**	**(71.95)**

Note –

1 The amount is arose on account of difference between the depreciation of Companies Act and Income Tax Act.

2 The amount is arose on account of provision for gratuity at the year ended.

NOTE 7: NON CURRENT – OTHER NON CURRENT ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Advance to supplier	224.52	243.07
Repair & maintenance (to be amortised)	36.83	60.18
Retention money	1.43	1.58
QIP related expenses	6.23	–
TOTAL	**269.01**	**304.83**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 8: CURRENT - INVENTORIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Raw material in stock	3,215.55	2,071.81
Work in progress in stock	2,396.02	3,517.56
Finished goods in stock	1,056.71	304.87
TOTAL	**6,668.28**	**5,894.24**

*Stock is valued at cost or net realisable value whichever is lower & has been certified by the management.

NOTE 9: TRADE RECEIVABLES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Trade receivables considered good-secured	11,636.40	9,456.89
(b) Trade receivables considered good-unsecured		
(c) Trade receivables which have significant increase in credit risk	15.40	15.40
(d) Trade receivables-credit impaired		
	11,651.79	**9,472.28**
Less: Allowance for doubtful debts		
TOTAL	**11,651.79**	**9,472.28**

Note 9.1: No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

Trade receivables ageing schedule as at 31st March 2025

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables–considered good	10,422.68	820.54	362.72	30.45	-	11,636.40
(ii) Undisputed trade receivables–which have significant increase in credit risk						-
(iii) Undisputed trade receivables–credit impaired						
(iv) Disputed trade receivables					15.40	15.40
(v) Disputed trade receivables–credit impaired						
(vi) Disputed trade receivables-which have significant increase in credit risk						
TOTAL	**10,422.68**	**820.54**	**362.72**	**30.45**	**15.40**	**11,651.79**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

Trade receivables ageing schedule as at 31st March 2024

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables–considered good	8,574.78	647.33	200.51	19.07	15.19	9,456.89
(ii) Undisputed trade receivables–which have significant increase in credit risk					15.40	15.40
(iii) Undisputed trade receivables–credit impaired						
(iv) Disputed trade receivables						
(v) Disputed trade receivables–credit impaired						
(vi) Disputed trade receivables-which have significant increase in credit risk						
TOTAL	**8,574.78**	**647.33**	**200.51**	**19.07**	**30.59**	**9,472.28**

NOTE 10: CASH & CASH EQUIVALENTS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Cash on hand		
– In rupees	1.20	4.75
– In foreign currency	5.25	4.78
Balances with banks:		
– On current accounts	1,076.21	548.26
Fixed deposits with maturity of less than 3 months*	1,547.54	7,092.24
TOTAL	**2,630.19**	**7,650.03**

*Note: Includes interest accrued INR 47.54 Lakhs (Previous year – INR 117.24 Lakhs)

NOTE 11: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
In fixed deposit with maturity for more than 3 months but less		
than 12 months from balance sheet date*	44.85	2,922.28
TOTAL	**44.85**	**2,922.28**

*Note: Includes interest accrued INR 0.07 Lakhs (Previous year – INR 29.43 Lakhs)

NOTE 12: CURRENT – OTHER CURRENT ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Advances other than capital advances		
Advance to suppliers	1,201.72	818.29
Other Advances		
Balance with revenue authorities	1,550.33	1,080.30
Prepaid expenses	113.25	97.98
Advance to employees	87.73	72.37
TOTAL	**2,953.04**	**2,068.94**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 13: SHARE CAPITAL

a) Shares Details:

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Authorised Share Capital				
Equity Shares of INR 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Series "A" Compulsorily Convertible Preference Shares of INR 10/- each	10,00,000	100.00	10,00,000	100.00
Series "A" Compulsorily Convertible Preference Shares of INR 200/-	10,00,000	2,000.00	10,00,000	2,000.00
	17,70,00,000	**5,600.00**	**17,70,00,000**	**5,600.00**
Issued, Subscribed & Paid up				
Equity Shares of INR 2/- each	12,93,20,370	2,586.41	12,93,20,370	2,586.41
TOTAL	**12,93,20,370**	**2,586.41**	**12,93,20,370**	**2,586.41**

b) Reconciliation of Equity shares:

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Shares outstanding at the beginning of the year	12,93,20,370	2,586.41	11,43,20,370	2,286.41
Shares issued during the year	NIL	NIL	1,50,00,000	300.00
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	**12,93,20,370**	**2,586.41**	**12,93,20,370**	**2,586.41**

c) Shares held by its holding Company:

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	%	No. of Shares	%
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%

d) Name of the shareholders holding more than 5% Equity shares in the Company:

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	%	No. of Shares	%
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%
Italica Global FZC	74,54,830	5.76%	74,54,830	5.76%

Note:

13.1 The Holding Company has only one class of shares referred to as the equity shares having face value of INR 2/- each. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

13.2 No equity shares have been forfeited.

13.3 There are no calls unpaid on equity shares.

13.4 The group has not allotted any shares pursuant to contract without payment being received in cash.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 14: OTHER EQUITY

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
1. SECURITIES PREMIUM		
As per the last year accounts	16,080.08	2,419.49
Add: Addition during the year	-	15,900.00
Less: IPO issue expenses*	-	2,239.41
TOTAL (A)	**16,080.08**	**16,080.08**
2. RETAINED EARNINGS		
As per the last year accounts	10,647.67	6,702.92
Add: Surplus for the year	5,250.76	4,173.40
Less : Dividend on equity shares	(323.30)	(228.64)
TOTAL (B)	**15,575.13**	**10,647.67**
3. Equity Instruments through Other Comprehensive Income:		
As per the last year accounts	0.82	0.49
Add: Addition during the year	0.22	0.33
Less : Realised exchange gain on impairment of investment	(1.04)	-
Total (C)	**-**	**0.82**
TOTAL (A+B+C)	**31,655.22**	**26,728.57**

*Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. The Security Premium is utilised in accordance with the provisions of the Companies Act, 2013.

*Retained Earnings : This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

NOTE 15: NON CURRENT BORROWINGS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
(a) Kotak Mahindra Bank Ltd - vehicle loan	-	6.34
(Secured against hypothecation of bus)		
(b) Kotak Mahindra Bank Ltd - vehicle loan	15.48	-
(Secured against hypothecation of bus)		
(c) Kotak Mahindra Bank Ltd - vehicle loan	17.16	-
(Secured against hypothecation of bus)		
TOTAL	**32.64**	**6.34**

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of INR 55,614/- each commencing from 15th April 2021 and the last instalment is payble on 15th March 2026. Rate of Interest as on 31st March 2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 20th July 2024 and the last instalment is payble on 20th August 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 15th September 2024 and the last instalment is payble on 15th October 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

NOTE 16: CURRENT BORROWINGS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
(a) Kotak Mahindra Bank Ltd - vehicle loan	6.34	5.77
(Secured against hypothecation of bus)		
(b) Kotak Mahindra Bank Ltd - vehicle loan	9.77	-
(Secured against hypothecation of bus)		
(c) Kotak Mahindra Bank Ltd - vehicle loan	9.60	-
(Secured against hypothecation of bus)		
TOTAL	**25.71**	**5.77**

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of INR 55,614/- each commencing from 15th April 2021 and the last instalment is payble on 15th March 2026 Rate of Interest as on 31st March 2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 20th July 2024 and the last instalment is payble on 20th August 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 15th September 2024 and the last instalment is payble on 15th October 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

NOTE 17: TRADE PAYABLE

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Total outstanding dues of micro enterprises and small enterprises	425.69	322.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,257.35	5,192.16
TOTAL	**5,683.04**	**5,514.26**

Note : There are no unbilled and not due trade payables, hence the same are not disclosed in the ageing schedule

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

Trade payables ageing schedule as at 31st March 2025

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(i) Undisputed – micro & small enterprises	425.69	–	–	–	–	425.69
(ii) Undisputed others	5,252.08	2.87	–	–	2.40	5,257.35
(iii) Disputed dues – micro & small enterprises						
(iv) Disputed dues – others						
TOTAL	**5,677.76**	**2.87**	**–**	**–**	**2.40**	**5,683.04**

Trade payables ageing schedule as at 31st March 2024

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(i) Undisputed – micro & small enterprises	322.10	–	–	–	–	322.10
(ii) Undisputed others	5,189.76	–	–	–	2.40	5,192.16
(iii) Disputed dues – micro & small enterprises	–	–	–	–	–	–
(iv) Disputed dues – others	–	–	–	–	–	–
TOTAL	**5,511.86**	**–**	**–**	**–**	**2.40**	**5,514.26**

NOTE 18: CURRENT – OTHER CURRENT LIABILITIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Statutory due payable	138.79	110.96
Advance from customer	482.40	554.95
Amount payable for capital goods	301.29	892.85
Other liabilities*	1,054.38	838.11
TOTAL	**1,976.87**	**2,396.88**

*Note: Other liabilities include unpaid dividend of INR 0.22 Lakhs (Previous year – NIL)

NOTE 19: CURRENT – CURRENT TAX LIABILITIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Provisions for tax (Net of advance tax & TDS)	538.75	186.77
TOTAL	**538.75**	**186.77**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 20: REVENUE FROM OPERATIONS

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Sale of products:		
– Domestic sales	8,983.12	5,139.62
– Export sales	27,675.57	26,019.50
TOTAL	**36,658.69**	**31,159.12**
Other operating revenue:		
Foreign exchange fluctuation	636.84	391.26
Misc. operating revenue	327.26	240.35
TOTAL	**37,622.79**	**31,790.73**

NOTE 21: OTHER INCOME

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest income		
– On fixed deposits designated as amortised cost	230.37	278.22
– On others	–	–
Other income	23.08	106.11
TOTAL	**253.45**	**384.32**

NOTE 22: COST OF MATERIALS CONSUMED

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Opening stock of raw material & consumables	2,142.05	2,354.79
Add : Purchase of raw material & consumables	23,079.55	20,440.89
Less : Closing stock of raw material & consumables	(3,215.55)	(2,071.81)
TOTAL	**22,006.04**	**20,723.88**

NOTE 23: CHANGE IN INVENTORIES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Inventories at the beginning of the year		
– Work-in-progress	3,521.21	2,935.92
– Finished goods	304.87	302.92
	3,826.08	**3,238.84**
Less: Inventories at the end of the year		
– Work-in-progress	2,396.02	3,517.56
– Finished goods	1,056.71	304.87
	3,452.73	**3,822.43**
Decrease/(increase) in inventories	**373.35**	**(583.59)**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 24: EMPLOYEE BENEFIT EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salary, wages, bonus and other benefits	3,110.62	2,343.41
Contribution to Provident Fund, ESIC and other funds	134.15	103.50
Gratuity fund contributions	71.40	16.54
Staff welfare expenses	211.98	156.72
TOTAL	**3,528.15**	**2,620.18**

NOTE 25: FINANCE COST

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
(a) Interest Expense		
(i) Interest on borrowing	5.00	176.11
(ii) Interest on delayed payment of taxes	8.94	15.46
(iii) Other borrowing costs – bank processing charges	2.27	15.48
(iv) Interest to others	19.70	6.82
TOTAL	**35.92**	**213.86**

NOTE 26: DEPRECIATION AND AMORTISATION EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation cost	1,090.43	594.22
Amortisation cost	36.80	31.97
TOTAL	**1,127.23**	**626.19**

NOTE 27: OTHER EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Electricity and power	471.09	407.29
Repair & maintenance	731.21	765.17
Processing labour charges	159.84	65.88
Testing and calibration charges	35.95	26.69
Cylinder rent	10.64	5.40
Export freight, handling, clearing & other charges	531.88	376.76
Carriage outward	130.84	65.76
Commission expenses	120.42	50.42
Consultancy charges	211.86	193.37
Depository fees expense	8.36	1.56
Water charges	9.89	4.22
Rates & taxes	19.54	28.34
Conveyance & travelling expenses	368.66	342.46
Bank charges & commission	57.89	49.47

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Office expenses	433.74	183.27
Insurance charges	86.38	59.35
Printing & stationary	41.05	29.28
Telephone & communication expenses	41.23	30.39
Auditor remuneration	9.08	8.62
Exhibition, marketing & businesss promotion expenses	118.10	19.44
Miscellaneous expenses	44.59	30.78
CSR activity expenses	90.30	57.50
Loss on sales of fixed assets	19.00	1.36
Balances written off	44.41	–
Listing fees expense	13.85	–
Office rent paid	0.92	–
Exchange fluctuation on foreign currency term loan	–	46.73
TOTAL	**3,810.74**	**2,849.51**

NOTE 28: EARNINGS PER SHARE

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Net profit after taxation for the year	5,250.99	4,173.72
Number of equity shares for basic/diluted EPS	12,93,20,370	12,93,20,370
Nominal value of equity shares (INR)	2.00	2.00
Basic/diluted earnings per equity share (INR)	4.06	3.23

NOTE 29: REMUNERATION TO AUDITORS

(INR in Lakhs)

PARTICULARS	For the year ended 31st March 2025	For the year ended 31st March 2024
Statutory audit fee	6.08	5.62
Tax audit fee	3.00	3.00
TOTAL	**9.08**	**8.62**

NOTE 30: RECONCILIATION OF EFFECTIVE INCOME TAX RATE

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit before tax	6,994.81	5,725.03
Current year tax	1,673.00	1,415.70
Tax using the Company's domestic tax rate 25.168%	1,760.45	1,440.88
Tax effect of adjustment to reconcile expected income tax expenses to reported income tax expenses	**–**	**–**
Tax effects of amounts which are not deductible for taxable income	1.53	16.97
Effect of depreciation under Income Tax	(79.38)	(42.62)
	1,682.61	1,415.23
Effective Tax Rate	**24.06**	**24.72**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 31: DETAILS OF SUBSIDIARIES

(INR in Lakhs)

Particulars	Country of Incorporation	% of Ownership As at 31st March 2025	% of Ownership As at 31st March 2024
(1) Hyd-Air Engineering Private Limited	India	100.00%	-
(2) Aeroflex Industries Limited	United Kingdom	-	100.00%

NOTE 32: CORPORATE SOCIAL RESPONSIBILITY

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Gross amount required to be spent by the Company during the year	90.28	57.47
Amount of expenditure incurred	90.30	57.50
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Nature of CSR activities:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above		
- Health and education & Contribution to eligible Trust for CSR related activities	90.30	57.50

* Out of the above spending INR 88.80 Lakhs (Previous year - INR 57.50 Lakhs) contributed to SAT Foundation which is related party.

* The holding Company has not carried forward any provisions for corporate social responsibility expenses for the current and previous year.

NOTE 33: RELATED PARTY DISCLOSURES

i. Key Management Personnel:	
Asad Daud	: Managing Director
Mustafa Abid Kachwala	: Wholetime Director & CFO
Kinjal Shah	: Company Secretary & Compliance Officer
Harikant Turgalia	: Director
Nadir Shamoon Karachiwala	: Director of Subsidiary Company

ii. Other related parties with whom there were transactions during the year:	
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	: Promoter Company
Italica Global FZC	: Wholly Owned Subsidiary of Promoter Company
M.R. Organisation Limited	: Subsidiary of Promoter Company
SAT Foundation	: Director's relative is a trustee

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

Transaction carried out with related parties & KMP during the year:

(INR in Lakhs)

Particulars	Nature of Transaction	For the year ended 31st March 2025	For the year ended 31st March 2024
Asad Daud	Director remuneration	115.41	95.56
	Dividend paid	0.001	0.001
Mustafa A Kachwala	Director remuneration	13.04	11.60
	Dividend paid	0.001	0.001
Harikant Turgalia	Dividend paid	0.001	0.001
Nadir Shamoon Karachiwala	Director remuneration	12.00	-
	Sale of car	3.36	-
Italica Global FZC	Sales	283.91	581.23
	Dividend paid	18.64	14.91
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	Expenses paid & recovered	-	714.42
	Financial mgmt charges (incl. GST)	-	53.10
	Dividend paid	197.95	193.36
SAT Foundation	CSR fund-donation	88.80	57.50
M.R. Organisation Limited	Machine maintenance services	356.36	-
Kinjal Shah	Salary paid	11.47	9.20

NOTE 34: INFORMATION RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES

The group has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31st March 2025. The following information has been given in respect to such suppliers who have identified themselves as "Micro, Small & Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31st March 2025.

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Outstanding amount	1,211.23	322.10

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the Company has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the Company has any dispute related to the principal or interest towards the delayed payments so happened during the year over and above the agreed terms of payment.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 35: DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III

(INR in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Parent Company								
Aeroflex Industries Limited	99.86%	34,192.35	98.84%	5,189.81	-	-	98.84%	5,189.81
Subsidiary Company								
Aeroflex Industries Limited - UK	0.00%	-	(0.14%)	(7.60)	100.00%	0.22	(0.14%)	(7.37)
Hyd-Air Engineering Private Limited	7.89%	2,702.73	0.94%	49.27	-	-	0.94%	49.27
Consolidation Adjustments	(7.75%)	(2,653.46)	0.37%	19.28	0.00%	-	0.37%	19.28
	100.00%	**34,241.62**	**100.00%**	**5,250.76**	**100.00%**	**0.22**	**100.00%**	**5,250.99**

NOTE 36: FOREIGN EXCHANGE INFLOW & OUTFLOW

a) Foreign Exchange Outflow:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Traveling & hotel expenses	216.41	139.57
Payment towards services & other expenses	54.99	14.73
TOTAL	**271.40**	**154.30**

b) Foreign Exchange inflow:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
F.O.B value of exports	27,381.45	24,463.28
TOTAL	**27,381.45**	**24,463.28**

c) CIF Value of Import:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Raw material & fittings	4,749.17	5,080.67
Capital goods	1,142.11	342.25
TOTAL	**5,891.28**	**5,422.92**

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 37: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS

(INR in Lakhs)

Particulars	CURRENCY	For the year ended 31st March 2025	For the year ended 31st March 2024
Amount Receivable in Foreign Currency			
1. Export of goods & services			
	INR	9,919.11	8,339.22
	USD	90.40	84.29
	EUR	21.29	13.58
	GBP	1.96	0.82
2. Advance to suppliers			
	INR	148.98	553.33
	USD	1.74	6.64
Amount Payable in Foreign Currency			
1. Import of goods & services			
	INR	632.42	273.38
	USD	7.39	3.00
	GBP	-	0.22
2. Advance - customers			
	INR	523.53	575.81
	USD	5.58	5.82
	EUR	0.49	0.94
	GBP	-	0.06
3. Spares & others			
	INR	4.56	21.86
	USD	-	0.15
	EUR	0.05	0.10

NOTE 38: EMPLOYEE BENEFITS

A) Defined Contribution Plan

Provident Fund: The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.

B) Defined Benefit Plan

Gratuity: The holding Company participates in the employee's group gratuity-scheme of Life Insurance Corporation Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of the Payment Of Gratuity (Amendment) Act, 1997, or as per Company's scheme whichever is more beneficial to the employees. The group made payments for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the Company to such gratuity fund has been considered as expenditure for the year and the fund lying with LIC under the gratuity fund is not accounted as assets as the same is towards the defined future liability of the Company. In case of Indian subsidiary, the Company has identified the provisions towards the gratuity liability and the same has been taken in consideration accordingly.

Provident fund: The group makes provident fund contribution to the government administered provident fund and has no further liability towards the same.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

C) Amounts Recognised as Expense:

i) Defined Contribution Plan: Employer's contribution to provident fund amounting to INR 107.05 Lakhs has been included under contribution to provident funds.

ii) Defined Benefit Plan: Gratuity amount payable for INR 71.40 Lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life Insurance Corporation.

NOTE 39: FINANCIAL INSTRUMENTS, AND RELATED DISCLOSURES

1. CAPITAL MANAGEMENT:

The group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Borrowings		
Long term and short term borrowings	32.64	6.34
Current maturities of long term borrowings	25.71	5.77
Less: cash and cash equivalents	2,630.19	7,650.03
Less: Bank balances other than cash and cash equivalents	44.85	2,922.28
Adjusted net debt	**(2,616.70)**	**(10,560.20)**
Total Equity	34,241.62	29,314.98
Adjusted net debt to adjusted equity ratio	**(0.08)**	**(0.36)**

2. CATEGORIES OF FINANCIAL INSTRUMENTS:

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
i) Cash and cash equivalent	2,630.19	2,630.19	7,650.03	7,650.03
ii) Other bank balance	44.85	44.85	2,922.28	2,922.28
iii) Trade receivables	11,651.79	11,651.79	9,472.28	9,472.28
iv) Other financial assets - non current	272.62	272.62	345.84	345.84
v) Other financial assets - current	2,953.04	2,953.04	2,068.94	2,068.94
Total financial assets	**17,552.49**	**17,552.49**	**22,459.37**	**22,459.37**
Financial Liabilities				
Measured at amortised cost				
i) Cash credit facilities	-	-	-	-
ii) Borrowings - non current	32.64	32.64	6.34	6.34
iii) Borrowings - current	25.71	25.71	5.77	5.77
iv) Trade payables	5,683.04	5,683.04	5,514.26	5,514.26

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
v) Other financial liabilities – non current	–	–	–	–
vi) Other financial liabilities – current	1,976.87	1,976.87	2,396.88	2,396.88
vii) Current tax liabilities (net)	538.75	538.75	186.77	186.77
Total financial liabilities	**8,257.00**	**8,257.00**	**8,110.03**	**8,110.03**

The financial instruments are categorised into following levels based on the inputs used to arrive at fair value measurements described below

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

Level 2 : Inputs other than quoted price included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

3. FINANCIAL RISK MANAGEMENT:

The activities of the Group expose it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimise the potential impact of unpredictability of the financial markets on its financial performance. The Group does regularly monitor, analyse and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks

A) Management of Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three type of risk ie. interest rate risk, price risk and currency rate risk. Financial instrument affected by market risk includes borrowings and investments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

i) Management of interest rate risk:

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group has least interest rate risk since it has repaid the major borrowing during the year. Further the outstanding borrowing has fixed rate of interest which is repayable in installments for the term loan availed by it from bank.

ii) Management of currency risk:

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade receivables and payables and advances given to suppliers and received from customers. The Group mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk: The Group has exposure mainly in USD/EUR/GBP converted to functional currency i.e. INR. The Group has following financial assets and financial liabilities as at 31st March 2025:

(INR in Lakhs)

Particulars	Exposure Currency	For the year ended 31st March 2025	For the year ended 31st March 2024
Financial Assets	USD	7,892.39	7,936.33
	EUR	1,977.37	1,230.35
	GBP	218.24	109.45
	AED	–	0.14

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	Exposure Currency	For the year ended 31st March 2025	For the year ended 31st March 2024
	CNY	1.97	0.11
	RUB	0.60	-
TOTAL		**10,090.57**	**9,276.38**
Financial Liabilities	USD	1,110.34	748.90
	EUR	45.62	93.44
	GBP	-	28.71
TOTAL		**1,155.96**	**871.05**

iii) Management of price risk:

The group has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well-established control processes and future market position in accordance with the risk management policy. Further the group invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by investing the funds in various tenors depending on the liquidity needs of the group.

B) Management of Credit Risk:

Credit risk refers to the risk of default on its obligations by a counter party to the Group resulting in a financial loss to the Group. The Group is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and financial instruments. Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed. The Company's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management. The Group has receivable at the year ended where in the debtor's parties are under NCLT. The total amount of receivable from such debtors is for INR 15.40 Lakhs. The management is hopeful to receive the same therefore the same has been considered good at the year ended.

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Unsecured		
- Considered good	11,651.79	9,472.28
Gross Trade Receivables	**11,651.79**	**9,472.28**
Less: Loss Allowance	-	-
Net Trade Receivables	**11,651.79**	**9,472.28**

C) Management of Liquidity Risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Group's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The Group closely monitors its liquidity position and has a cash management system. The Company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimised cost. The Group's current assets aggregate to INR 23,948.15 Lakhs (Previous year - INR 28,007.77 Lakhs) including cash and cash equivalents and other bank balances of INR 2,675.04 Lakhs (Previous year - INR 10,572.31 Lakhs) against an aggregate current liability of INR 8,224.36 Lakhs (Previous year - INR 8,103.68 Lakhs) non-current liabilities

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

due between one year to three years amounting to INR NIL (Previous year – NIL) and non-current liabilities due after three years amounting to NIL (Previous year – NIL) on the reporting date. Further, while the group's total equity stands at INR 34,241.62 Lakhs (Previous year – INR 29,314.98 Lakhs), it has non-current borrowings of INR 32.64 Lakhs (Previous year 2023 - INR 6.34 Lakhs). In such circumstances, liquidity risk or the risk that the group may not be able to settle or meet its obligation as they become due does not exist.

NOTE 40: GOODWILL

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Goodwill		
Opening balance for the year	-	-
Add : Additions due to acquisition	126.75	-
Less : Exchange differences	-	-
Closing balance for the year	**126.75**	**-**

NOTE 41: DIVIDEND

The Holding Company has declared dividend for the FY 2023-24 in the Annual General meeting of the Company held on 8th July 2024. The dividend so declared has been accounted and adjusted during the year towards the brought forward balances of the profit & loss account.

NOTE 42: SEGMENT INFORMATION

The segment-wise reporting is not applicable for the Group as required in accordance with Ind AS 108 for the year ended 31st March 2025.

NOTE 43: EVENTS AFTER REPORTING DATE

The Board of Directors of the holding Company at their Board meeting held on 30th April 2025 have recommended final dividend of INR 0.30 per fully paid up equity share of INR 2/- each for the financial year ended 31st March 2025, subject to approval of shareholders at ensuing Annual General Meeting of the Company.

NOTE 44: OTHER DISCLOSURES

44.1 In the opinion of the Board of Directors of the group, the current assets are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, has been written off or written back during the year and accounted accordingly. There are disputable receivables for INR 15.40 Lakhs for which the said parties are under NCLT. The management is of the opinion that the said amount is estimated at fair chance of the recovery and has not been identified as bad-debts or contingent recovery.

44.2 The Holding Company has received Show Cause Notice for GST Liability of INR 7,761.30 Lakhs raised since FY 2019-20 to 2024-25 which is towards the GST refunds claimed by the Company for the Input Tax credit availed towards export of goods. The GST department has raised the said SCN under the contention that the refund so claimed under rule 89(4) &

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

96(10) of CGST Rules 2017 is erroneous. The Company has filed writ petition in Bombay High Court against the said Show Cause Notice. The Bombay High Court has granted interim stay and no demand has been confirmed against the said Show Cause Notice till the date of the Balance sheet and the matter is still subjudice. The Company has further received Show Cause Notice from the GST department for demand of INR 359.47 Lakhs towards the disallowance of the GST Input credit claimed for the IPO expenses. The Company has filed the reply to the GST department with required documents & explanations for allowability of the said input GST credit. GST Department has not called for any further clarification and no demand has been confirmed in the matter till the date of the Balance sheet.

44.3 Additional liability, if any, arising pursuant to respective assessment under various fiscal statutes, shall be accounted for by the group in the year of assessment. Also interest liability for the delayed payment of the statutory dues, if any, has been accounted for in the year in which the same are being paid.

44.4 Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.

44.5 The group has not traded or invested in crypto currency or virtual currency during the financial year.

44.6 As per information available, the Company has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.

44.7 The Group do not hold any benami property and no proceedings has been initiated or pending against the group for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.

44.8 Title deeds of all the immovable properties held by the Group are in the name of the group companies. No revaluation of the property, plant and equipment and intangible assets held by the group were done during the previous year, as the management of holding Company is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the group is not holding any leased assets which are required to be disclosed separately.

44.9 The group has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.

44.10 The group has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.

44.11 The group did not have any transactions during the year with the companies which are struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956.

44.12 As per the information & details available on records and the disclosure given by the management, the group has complied 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.

44.13 As per the information & details available on records and the disclosure given by the management of the holding company, the group has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding 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 group or provided any guarantee, security or like to or on behalf of the Company. Further the group has not received any funds from any person, entity including the foreign entity with the understanding that the Company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.

44.14 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with section 125 of the Companies Act, 2013 as at the year end.

44.15 The holding company has overdue receivables against the export realisation of goods for INR equivalent to 5,337.13 lakhs due to various business reasons. As per the information available and as intimated by the management, the holding company is in process of availing extension from RBI through its authorised dealers for the overdue realisations however till the date of the balance sheet such extension has not been made.

Notes to Consolidated Financial Statement (Contd.)
For the Year Ended 31st March 2025

44.16 The Company's fixed assets & investments which has been impaired and has become non useful to the group has been recognised to the profit & loss account for the value over and above the recovered value of such assets and investments.

44.17 With respect to disclosures pursuant to Section 186 (4) of the Companies Act, 2013 the group has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year.

44.18 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

NOTE 45

The consolidated financial statements has been authorised for issue by the Board of directors on dated 30th April 2025.

NOTE 46

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.

NOTE 47

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)

Membership No : 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAV1944

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME
DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND
COMPLIANCE OFFICER
(M. No.: A58678)

INDEPENDENT AUDITOR'S REPORT

To,

The Members of

AEROFLEX INDUSTRIES LIMITED

Mumbai

Report on the Audit of the Standalone Financial Statements:

OPINION:

We have audited the accompanying standalone financial statements of **AEROFLEX INDUSTRIES LIMITED** ("**the company**"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements and a summary of material accounting policies and other explanatory information (**hereinafter referred to as "Standalone financial statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, give the information required by the Companies Act 2013 as amended (" the Act ") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) 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 31st March, 2025 the profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below the key audit matters to be communicated in our report. Our audit procedures, amongst others, include the following:

A. Accuracy, Completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress : The carrying value of property, plant and equipment includes the assets capitalized/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31st March 2025 of Rs. 888.41 lakhs. Cost Recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The asset capitalisation is the outcome of various procurements, approvals from operations experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 3: Property, Plant and Equipment in Notes to the standalone financial statements.

Auditor's Response : Our audit procedures, amongst others, include the following :

a) Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.

b) We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.

INDEPENDENT AUDITOR'S REPORT (Contd.)

c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.

d) We have verified the capitalisation of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23. The company has made the capitalization from the IPO funds and the internal accruals.

e) Ensuring adequacy of disclosures in the standalone financial statements.

B. Disclosure with regards to certain legal and tax matters including uncertain tax positions :

Refer Note No 44.2 to the standalone financial statements.

The Company operates in the tax jurisdiction with certain tax exemption/ deduction that may be subject to challenge and audit by the tax authorities. Further, there are open tax matters under litigation with the tax authorities.

As at 31st March, 2025, the Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters.

This is a key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognising provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements. Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following:

Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;

Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss as well as testing related to provisions and disclosures in the consolidated financial statements through inquiries with the management and legal counsel;

Assessing on test basis on the underlying calculation supporting the disclosure of litigation in the consolidated financial statements;

Reviewing orders and other communication from tax and regulatory authorities and management responses thereto;

Assessing the management expert's legal advice and opinion, as applicable, obtained by the Company's management to corroborate management assessment and evaluating competence and capabilities of the experts; and

Based on the above procedures performed, we did not identify any material exceptions in respect of disclosure of tax litigation in the consolidated financial statements with regard to such legal and tax matters.

OTHER INFORMATION :

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the integrated annual report, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The integrated annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE 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 Standalone financial statements that give a true and fair view of the financial position, financial

INDEPENDENT AUDITOR'S REPORT (Contd.)

performance, state of affairs, profit & loss including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards and accounting principles generally accepted in India including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the Company are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS:

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

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

1. Identify and assess the risks of material misstatement of the Standalone 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. Conclude on the appropriateness of Management's and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 auditors' report to the related disclosures in the standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended 31 March 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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. (A) As required by section 143(3) of the Act, we report that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of written representations received from the directors as on 31st March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of section 164 (2) of the Act.

   f) 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 read with Schedule V to the Act of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   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. As per the informations given to us, the Company does not have any other material pending litigations which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in Notes 44.2 of the standalone financial statements.

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

      iii. There were no amounts which required to be transferred to the Investors Education and Protection Fund by the Company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

b. The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso Rule 3(1) of the Companies (Accounts) Rules, 2014 we herewith report based on our examination which included test checks, the company has used an accounting software for maintaining its books of account 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.

vi. The declared and paid during the year by the Company is in compliance with Section 123 of the Act, as applicable.

FOR **SHWETA JAIN & CO.**
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN : 25416197BMJHAU3532

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT:

(As referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to the members of **AEROFLEX INDUSTRIES LIMITED** on the accounts as at and for the year ended 31st March, 2025) to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that :

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets :

   a. (A) The company has maintained proper records, showing full particulars including quantitative details and situations of all Property, Plant & Equipment.

      (B) The Company has maintained proper records showing full particulars of the Intangible assets.

   b. The property, plant and equipment has been physically verified by the Management during the year in accordance with a periodical programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.

   d. The Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

   e. According to the information and explanations given to us by the management, no proceedings have initiated or pending against the Company during the year ended on 31st March 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

ii. a. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by the Management is appropriate. In respect of inventory lying with third parties, these have been substantially confirmed by them. No material discrepancies were noticed and discrepancies if any are properly dealt with by the Management of the Company.

   b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned or availed working capital limit in excess of rupees five crores in aggregate, from bank or financial institutions on the basis of security of current assets. Therefore the question of our commenting on whether the quarterly returns or statements has been filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company does not arise.

iii. a) During the year, the Company has made investments of INR 1,720.86 lakhs for purchase of 100% equity shares of the company Hyd-air Engineering Pvt Ltd which is now the wholly owned subsidiary of the company. The company has further granted loan of INR 1,059.36 lakhs to the above subsidiary company for which equity shares has been allotted in lieu of and against the conversion of the said loan during the year. The company has also granted unsecured loans to its employees & Workers. The balance outstanding at the balance sheet date with respect to such loan is for INR 67.96 lakhs.

   b) In respect of the aforesaid investments/loans, the terms and conditions under which such loans were granted/ investments were made are not prejudicial to the Company's interest.

   c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated and are also regular in repayments.

   d) In respect of the loans, there is no amount which is overdue for more than ninety days

   e) There were no loans /advances in nature of loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were

ANNEXURE "A" (Contd.)

granted to same parties to settle the existing overdue loans/advances in nature of loan

f) The loans granted during the year to employees & workers were interest free loans given under normal course of the terms of the employments and has stipulated the scheduled repayment of principal from the monthly salaries and the same were not repayable on demand.

iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, in our opinion the company is generally regular in depositing the undisputed statutory dues in respect of Provident Fund, Employees State Insurance, Income tax, Sales tax, GST, Custom duty, Income Tax, TDS and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and based on the records of the company examined by us, the GST department has issued show cause notice to the company with respect to the demand for INR 7,761.30 lakhs under the GST assessment for the period 2019-20 to 2024-25 which is towards the GST refunds claimed by the company in earlier years for the Input Tax credit towards export of goods. The company has filed writ petition in Bombay High Court towards the said Show cause notice. The Bombay High Court has granted Interim stay and has not confirmed any liability in the matter till the date of the balance sheet towards the said show cause notice and the matter is pending for hearing in the court.

The company has also received for demand of INR 359.47 Lakhs from GST department for the disallowance of the GST Input credit claimed for the IPO expenses. The company has filed the detailed reply to the GST department with the explanations that the said input GST credit shall be allowable. GST Department has not confirmed any liability till the date of the balance sheet and has not called for any further clarification in this matter.

As per informations & details given to us there are no disputable demand raised on the company which have not been deposited on account of any disputes.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions in the books of account that have been surrendered or disclosed as income during the year, in the tax assessments under the Income Tax Act, 1961, which has not been recorded in the books of account.

ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings availed from lenders during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and our audit procedures, we report that the Company has not been declared willful Defaulter by any bank or financial institution or other lender

c) According to the information and explanations given to us by the management and records of the company examined by us, the Company has availed Fresh Vehicle Loan of INR 64.00 Lakhs for

ANNEXURE "A" (Contd.)

Purchase of Buses for Employees & Workers of the Company and the same is applied for the purpose for which the said term loan has been availed.

d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that no funds have been raised on short-term basis which has been utilised by the Company for long term purposes.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013.

x. a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. However the company has raised the money by way of initial public offer in previous year and the unspent money laying with the company has been utilised for the purpose for which the money has been raised.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year nor have we been informed of any such case by the Management.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us, the Company has not received any complaints from whistle-blower during the year. Accordingly, reporting under clause 3(xi) (c) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a)(b)(c) of the Order is not applicable.

xiii. In our opinion and on the basis of our examination of the information and documentation given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable. The details with respect to the related parties has provided to us by the management as per the related party disclosure and the transactions with such related parties have been disclosed in the note 36 to the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued by the internal auditor for the year ended 31st March 2025.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a) In our opinion according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the

ANNEXURE "A" (Contd.)

Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer note 35 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) as the company has done such spending by payments of such funds to the eligible trust for such activities and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

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.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN : 25416197BMJHAU3532

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT:

Report on the Internal Financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **AEROFLEX INDUSTRIES LIMITED** ("the Company") as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS :

The Company's management and Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY :

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls standalone financial statements and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, 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 our audit opinion on the Company's internal financial controls system over financial reporting with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS.:

A company's internal financial control with reference to standalone financial statements. is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that :

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS:

Because of the inherent limitations of internal financial controls with Reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with Reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control

ANNEXURE "B" (Contd.)

with Reference to Standalone Financial Statements may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

OPINION :

In our opinion, the Company has, in all material respects, an adequate internal financial controls system standalone financial statements and such internal financial controls standalone financial statements were operating effectively as at 31st March, 2025, based on the internal control standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls standalone financial statements issued by the Institute of Chartered Accountants of India.

FOR SHWETA JAIN & CO.
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No. : 416197

Place : Mumbai
Date : 30th April 2025
UDIN No : 25416197BMJHAU3532

Standalone Balance Sheet

As at 31st March 2025

(INR in Lakhs)

Particulars	Note	As at 31st March 2025	As at 31st March 2024
ASSETS			
NON CURRENT ASSETS			
a) Property, plant and equipment	3	14,854.64	8,237.28
b) Capital Work In Progress (CWIP):	3.1	888.41	537.83
c) Investment property			
d) Goodwill			
e) Intangible assets	4	88.26	59.63
f) Intangible assets - WIP	4.1	-	3.78
g) Biological assets other than bearer plants			
h) Financial assets			
i) Investments	5	2,780.22	19.28
ii) Trade receivables			
iii) Loans			
iv) Other financial assets	6	262.84	345.84
i) Deferred tax assets net	7	-	-
j) Other non-current assets	8	269.01	304.83
Total Non-Current Assets		**19,143.38**	**9,508.46**
CURRENT ASSETS			
a) Inventories	9	5,930.36	5,894.24
b) Financial assets			
i) Investments			
ii) Trade receivables	10	12,094.83	9,464.56
iii) Cash and cash equivalents	11	2,490.16	7,626.46
iv) Bank balances other than cash and cash equivalent	12	44.85	2,922.28
v) Loans			
vi) Other financial assets			
c) Current tax assets net			
d) Other current assets	13	2,712.90	2,068.94
Total Current Assets		**23,273.10**	**27,976.47**
TOTAL ASSETS		**42,416.47**	**37,484.94**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	14	2,586.41	2,586.41
b) Other equity	15	31,605.95	26,739.43
Total Equity		**34,192.35**	**29,325.84**
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	16	32.64	6.34
(A) Lease liabilities			
ii) Trade payables			
iii) Other financial liabilities (other than those specified in item (b) to be specified)			
b) Provisions			
c) Other non current liabilities			
d) Deferred tax liability (net)	7	147.47	71.95
Total non-current liabilities		**180.11**	**78.29**
CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	17	25.71	5.77
(A) Lease liabilities			
ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18	277.27	322.10
(B) Total outstanding dues of creditors other than micro & small enterprises	18	5,290.85	5,169.63
iii) Other financial liabilities (other than those specified in item (c)			
b) Other current liabilities	19	1,918.03	2,396.53
c) Provisions			
d) Current tax liabilities (net)	20	532.16	186.77
Total Current Liabilities		**8,044.01**	**8,080.81**
Total Liabilities		**8,224.12**	**8,159.09**
TOTAL EQUITY AND LIABILITIES		**42,416.47**	**37,484.94**

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)

Membership No: 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAU3532

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME
DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND
COMPLIANCE OFFICER
(M. No. : A58678)

Statement of Standalone Profit and Loss

For the Year Ended 31st March 2025

(INR in Lakhs)

	Particulars	Note	Year Ended 31st March 2025	Year Ended 31st March 2024
	REVENUES:			
I	Revenue from operations	21	37,290.45	31,784.40
II	Other income	22	238.82	384.32
	TOTAL INCOME		**37,529.27**	**32,168.72**
	EXPENSES:			
III	Cost of material consumed	23	21,350.38	20,723.88
IV	Changes in inventories	24	1,092.79	(583.59)
V	Employee benefit expenses	25	3,361.77	2,620.18
VI	Finance costs	26	34.97	213.86
VII	Depreciation and amortisation expenses	27	1,100.26	626.19
VIII	Other expenses	28	3,655.98	2,841.43
	TOTAL EXPENSES		**30,596.14**	**26,441.95**
	Profit/(loss) before exceptional item and tax		**6,933.13**	**5,726.78**
IX	Exceptional item		-	-
	Dimunishing in value of investment		(19.28)	-
	Profit/(loss) before tax		**6,913.85**	**5,726.78**
	Tax expense:			
X	(1) Current tax		1,662.00	1,415.70
XI	(2) Deferred tax liability/(assets)		75.53	43.93
XII	(3) Taxation of earlier year		(13.49)	91.99
	Profit/(loss) for the year from continuing operation		**5,189.81**	**4,175.15**
XIII	Profit/(loss) from discontinued operations			
XIV	Tax expense of discontinued operations			
XV	Profit/(loss) from discontinued operations			
	Profit/(loss) for the year		**5,189.81**	**4,175.15**
	Other comprehensive income/(loss)			
XVI	a) Item that will not be reclassified subsequently to profit or loss			
	i) Net change in fair values of investments in equity shares carried at fair value through OCI			-
XVII	b) Income tax relating to item that will not be reclassified subsequently to profit or loss			-
XVIII	c) Item that will be reclassified subsequently to profit or loss			-
	i) Exchange differences on translation of financial statements of foreign operations			-
XIX	d) Income tax relating to item that will be reclassified subsequently to profit or loss			-
	Total Other Comprehensive Income/(loss)			**-**
	Total Comprehensive Income for the year		**5,189.81**	**4,175.15**
XX	Earnings per equity share: (for continued operations) in INR			
	(1) Basic		4.01	3.39
	(2) Diluted		4.01	3.39
XXI	Earnings per equity share: (for discontinued operations) in INR			
	(1) Basic			-
	(2) Diluted			-
XXII	Earnings per equity share: (for discontinued & continuing operations) in INR			
	(1) Basic		4.01	3.39
	(2) Diluted		4.01	3.39

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)

Membership No: 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAU3532

ASAD DAUD
MANAGING DIRECTOR
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COMPANY SECRETARY AND
COMPLIANCE OFFICER
(M. No. : A58678)

Standalone Cash Flow Statement

For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Tax	6,913.85	5,726.78
Add: Depreciation	1,100.26	626.19
Add: Interest paid	34.97	213.86
Add: Loss on sale, disposal, discard of property, plant and equipment (net)	28.16	1.36
Add: Loss on amortisation of investment	19.28	
Less: Interest received	(229.32)	(278.22)
Operating Profit before working capital changes	7,867.20	6,289.97
Adjustments for:		
(Increase)/decrease in non current other financial assets	83.00	(289.87)
(Increase)/decrease in other non current assets	35.82	(103.01)
(Increase)/decrease in change in inventories	(36.12)	(293.54)
(Increase)/decrease in current trade receivables	(2,630.26)	(2,768.79)
(Increase)/decrease in other current assets	(643.96)	451.98
Increase/(decrease) in other con current liabilities	-	(98.57)
Increase/(decrease) in current trade payables	76.39	1,828.68
Increase/(decrease) in other current liabilities	(133.12)	883.35
Cash Generated from Operations before tax	4,618.93	5,900.22
Income tax paid	(1,648.51)	(1,507.69)
Net Cash Flow from Operating Activities	2,970.42	4,392.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipements & intangibles including CWIP	(8,121.21)	(3,770.04)
Investment in subsidiary	(2,780.22)	-
Movement in other bank balances (net)	2,877.43	(2,922.28)
Interest received	229.32	278.22
Net Cash Flow from Investing Activities	(7,794.68)	(6,414.10)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	-	300.00
Proceeds from borrowings	64.00	-
Repayment of borrowings	(17.77)	(4,488.48)
Interest paid	(34.97)	(213.86)
Dividend paid	(323.30)	(228.64)
IPO issue expenses	-	(2,239.41)
Proceeds from issue of equity share capital (including securities premium)	-	15,900.00
Net Cash Flow from Financing activities	(312.04)	9,029.60
Net Increase in Cash & Cash Equivalents	(5,136.30)	7,008.02
Cash and Cash Equivalents at the beginning of the period	7,626.46	618.43
Cash and Cash Equivalents at the end of the period	2,490.16	7,626.46
Net Increase in Cash & Cash Equivalents as at	**(5,136.30)**	**7,008.02**

Standalone Cash Flow Statement
For the Year Ended 31st March 2025 (Contd.)

(INR in Lakhs)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Reconciliation of cash and cash equivalents at end of the year with Balance Sheet:		
Cash and cash equivalents as per balance sheet (As per Note 11)		
Cash on hand		
In rupees	1.20	4.75
In foreign currency	5.25	4.78
Balances with banks:	-	-
- On current accounts	936.18	524.69
Fixed deposits with maturity of less than 3 months	1,547.54	7,092.24
TOTAL	**2,490.16**	**7,626.46**

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 47")

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N.: 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAU3532

ASAD DAUD
MANAGING DIRECTOR
(DIN-02491539)

MUSTAFA A KACHWALA
WHOLETIME DIRECTOR & CFO
(DIN-03124453)

KINJAL SHAH
COMPANY SECRETARY AND COMPLIANCE OFFICER
(M. No. : A58678)

Notes:

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.

(ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 11 & 12).

Standalone Statement of Changes in Equity

For the Year Ended 31st March 2025

STATEMENT OF CHANGE IN EQUITY

A. EQUITY SHARE CAPITAL

(INR in Lakhs)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital due to prior year errors	Restated balance at the beginging of the current reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended on 31st March 2025	2,586.41	-	-	-	2,586.41
For the year ended on 31st March 2024	2,286.41	-	-	300.00	2,586.41

B. PROMOTOR'S HOLDING

(INR in Lakhs)

Name of Promotors	Shares held at the end of the year 31st March 2025		Shares held at the end of the year 31st March 2024		% of change during the year
	No of shares held	% of total shares	No of shares held	% of total shares	
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%	0.00%

Standalone Statement of Changes in Equity
For the Year Ended 31st March 2025 (Contd.)

C. OTHER EQUITY

(INR in Lakhs)

	Share application money pending allotment	Equity component of compound financial instrument	Reserves & surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Revaluation surplus	Exchange difference on translating financial difference on foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital reserve	Securities premium	General reserve	Retained earnings								
Balance at the beginning of the reporting year– 1st April 2024	-	-	-	16,080.08	-	10,659.35	-	-	-	-	-	-	-	26,739.43
Changes in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	5,189.81	-	-	-	-	-	-	-	5,189.81
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(323.30)	-	-	-	-	-	-	-	(323.30)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security premium on issue of new share														-
IPO expense				-	-									-
Balance at the end of the reporting year– 31st March 2025	**-**	**-**	**-**	**16,080.08**	**-**	**15,525.87**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,605.95**

Standalone Statement of Changes In Equity
For the Year Ended 31st March 2025 (Contd.)

(INR in Lakhs)

	Share application money pending allotment	Equity component of compound financial instrument	Reserves & surplus				Debt instruments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Revaluation surplus	Exchange difference on translating financial difference on foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital reserve	Securities premium	General reserve	Retained earnings								
Balance at the beginning of the reporting year- 1th April 2023	-	-	-	2,419.49	-	6,712.84	-	-	-	-	-	-	-	9,132.33
Changes in accounting policy/ prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	4,175.15	-	-	-	-	-	-	-	4,175.15
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(228.64)	-	-	-	-	-	-	-	(228.64)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security premium on issue of new share				15,900.00										15,900.00
IPO Expense				(2,239.41)	-									(2,239.41)
Balance at the end of the reporting year- 31st March 2024	**-**	**-**	**-**	**16,080.08**	**-**	**10,659.35**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**26,739.43**

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU
(Partner)
Membership No : 416197
Place: Mumbai
Dated: 30th April 2025
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KINJAL SHAH
COMPANY SECRETARY AND COMPLIANCE OFFICER
(M. No. : A58678)

Notes to Standalone Financial Statement

For the Year Ended 31st March 2025

NOTE 1: CORPORATE INFORMATION

AEROFLEX INDUSTRIES LIMITED ("The Company") is a public limited company incorporated under the provision of Companies Act, 2013 bearing Corporate Identity Number (CIN) L24110MH1993PLC074576. The equity shares of the Company are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The Company's registered office is at Plot No. 41,42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh-410208. The Company is engaged in manufacturing of stainless-steel flexible hose with braiding and without braiding and assemblies. The Company has done the expansion of the manufacturing activities during the year for production of Metal Bellows & Composite hoses & related products at its unit No -2, Survey No. 49, A5B, Lodha Industrial and Logistics Park (LILP), Palava, Taluka, Narhen, Ambernath, Maharashtra -421501.

The Company has acquired 100% equity shares of the company Hydair Engineering Pvt Ltd during the year which is now wholly owned Subsidiary of the company. The company had its other wholly owned foreign Subsidiary named Aeroflex Industries Limited UK at London, United Kingdom for which the operations has been closed and the name has been struck off from the corporate during the year.

The Company is a subsidiary company of Aeroflex Enterprises Limited (formerly Sat Industries Limited) a listed company, which holds 61.23% of the equity shares of the company at the year ended.

The Financial Statements were approved in accordance with a resolution passed in Board Meeting held on 30th April 2025.

NOTE 2 : ACCOUNTING POLICY INFORMATION

The material accounting policies have been applied consistently to all the periods presented in the standalone financial statements.

2.1 Basis of Preparation & Presentation of Financial Statements :

The Standalone financial statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules 2015 , as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss for the year ended 31st March 2025, the Statement of Cash Flows for the year ended 31st March 2025 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as ' Financial Statements').

The financial statements are presented in Indian Rupee (INR), which is the Company's functional currency and all amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs rupees with two decimals, unless otherwise stated.

2.2 Basis of Measurement :

The Standalone financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting year. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services. Fair value is the price that would be received to sale an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 Significant accounting estimates, judgments and assumptions :

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. The accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

This note provides an overview of the areas where there is a higher degree of judgment or complexity.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation. The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described as below. The Company based on its assumptions, judgments and estimates on parameters available, when the financial statements were prepared, the existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of property, plant and equipment :

Determining whether property, plant and equipment is impaired requires an estimation of the value in use of the cash-generating unit. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. When the actual future cash flows are less than expected, a material impairment loss may arise. property, plant and equipment which are out dated or not in use are impaired and shown at the net releasable value and difference to the written down value and net releasable value is transferred to profit & loss account for the year.

b) Useful life of property, plant and equipment :

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting year.

c) Provision for litigations and contingencies:

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

d) Recognition of Deferred Tax :

The extent to which deferred tax assets and liabilities can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax provisions can be utilised.

e) Management judgments related to the provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of Fair Valuation of Financial instruments and Valuation of inventories are further areas involving critical estimates and judgments for which detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation

2.4 Current or Non-current classification :

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is :

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading, or

iii) Expected to be realised within twelve months after the reporting period. or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified current when :

i) It is expected to be settled in normal operating cycle;

ii) Held primarily for the purpose of trading, or

iii) It is due to be settled within twelve months after the reporting period; or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

and cash equivalents. The Company has identified twelve months as its operating cycle.

Further the management of the company provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as non-current. Auditor has classified the same based on the prudence of the same as given by the management.

2.5 Property, plant and equipment and intangible assets and Depreciation / Amortisation :

a) Property, plant and equipment (PPE) :

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology or any other reason.

Recognition and measurement :

Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the Balance sheet at cost less accumulated depreciation and impairment, if any.

The cost of Property, plant and equipment comprises its purchase price (including the costs of materials / components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset to ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance related to such assets which are in recurring nature and has no certainty of the useful life has been charged to Statement of Profit and Loss during the year.

An item or part of Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 & Loss as and when the asset is derecognised.

Capital work-in-progress :

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialised and put to use. The same is carried at cost which is determined in the same manner as for any Property, plant and equipment. The Capital Work in progress is transferred to the respective assets head once the same is ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.

Repairs and maintenance costs related to property , plant & equipment are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

b) Depreciation methods, estimated useful lives :

Depreciation is provided (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:

Assets Class	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building	3 - 10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Solar Panels	15 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipment	5 Years
Office Equipment	5 Years
Electrical Installation	5 Years
Furniture & Fixtures	10 Years

Fixed Assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter. No depreciation has been provided for the land property.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition or till the date of sale/retirement/impairment.

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating

conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period and the effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of such significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit or Loss.

c) Intangible Assets :

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost (net of tax/duty credits availed, if any) less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. Intangible assets are stated at acquisition cost net of accumulated amortisation. The Company amortised intangible assets over their estimated useful lives using the written down method as per Companies Act, 2013. The Management has estimated the useful lives of intangible assets as follows:

Computer Software 6 years

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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. 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

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

d) **Impairment :**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

2.6 Investments :

The Company has investment in the equity shares of its 100% Indian subsidiary. The said investment in Indian subsidiary has been made during this financial year. The total amount of the investment in the said foreign subsidiary at the year ended was for INR 2,780.22 Lakhs. The Company further had investment in the 100% equity shares of the foreign subsidiary. The said investment has been impaired during the year due to the loss in such Investment and the same has been recognised to Profit & Loss account during the year ended.

2.7 Intangible Assets Under Development :

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development -WIP.

2.8 Foreign Currency Transactions :

a) **Functional and presentation currency :**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency and the same is rounded off to the nearest Lakhs Rupees with two decimals.

b) **Transactions and balances :**

All foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction on initial recognition. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the capital goods, has been attributed to the cost of the fixed assets.

2.9 Revenue Recognition :

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

i) Sales of Goods :

The Company recognises revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contracts with customers and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. 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, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The revenue from sale is recognised when significant risk and reward of ownership /control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.

ii) Sale of services & Other Operating Revenue :

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognised in the accounting year in which services are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.

iii) Foreign Exchange Fluctuation in Export & Imports Import :

As the Company has mainly engaged in export & import of goods therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the company.

iv) Export benefits :

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

v) Other Income :

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income has been recorded where no significant uncertainty as to measurability or collectability exists.

2.10 Inventories :

Inventories are valued at lower of the cost and net realisable value considering the various other related parameters and uniformity of the valuation. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at after reviewing the cost and net realisable value considering the various other related parameters and uniformity of the valuation. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at cost of production till

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

the date work completed. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average cost basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on item by item basis.

2.11 Cash and cash equivalents:

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

2.12 Taxation :

Income tax expense comprises current tax expenses and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax :

The current tax payable is based on the taxable profit for the year as per Income Tax Act 1961. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates tax laws that have been enacted or substantially enacted by the end of the reporting year. Provisions for current income taxes provision has been presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

2.13 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the year in which they are accrued or incurred.

2.14 Provisions :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognised as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Contingent liabilities and contingent assets :

Contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

2.16 Dividend :

The dividend declared by the Company during the year but not distributed at the end of the reporting period than the same is recognised as liability at the year ended when the dividend distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. Such amount of dividend is recognised directly in equity. Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

2.17 Financial instruments:

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification and Subsequent Measurement of Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(a) Financial Assets measured at Amortised Cost :

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

(b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :

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

(c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Impairment:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

De-recognition of Financial Assets :

The Company derecognises financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and the transfer qualifies for de-recognition under Ind AS 109. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income, if any, is recognised in the Statement of Profit or Loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of the financial asset.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES :

(a) Financial liabilities measured at Fair Value through Profit or Loss :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(b) Other financial liabilities :

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Debt and Equity Instruments :

Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue costs.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

Offsetting of Financial Instruments :

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

Fair Value of Financial Instruments :

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. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Foreign exchange gains and losses for assets & liabilities :

Financial Assets and liabilities denominated in a foreign currency and are measured at amortised

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the Statement of Profit or Loss.

The fair value of financial assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets where the amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has to uniformly followed the practice.

De-recognition of Financial Liability :

A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.18 Employee Benefits :

Short-term Employee Benefits:

All employee benefits such as salaries, wages and short term compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment benefits

a) Defined contribution plans

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Superannuation Schemes, Employees State Insurance which are defined contribution schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

Provident fund: The employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are made to the provident fund and pension fund administered by the Regional Provident Fund Commissioner. The Company recognises such contributions as an expense when incurred.

b) Defined benefit plans

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

Gratuity : The gratuity liability of the Company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made by the life insurance corporation at the calendar year ended using the projected unit credit method. The obligation is

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as a liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

2.19 Earnings Per Share :

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding at the year ended. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

(INR in Lakhs)

Particulars	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Air conditioner	Computer	Electrical installation	Testing equipment	Workshop tool & equipment	Water cooler	TOTAL
Year Ended as on 31st March 2025													
Opening Gross Carrying Amount	2,168.46	2,943.81	8,742.70	449.44	61.31	204.61	34.01	283.46	524.62	89.75	385.35	25.93	15,913.44
Additions	60.00	1,382.81	5,710.33	153.45	68.19	87.14	10.10	5.63	45.46	41.95	146.97	0.78	7,712.80
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(241.62)	-	(4.19)	-	-	-	-	-	-	-	(245.81)
Closing Gross Carrying Amount	**2,228.46**	**4,326.62**	**14,211.41**	**602.89**	**125.31**	**291.75**	**44.10**	**289.09**	**570.07**	**131.70**	**532.32**	**26.70**	**23,380.43**
Accumulated Depreciation	-	1,832.04	4,159.11	327.74	46.96	166.13	27.83	231.77	506.38	77.43	280.51	20.24	7,676.16
Depreciation charged during the year		268.12	609.18	35.42	17.55	29.27	3.57	31.52	10.65	12.09	43.43	2.67	1,063.46
Assets included in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(210.66)	-	(3.17)	-	-	-	-	-	-	-	(213.83)
Closing Accumulated Depreciation	**-**	**2,100.16**	**4,557.63**	**363.16**	**61.34**	**195.40**	**31.41**	**263.29**	**517.02**	**89.52**	**323.94**	**22.91**	**8,525.79**
NET CARRYING AMOUNT	**2,228.46**	**2,226.46**	**9,653.77**	**239.73**	**63.97**	**96.35**	**12.70**	**25.79**	**53.05**	**42.18**	**208.39**	**3.80**	**14,854.64**
Year Ended as on 31st March 2024													
Opening Gross Carrying Amount	1,621.39	2,429.50	6,721.66	377.56	61.31	182.35	29.10	229.87	521.95	85.18	361.31	25.62	12,646.80
Additions	547.07	514.31	2,037.93	71.88	-	22.26	4.91	53.59	2.67	4.56	24.05	0.31	3,283.53
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets included in a disposal group for sale	-	-	(16.89)	-	-	-	-	-	-	-	-	-	(16.89)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**2,168.46**	**2,943.81**	**8,742.70**	**449.44**	**61.31**	**204.61**	**34.01**	**283.46**	**524.62**	**89.75**	**385.35**	**25.93**	**15,913.44**
Accumulated Depreciation	-	1,739.41	3,820.14	307.56	37.44	151.60	24.81	186.06	504.91	68.71	236.01	15.81	7,092.46
Depreciation charged during the year	-	92.63	349.50	20.18	9.52	14.53	3.02	45.71	1.47	8.73	44.50	4.43	594.22
Assets included in a disposal group for sale	-	-	(10.53)	-	-	-	-	-	-	-	-	-	(10.53)
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	**-**	**1,832.04**	**4,159.11**	**327.74**	**46.96**	**166.13**	**27.83**	**231.77**	**506.38**	**77.43**	**280.51**	**20.24**	**7,676.16**
NET CARRYING AMOUNT	**2,168.46**	**1,111.77**	**4,583.59**	**121.70**	**14.35**	**38.48**	**6.17**	**51.68**	**18.24**	**12.31**	**104.84**	**5.69**	**8,237.28**

Note: The Company has not revalued property, plant and equipment during the year.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 3.1: CAPITAL WORK IN PROGRESS (CWIP):

The Company has incurred expenses towards purchase of the machineries and equipment which are not ready to use till the year ended has been shown under the capital work in progress for the Company. The ageing schedule of tangible assets under CWIP is as follows:

(INR in Lakhs)

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31st March 2025				TOTAL	Amount of CWIP for the year ended 31st March 2024				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion projects in progress	888.41				**888.41**	537.83				**537.83**

NOTE 4: INTANGIBLE ASSETS

Particulars	Software & Licences	TOTAL
Year Ended as on 31st March 2025		
Opening Gross Carrying Amount	**166.62**	**166.62**
Additions	65.43	65.43
Exchange difference	–	–
Assets included in a disposal group for sale	–	–
Disposals	–	–
Closing Gross Carrying Amount	**232.05**	**232.05**
Accumulated Depreciation	106.99	106.99
Depreciation charged during the year	36.80	36.80
Assets included in a disposal group for sale	–	–
Exchange difference	–	–
Disposals	–	–
Closing Accumulated Depreciation	**143.80**	**143.80**
NET CARRYING AMOUNT	**88.26**	**88.26**
Year Ended as on 31st March 2024		
Opening Gross Carrying Amount	152.47	152.47
Additions	14.15	14.15
Exchange difference	–	–
Assets included in a disposal group for sale	–	–
Disposals	–	–
Closing Gross Carrying Amount	**166.62**	**166.62**
Accumulated Depreciation	75.03	75.03
Depreciation charged during the year	31.97	31.97
Assets included in a disposal group for sale	–	–
Exchange difference	–	–
Disposals	–	–
Closing Accumulated Depreciation	**106.99**	**106.99**
NET CARRYING AMOUNT	**59.63**	**59.63**

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 4.1: INTANGIBLE ASSETS UNDER DEVELOPMENT:

(INR in Lakhs)

Capital Work In Progress (Intangible Assets)	Amount of CWIP for the year ended 31st March 2025				TOTAL	Amount of CWIP for the year ended 31st March 2024				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
New software under development	-	-	-	-	**-**	3.78				**3.78**

NOTE 5: NON CURRENT - INVESTMENTS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Investment in Equity Instruments		
Unquoted		
SUBSIDIARIES (AT COST)		
Hyd-Air Engineering Pvt Ltd	2,780.22	-
(E/s 4,724 of INR 100 Each)		
Aeroflex Industries Limited - UK	-	19.28
(E/s 2,000 of GBP 10 each)		
TOTAL	**2,780.22**	**19.28**

NOTE 6: NON CURRENT - OTHER FINANCIAL ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Security deposits	262.84	345.84
TOTAL	**262.84**	**345.84**

NOTE 7: DEFERRED TAX

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance for deferred tax assets/(liabilities)	(71.95)	(28.02)
Add/less: Deferred tax assets/(liabilities) for depreciation difference	(58.68)	(42.28)
Add/less: Deferred tax assets/(liabilities) for gratuity	(16.85)	(1.65)
DEFERRED TAX ASSETS/(LIABILITIES) - Refer Note 1 & 2	**(147.47)**	**(71.95)**
Opening balance for deferred tax assets/(liabilities)		-
Add/less: Deferred tax assets/(liabilities) for the year		-
DEFERRED TAX ASSETS -		**-**
Net amount charged to Statement of Profit and Loss	**(75.53)**	**(43.93)**
Deferred tax liabilities (net)	**(147.47)**	**(71.95)**

Note -

1 The amount is arose on account of difference between the depreciation of Companies Act and Income Tax Act.

2 The amount is arose on account of provision for gratuity at the year ended.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 8: NON CURRENT – OTHER NON CURRENT ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Advance to supplier	224.52	243.07
Repair & maintenance (to be amortised)	36.83	60.18
Retention money	1.43	1.58
QIP related expenses	6.23	-
TOTAL	**269.01**	**304.83**

NOTE 9: CURRENT – INVENTORIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Raw material in stock	3,200.72	2,071.81
Work in progress in stock	2,393.60	3,517.56
Finished goods in stock	336.05	304.87
TOTAL	**5,930.36**	**5,894.24**

*Stock is valued at cost or net realisable value whichever is lower & has been certified by the management.

NOTE 10: TRADE RECEIVABLES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(a) Trade receivables considered good-secured	12,079.43	9,449.17
(b) Trade receivables considered good-unsecured		
(c) Trade receivables which have significant increase in credit risk	15.40	15.40
(d) Trade receivables - credit impaired		
	12,094.83	**9,464.56**
Less: Allowance for doubtful debts		
Total	**12,094.83**	**9,464.56**

Note 10.1: No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

Trade receivables ageing schedule as at 31st March 2025

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	10,870.10	817.22	361.67	30.45	-	12,079.43
(ii) Undisputed trade receivables – which have significant increase in credit risk						-
(iii) Undisputed trade receivables – credit impaired						
(iv) Disputed trade receivables					15.40	15.40

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(v) Disputed trade receivables–credit impaired						
(vi) Disputed trade receivables-which have significant increase in credit risk						
Total	**10,870.10**	**817.22**	**361.67**	**30.45**	**15.40**	**12,094.83**

Trade receivables ageing schedule as at 31st March 2024

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(i) Undisputed trade receivables–considered good	8,567.06	647.33	200.51	19.07	15.19	9,449.17
(ii) Undisputed trade receivables–which have significant increase in credit risk					15.40	15.40
(iii) Undisputed trade receivables–credit impaired						
(iv) Disputed trade receivables						
(v) Disputed trade receivables–credit impaired						
(vi) Disputed trade receivables-which have significant increase in credit risk						
Total	**8,567.06**	**647.33**	**200.51**	**19.07**	**30.59**	**9,464.56**

NOTE 11: CASH & CASH EQUIVALENTS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Cash on hand		
– In rupees	1.20	4.75
– In foreign currency	5.25	4.78
Balances with banks:		
– On current accounts	936.18	524.69
Fixed deposits with maturity of less than 3 months*	1,547.54	7,092.24
TOTAL	**2,490.16**	**7,626.46**

Note: *Includes interest accrued INR 47.54 Lakhs (Previous year - INR 117.24 Lakhs)

NOTE 12: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
In fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date*	44.85	2,922.28
TOTAL	**44.85**	**2,922.28**

*Note: Includes interest accrued INR 0.07 Lakhs (Previous year - INR 29.43 Lakhs)

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 13: CURRENT – OTHER CURRENT ASSETS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Advances other than capital advances		
Advance to suppliers	1,196.67	818.29
Other Advances		
Balance with revenue authorities	1,317.85	1,080.30
Prepaid expenses	110.64	97.98
Advance to employees	87.73	72.37
TOTAL	**2,712.90**	**2,068.94**

NOTE 14: SHARE CAPITAL

a) Shares Details

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Authorised Share Capital				
Equity Shares of INR 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Series "A" Compulsorily Convertible Preference Shares of INR 10/- each	10,00,000	100.00	10,00,000	100.00
Series "A" Compulsorily Convertible Preference Shares of INR 200/-	10,00,000	2,000.00	10,00,000	2,000.00
	17,70,00,000	**5,600.00**	**17,70,00,000**	**5,600.00**
Issued, Subscribed & Paid up				
Equity Shares of INR 2/- each	12,93,20,370	2,586.41	12,93,20,370	2,586.41
TOTAL	**12,93,20,370**	**2,586.41**	**12,93,20,370**	**2,586.41**

b) Reconciliation of Equity shares:

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	Amount (INR)	No. of Shares	Amount (INR)
Shares outstanding at the beginning of the year	12,93,20,370	2,586.41	11,43,20,370	2,286.41
Shares issued during the year	NIL	NIL	1,50,00,000	300.00
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	**12,93,20,370**	**2,586.41**	**12,93,20,370**	**2,586.41**

c) Shares held by its holding Company:

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	%	No. of Shares	%
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

d) Name of the shareholders holding more than 5% Equity shares in the Company:

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	No. of Shares	%	No. of Shares	%
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	7,91,81,833	61.23%	7,91,81,833	61.23%
Italica Global FZC	74,54,830	5.76%	74,54,830	5.76%

Note:

14.1 The Company has only one class of shares referred to as the equity shares having face value of INR 2/- each . Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

14.2 No Equity shares have been forfeited.

14.3 There are no calls unpaid on equity shares.

14.4 The Company has not allotted any shares pursuant to contract without payment being received in cash.

NOTE 15: OTHER EQUITY

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
1. SECURITIES PREMIUM		
As per the last year accounts	16,080.08	2,419.49
Add: Addition during the year	-	15,900.00
Less: IPO issue expenses*	-	2,239.41
Total (A)	**16,080.08**	**16,080.08**
2. RETAINED EARNINGS		
As per the last year accounts	10,659.35	6,712.84
Add: Surplus for the year	5,189.81	4,175.15
Less: Dividend on equity shares	(323.30)	(228.64)
Total (B)	**15,525.87**	**10,659.35**
TOTAL (A+B)	**31,605.95**	**26,739.43**

*Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The Securities Premium is utilised in accordance with the provisions of the Companies Act, 2013.

*Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

NOTE 16: NON CURRENT BORROWINGS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
(a) Kotak Mahindra Bank Ltd - vehicle loan	-	6.34
(Secured against hypothecation of bus)		

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(b) Kotak Mahindra Bank Ltd - vehicle loan	15.48	-
(Secured against hypothecation of bus)		
(c) Kotak Mahindra Bank Ltd - vehicle loan	17.16	-
(Secured against hypothecation of bus)		
TOTAL	**32.64**	**6.34**

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of INR 55,614/- each commencing from 15th April 2021 and the last instalment is payble on 15th March 2026. Rate of Interest as on 31st March 2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 20th July 2024 and the last instalment is payble on 20th August 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 15th September 2024 and the last instalment is payble on 15th October 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

NOTE 17: CURRENT BORROWINGS

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Secured Loans:		
From Bank & Financial Institution		
Term Loan		
(a) Kotak Mahindra Bank Ltd - vehicle loan	6.34	5.77
(Secured against hypothecation of bus)		
(b) Kotak Mahindra Bank Ltd - vehicle loan	9.77	-
(Secured against hypothecation of bus)		
(c) Kotak Mahindra Bank Ltd - vehicle loan	9.60	-
(Secured against hypothecation of bus)		
TOTAL	**25.71**	**5.77**

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of INR 55,614/- each commencing from 15th April 2021 and the last instalment is payble on 15th March 2026 Rate of Interest as on 31st March 2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 20th July 2024 and the last instalment is payble on 20th August 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of INR 97,550/- each commencing from 15th September 2024 and the last instalment is payble on 15th October 2027 Rate of Interest as on 31st March 2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 18: TRADE PAYABLE

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Total outstanding dues of micro enterprises and small enterprises	277.27	322.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,290.85	5,169.63
TOTAL	**5,568.12**	**5,491.73**

Note: There are no unbilled and not due trade payables, hence the same are not disclosed in the ageing schedule

Trade payables ageing schedule as at 31st March 2025

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(i) Undisputed – micro & small enterprises	277.27	–	–	–	–	277.27
(ii) Undisputed others	5,285.58	2.87	–	–	2.40	5,290.85
(iii) Disputed dues – micro & small enterprises						
(iv) Disputed dues - others						
TOTAL	**5,562.84**	**2.87**	**–**	**–**	**2.40**	**5,568.12**

Trade payables ageing schedule as at 31st March 2024

(INR in Lakhs)

Particulars	Outstanding for following years from due date of payment					
	Less than 6 months	6 months–1 year	1–2 years	2–3 years	More than 3 years	Total
(i) Undisputed – micro & small enterprises	322.10	–	–	–	–	322.10
(ii) Undisputed others	5,167.23	–	–	–	2.40	5,169.63
(iii) Disputed dues – micro & small enterprises	–	–	–	–	–	–
(iv) Disputed dues - others	–	–	–	–	–	–
TOTAL	**5,489.33**	**–**	**–**	**–**	**2.40**	**5,491.73**

NOTE 19: CURRENT – OTHER CURRENT LIABILITIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Statutory due payable	128.20	110.96
Advance from customer	481.68	554.95
Amount payable for capital goods	301.29	892.85
Other liabilities*	1,006.86	837.76
TOTAL	**1,918.03**	**2,396.53**

*Note: Other liabilities include unpaid dividend of INR 0.22 Lakhs (Previous year – NIL)

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 20: CURRENT – CURRENT TAX LIABILITIES

(INR in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Provisions for tax (net of advance tax & TDS)	532.16	186.77
TOTAL	**532.16**	**186.77**

NOTE 21: REVENUE FROM OPERATIONS

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Sale of products:		
– Domestic sales	8,663.65	5,139.62
– Export sales	27,663.30	26,019.50
TOTAL	**36,326.95**	**31,159.12**
Other operating revenue:		
Foreign exchange fluctuation	636.23	391.26
Misc. operating revenue	327.26	234.02
TOTAL	**37,290.45**	**31,784.40**

NOTE 22: OTHER INCOME

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest Income		
– On fixed deposits designated as amortised cost	229.32	278.22
– On Others	–	–
Other Income	9.51	106.11
TOTAL	**238.82**	**384.32**

NOTE 23: COST OF MATERIALS CONSUMED

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Opening stock of raw material & consumables	**2,071.81**	**2,354.79**
Add : Purchase of raw material & consumables	22,479.29	20,440.89
Less : Closing stock of raw material & consumables	(3,200.72)	(2,071.81)
TOTAL	**21,350.38**	**20,723.88**

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 24: CHANGE IN INVENTORIES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Inventories at the beginning of the year		
– Work-in-progress	3,517.56	2,935.92
– Finished goods	304.87	302.92
	3,822.43	**3,238.84**
Less: Inventories at the end of the year		
– Work-in-progress	2,393.60	3,517.56
– Finished goods	336.05	304.87
	2,729.64	**3,822.43**
Decrease/(increase) in inventories	**1,092.79**	**(583.59)**

NOTE 25: EMPLOYEE BENEFIT EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salary, wages, bonus and other benefits	2,958.99	2,343.41
Contribution to Provident Fund, ESIC and other funds	128.19	103.50
Gratuity fund contributions	66.93	16.54
Staff welfare expenses	207.66	156.72
TOTAL	**3,361.77**	**2,620.18**

NOTE 26: FINANCE COST

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
(a) Interest Expense		
(i) Interest on borrowing	4.66	176.11
(ii) Interest on delayed payment of taxes	8.33	15.46
(iii) Other borrowing costs - bank processing charges	2.27	15.48
(iv) Interest to others	19.70	6.82
TOTAL	**34.97**	**213.86**

NOTE 27: DEPRECIATION AND AMORTISATION EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Depreciation cost	1,063.46	594.22
Amortisation cost	36.80	31.97
TOTAL	**1,100.26**	**626.19**

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 28: OTHER EXPENSES

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Electricity and power	453.29	407.29
Repair & maintenance	725.44	765.17
Processing labour charges	83.71	65.88
Testing and calibration charges	27.99	26.69
Cylinder rent	10.64	5.40
Export freight, handling, clearing & other charges	528.90	376.76
Carriage outward	125.43	65.76
Commission expenses	113.14	50.42
Consultancy charges	201.73	189.27
Depository fees expense	8.36	1.56
Water charges	8.74	4.22
Rates & taxes	18.67	28.34
Conveyance & travelling expenses	364.09	342.46
Bank charges & commission	57.28	49.20
Office expenses	421.43	183.27
Insurance charges	85.27	59.35
Printing & stationary	40.06	29.28
Telephone & communication expenses	40.43	30.39
Auditor remuneration	6.00	5.50
Exhibition, marketing & businesss promotion expenses	114.33	19.44
Miscellaneous expenses	44.34	30.20
CSR activity expenses	90.30	57.50
Loss on sales of fixed assets	28.16	1.36
Balances written off	44.41	–
Listing fees expense	13.85	–
Exchange fluctuation on foreign currency term loan	–	46.73
TOTAL	**3,655.98**	**2,841.43**

NOTE 29: EARNINGS PER SHARE

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Net profit after taxation for the year	5,189.81	4,175.15
Number of equity shares for basic/diluted EPS	12,93,20,370	12,93,20,370
Nominal value of equity shares (INR)	2.00	2.00
Basic/diluted earnings per equity share (INR)	4.01	3.23

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 30: REMUNERATION TO AUDITORS

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Statutory audit fee	3.00	2.50
Tax audit fee	3.00	3.00
TOTAL	**6.00**	**5.50**

NOTE 31: RECONCILIATION OF EFFECTIVE INCOME TAX RATE

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit before tax	6,913.85	5,726.78
Current year tax	1,662.00	1,415.70
Tax using the Company's domestic tax rate 25.168%	1,740.08	1,441.32
Tax effect of adjustment to reconcile expected income tax expenses to reported income tax expenses	-	-
Tax effects of amounts which are not deductible for taxable income	1.53	16.97
Effect of depreciation under Income Tax	(79.38)	(42.62)
	1,662.24	1,415.67
Effective Tax Rate	**24.04**	**24.72**

NOTE 32: DETAILS OF SUBSIDIARIES

(INR in Lakhs)

Particulars	Country of Incorporation	% of Ownership As at 31st March 2025	% of Ownership As at 31st March 2024
(1) Hyd-Air Engineering Private Limited	India	100.00%	-
(2) Aeroflex Industries Limited	United Kingdom	-	100.00%

NOTE 33: CORPORATE SOCIAL RESPONSIBILITY

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Gross amount required to be spent by the Company during the year	90.28	57.47
Amount of expenditure incurred	90.30	57.50
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Nature of CSR activities:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above		
- Health and education & Contribution to eligible Trust for CSR related activities	90.30	57.50

*Out of the above spending INR 88.80 Lakhs (Previous year - INR 57.50 Lakhs) contributed to SAT Foundation which is related party.

*The Company has not carried forward any provisions for corporate social responsibility expenses for the current year and the previous year.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 34: FOREIGN EXCHANGE INFLOW & OUTFLOW

a) Foreign Exchange Outflow:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Traveling & hotel expenses	216.41	139.57
Payment towards services & other expenses	54.99	14.73
TOTAL	**271.40**	**154.30**

b) Foreign Exchange inflow:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
F.O.B value of exports	27,381.45	24,463.28
TOTAL	**27,381.45**	**24,463.28**

c) CIF Value of Import:

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Raw material & fittings	4,749.17	5,080.67
Capital goods	1,142.11	342.25
TOTAL	**5,891.28**	**5,422.92**

NOTE 35: RATIO ANANLYSIS

(INR in Lakhs)

Sr. No.	Ratios	Numerator	Denominator	Ratio Analysis		Variation in %	Reason for variation above 25% as compared to previous year
				Ratio FY 2024-25	Ratio FY 2023-24		
1	Current Ratio	Current Assets	Current Liabilities	2.89	3.46	(16.43)	N.A
2	Debt- Equity Ratio	Borrowing + Interest Accrued	Total Equity	0.002	0.0004	313.04	Debt Equity Ratio is increased due to fresh vehicle loan availed during the year
3	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non Cash operating expenses like Depreciation and other amortisation + Interest + other adjustments like loss on sale of fixed assets etc	Debt Service = Interest & Lease Payments + Principal Repayments	283.24	1.08	26,236.65	Debt Service Coverage Ratio is increased due reduction in interest cost as compare to previous year
4	Return on Equity Ratio	Net Profit After Taxes	Average's Shareholders Equity	16.34 %	20.49 %	(20.26)	N.A

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Sr. No.	Ratios	Numerator	Denominator	Ratio Analysis		Variation in %	Reason for variation above 25% as compared to previous year
				Ratio FY 2024-25	Ratio FY 2023-24		
5	Inventory Turnover ratio	Sales	Average Inventory *Average inventory is (Opening+Closing balance)/2*	6.31	5.53	14.05	N.A
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.46	3.93	(12.06)	N.A
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.07	4.47	(8.97)	N.A
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital (excluding Unutilised IPO Proceeds)	2.12	2.82	(24.73)	N.A
9	Net Profit Ratio	Net Profit	Total Income	13.83 %	12.98 %	6.55	N.A
10	Return on Capital Employed	Earnings Before Interest & Tax	Average Capital Employed (excluding Unutilised IPO Proceeds)	23.60 %	31.33 %	(24.67)	N.A
11	Return on Investment	Income Generated from Investment	Time Weighted Average Investment	NA	NA		

NOTE 36: RELATED PARTY DISCLOSURES

i.	**Key Management Personnel:**	
	Asad Daud	: Managing Director
	Mustafa Abid Kachwala	: Wholetime Director & CFO
	Kinjal Shah	: Company Secretary & Compliance Officer.
	Harikant Turgalia	: Director

II.	**Other related parties with whom there were transactions during the year:**	
	Hyd-Air Engineering Private Limited	: Wholly Owned Subsidiary
	Aeroflex Industries Ltd – UK	: Wholly Owned Subsidiary **(strike off during the year)**
	Aeroflex Enterprises Limited (formerly Sat Industries Limited)	: Promoter Company
	Italica Global FZC	: Wholly Owned Subsidiary of Promoter Company
	M.R. Organisation Limited	: Subsidiary of Promoter Company
	SAT Foundation	: Director's relative is a trustee

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

Transaction carried out with Related Parties & KMP during the year:

(INR in Lakhs)

Particulars	Nature of Transaction	For the year ended 31st March 2025	For the year ended 31st March 2024
Asad Daud	Director remuneration	115.41	95.56
	Dividend paid	0.001	0.001
Mustafa A Kachwala	Director remuneration	13.04	11.60
	Dividend paid	0.001	0.001
Harikant Turgalia	Dividend paid	0.001	0.001
Italica Global FZC	Sales	283.91	581.23
	Dividend paid	18.64	14.91
Aeroflex Enterprises Limited (formerly Sat Industries Limited)	Expenses paid & recovered	-	714.42
	Financial mgmt charges (incl. GST)	-	53.10
	Dividend paid	197.95	193.36
SAT Foundation	CSR fund - donation	88.80	57.50
Aeroflex Industries Ltd UK	Commission paid	10.02	7.62
	Consultancy income	8.05	-
Hyd-Air Engineering Pvt Ltd	Payment towards acquisition of equity shares	2,780.22	-
	Sales	666.28	-
	Purchase	53.47	-
M.R. Organisation Limited	Machine maintenance services	356.36	-
Kinjal Shah	Salary paid	11.47	9.20

NOTE 37: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS

(INR in Lakhs)

Particulars	CURRENCY	For the year ended 31st March 2025	For the year ended 31st March 2024
Amount Receivable in Foreign Currency			
1. Export of goods & services			
	INR	9,919.11	8,331.47
	USD	90.40	84.29
	EUR	21.29	13.58
	GBP	1.96	0.75
2. Advance to suppliers			
	INR	148.98	553.47
	USD	1.74	6.64
Amount Payable in Foreign Currency			
1. Import of goods & services			
	INR	632.42	250.51
	USD	7.39	3.00
2. Advance - customers			
	INR	523.53	575.81
	USD	5.58	5.82
	EUR	0.49	0.94
	GBP	-	0.06

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

(INR in Lakhs)

Particulars	CURRENCY	For the year ended 31st March 2025	For the year ended 31st March 2024
3. Spares & others			
	INR	4.56	21.86
	USD	-	0.15
	EUR	0.05	0.10

NOTE 38: INFORMATION RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES

The Company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31st March 2025. The following information has been given in respect to such suppliers who have identified themselves as "Micro, Small & Medium Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31st March 2025.

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Outstanding amount	277.27	322.10

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the Company has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the Company has any dispute related to the principal or interest towards the delayed payments so happened during the year over and above the agreed terms of payment.

NOTE 39: EMPLOYEE BENEFITS

A) Defined Contribution Plan

Provident Fund: The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.

B) Defined Benefit Plan

Gratuity: The Company participates in the employee's group gratuity-scheme of Life Insurance Corporation Limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/ termination in terms of the provisions of the Payment Of Gratuity (Amendment) Act, 1997, or as per Company's scheme whichever is more beneficial to the employees. The Company made payments for the gratuity for the year ended based on the actuarial valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the Company to such gratuity fund has been considered as expenditure for the year and the fund lying with LIC under the gratuity fund is not accounted as assets as the same is towards the defined future liability of the Company.

Provident fund: The Company makes provident fund contribution to the government administered provident fund and has no further liability towards the same.

C) Amounts Recognised as Expense:

i) Defined Contribution Plan: Employer's contribution to provident fund amounting to INR 101.09 Lakhs has been included under contribution to provident funds

ii) Defined Benefit Plan: Gratuity amount payable for INR 66.93 Lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life Insurance Corporation.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 40: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

1. CAPITAL MANAGEMENT:

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals, borrowings etc. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Borrowings		
Long term and short term borrowings	32.64	6.34
Current maturities of long term borrowings	25.71	5.77
Less: cash and cash equivalents	2,490.16	7,626.46
Less: Bank balances other than cash and cash equivalents	44.85	2,922.28
Adjusted net debt	**(2,476.67)**	**(10,536.62)**
Total Equity	34,192.35	29,325.84
Adjusted net debt to adjusted equity ratio	**(0.07)**	**(0.36)**

2. CATEGORIES OF FINANCIAL INSTRUMENTS:

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

(INR in Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
Financial Assets	**Carrying Value**	**Fair Value**	**Carrying Value**	**Fair Value**
Measured at amortised cost				
i) Cash and cash equivalent	2,490.16	2,490.16	7,626.46	7,626.46
ii) Other bank balance	44.85	44.85	2,922.28	2,922.28
iii) Trade receivables	12,094.83	12,094.83	9,464.56	9,464.56
iv) Other financial assets-non current	262.84	262.84	345.84	345.84
v) Other financial assets-current	2,712.90	2,712.90	2,068.94	2,068.94
Total financial assets	**17,605.58**	**17,605.58**	**22,428.07**	**22,428.07**
Financial Liabilities				
Measured at amortised cost				
i) Cash credit facilities	-	-	-	-
ii) Borrowings - non current	32.64	32.64	6.34	6.34
iii) Borrowings - current	25.71	25.71	5.77	5.77
iv) Trade payables	5,568.12	5,568.12	5,491.73	5,491.73
v) Other financial liabilities - non current	-	-	-	-
vi) Other financial liabilities - current	1,918.03	1,918.03	2,396.53	2,396.53
vii) Current tax liabilities (net)	532.16	532.16	186.77	186.77
Total financial liabilities	**8,076.65**	**8,076.65**	**8,087.15**	**8,087.15**

The financial instruments are categorised into following levels based on the inputs used to arrive at fair value measurements described below

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

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

Level 2: Inputs other than quoted price included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

3. FINANCIAL RISK MANAGEMENT:

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimise the potential impact of unpredictability of the financial markets on its financial performance. The Company does regularly monitor, analyse and manage the risks faced by the Company and to set and monitor appropriate risk limits and controls for mitigation of the risks.

A) Management of Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk companies of three type of risk interest rate risk, price risk and currency rate risk. Financial instrument affected by market risk includes borrowings and investments. The Company has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

i) Management of interest rate risk:

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company has least interest rate risk since its borrowing has mainly in fixed rate of interest which is repayable in installments for the term loan availed by it from bank.

ii) Management of currency risk:

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade receivables and payables which are exposed to foreign exchange risk. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodiclally monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Exposure to currency risk: The Company has exposure mainly in USD/EUR/GBP converted to functional currency i.e. INR. The Company has the following financial assets and financial liabilities as at 31st March 2025 :

(INR in Lakhs)

Particulars	Exposure Currency	For the year ended 31st March 2025	For the year ended 31st March 2024
Financial Assets	USD	7,892.39	7,936.33
	EUR	1,977.37	1,230.35
	GBP	218.24	101.73
	AED	–	0.14
	CNY	1.97	0.11
	RUB	0.60	–
TOTAL		**10,090.57**	**9,268.66**
Financial Liabilities	USD	1,110.34	748.90
	EUR	45.62	93.44
	GBP	–	5.84
TOTAL		**1,155.96**	**848.18**

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

iii) Management of price risk:

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The Company's commodity risk is managed centrally through well established control processes and future market position in accordance with the risk management policy. Further the Company invests its surplus funds in deposits with banks on short term tenors on fixed interest rate and the same is not exposed to any price risk. This risk is mitigated by investing the funds in various tenors depending on the liquidity needs of the Company.

B) Management of Credit Risk:

Credit risk refers to the risk of default on its obligations by a counterparty to the group resulting in a financial loss to the group. The group is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and financial instruments. Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The group has no concentration of credit risk as the customer base is widely distributed. The group's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management. The Company has receivable at the year ended where in the debtor's parties are under NCLT. The total amount of receivable from such debtors is for INR 15.40 Lakhs. The management is hopeful to receive the same therefore the same has been considered good at the year ended.

(INR in Lakhs)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Unsecured		
- Considered good	12,094.83	9,464.56
Gross Trade Receivables	**12,094.83**	**9,464.56**
Less: Loss Allowance	-	-
Net Trade Receivables	**12,094.83**	**9,464.56**

C) Management of Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The Company closely monitors its liquidity position and has a cash management system. The Company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimised cost. The Company's current assets aggregate to INR 23,273.76 Lakhs (Previous year - INR 27,976.47 Lakhs) including cash and cash equivalents and other bank balances of INR 2,535.01 Lakhs (Previous year - INR 10,548.74 Lakhs) against an aggregate current liability of INR 8,044.67 Lakhs (Previous year - INR 8,080.81 Lakhs) and non-current liabilities due between one year to three years amounting to INR NIL (Previous year - NIL) and non-current liabilities due after three years amounting to INR NIL(Previous year - NIL) on the reporting date. Further, while the Company's total equity stands at INR 34,192.35 Lakhs (Previous year - INR 29,325.84 Lakhs), it has non-current borrowings of INR 32.64 Lakhs (Previous year - INR 6.34 Lakhs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligation as they become due does not exist.

NOTE 41: DIVIDEND

The Company has declared dividend for the FY 2023-24 in the Annual General meeting of the Company held on 8th July 2024. The dividend so declared has been accounted and adjusted during the year towards the brought forward balances of the profit & loss account.

NOTE 42: SEGMENT INFORMATION

The segment-wise reporting is not applicable for the Company as required in accordance with Ind AS 108 for the year ended 31st March 2025.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

NOTE 43: EVENTS AFTER REPORTING DATE

The Board of Directors at their Board meeting held on 30th April, 2025 have recommended final dividend of INR 0.30 per fully paid up equity share of INR 2/- each for the financial year ended 31st March 2025, subject to approval of shareholders at ensuing Annual General Meeting of the Company

NOTE 44: OTHER DISCLOSURES

44.1 In the opinion of the Board of Directors, the current assets are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, has been written off or written back during the year and accounted accordingly. There are disputable receivables for INR 15.40 Lakhs for which the said parties are under NCLT. The management is of the opinion that the said amount is estimated at fair chance of the recovery and has not been identified as bad-debts or contingent recovery.

44.2 The Company has received Show Cause Notice for GST Liability of INR 7,761.30 Lakhs raised since FY 2019-20 to 2024-25 which is towards the GST refunds claimed by the Company for the Input Tax credit availed towards export of goods. The GST department has raised the said SCN under the contention that the refund so claimed under rule 89(4) & 96(10) of CGST Rules 2017 is erroneous. The Company has filed writ petition in Bombay High Court against the said Show Cause Notice. The Bombay High Court has granted interim stay and no demand has been confirmed against the said Show Cause Notice till the date of the Balance sheet and the matter is still subjudice. The Company has further received Show Cause Notice from the GST department for demand of INR 359.47 Lakhs towards the disallowance of the GST Input credit claimed for the IPO expenses. The Company has filed the reply to the GST department with required documents & explanations for allowability of the said input GST credit. GST Department has not called for any further clarification and no demand has been confirmed in the matter till the date of the Balance sheet.

44.3 Additional liability, if any, arising pursuant to respective assessment under various fiscal statutes, shall be accounted for in the year of assessment. Also interest liability for the delayed payment of the statutory dues, if any, has been accounted for in the year in which the same are being paid.

44.4 Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.

44.5 The Company has not traded or invested in crypto currency or virtual currency during the financial year.

44.6 As per information available, the Company has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.

44.7 The Company does not hold any benami property and no proceedings has been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.

44.8 Title deeds of all the immovable properties held by the Company are in the name of the Company. No revaluation of the property, plant and equipment and intangible assets held by the Company were done during the previous year, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the Company is not holding any leased assets which are required to be disclosed separately.

44.9 The Company has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.

44.10 The Company has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.

44.11 The Company did not have any transactions during the year with the companies which are struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956.

44.12 As per the information & details available on records and the disclosure given by the management, the Company has complied 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.

Notes to Standalone Financial Statement (Contd.)
For the Year Ended 31st March 2025

44.13 As per the information & details available on records and the disclosure given by the management, the Company has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding 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 or provided any guarantee, security or like to or on behalf of the Company. Further the Company has not received any funds from any person, entity including the foreign entity with the understanding that the Company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.

44.14 There are no amounts due to be credited to Investor Education and Protection Fund in accordance with section 125 of the Companies Act, 2013 as at the year end.

44.15 The Company has overdue receivables against the export realisation of goods for INR equivalent to 5,337.13 Lakhs due to various business reasons. As per the information available and as intimated by the management, the Company is in process of availing extension from RBI through its authorised dealers for the overdue realisations however till the date of the balance sheet such extension has not been made.

44.16 The Company's fixed assets & investments which has been impaired and has become non useful to the Company has been recognised to the profit & loss account for the value over and above the recovered value of such assets and investments.

44.17 With respect to disclosures pursuant to Section 186 (4) of the Companies Act, 2013 the Company has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year. The Company has made investment in a wholly owned Indian subsidiary during the year. Further the investment in foreign subsidiary has been impaired and has been recognised to the profit & Loss account during the year as the said foreign subsidiary has been struck off and become non operational during the period.

44.18 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

NOTE 45

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.

NOTE 46

The financial statements has been authorised for issue by the Board of directors on dated 30th April 2025

NOTE 47

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/ disclosure

As Per Our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO
CHARTERED ACCOUNTANTS
F.R.N. : 127673W

PRIYANKA JAJU	**ASAD DAUD**	**MUSTAFA A KACHWALA**	**KINJAL SHAH**
(Partner)	MANAGING DIRECTOR (DIN-02491539)	WHOLETIME DIRECTOR & CFO	COMPANY SECRETARY AND COMPLIANCE OFFICER
Membership No : 416197		(DIN-03124453)	(M. No. : A58678)

Place: Mumbai
Dated: 30th April 2025
UDIN No: 25416197BMJHAU3532

Commitment to Excellence

Aeroflex Industries Limited
Email: investor.relations@aeroflexindia.com

Sales Office Address:
Unit No. 1220 & 1221,
A-Wing, 12th Floor, The Epicentre,
Off Eastern Freeway, BEST Colony,
Near Shivaji Chowk, Chembur East,
Mumbai – 400071

Factory Address:
Unit 1: Plot No. 41, 42/(13, 14, 18), near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai – 410 208, Maharashtra, India

Unit 2: Lodha Industrial and Logistics Park (LILP), Palava A5B, Survey No. 49/(1, 4, 7, 9), 50/(6, 9, 10), Village Narhen, Taluka Ambernath, Thane-421 501, Maharashtra, India

Hyd-Air Engineering:
Manufacturing Plant: Plot C3, C Block, M.I.D.C
At Post Mahalunge, Near HP Gas Refilling Station
Chakan Industrial Area, Chakan.
Tehsil – Khed, Dist. – Pune
Maharashtra 410 501
Sales : + 91 (0) 98213-12866
midc@hyd-air-group.com