#### DIRECTOR'S REPORT

To the Members of

#### Aeroflex Industries Limited.

Your Directors have pleasure in presenting the  $26^{\circ}$  [Twenty-Sixth] Annual Report of the Company.

### FINANCIAL HIGHLIGHTS:

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

(Rs. in Crores, except EPS data)

Particulars	31.03,2020	31.03.2019
Sales and other income	144.94	240.45
Profit before tax and depreciation	7.49	8.98
Depreciation	3.92	4.01
Profit /(loss)before tax	3.57	4.97
LESS: Provisions for tax:		<del> </del> -
Current Tax	ไทย	Nii
Deferred Tax Liability /{Assets}	(1.13)	(2.11)
Profit after tax	4.70	7.08
es: Prior period adjustments	0.00	0.00
Profit /(Loss) after prior period adjustment	4.70	7.08

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

### 1. STATE OF COMPANY'S AFFAIRS:

Your Company is engaged in the business of manufacture of Stainless Steel Hose with or without braiding and assemblies' products. During the financial year, The Company recorded revenue of ₹ 144,94 Crores as compared to the corresponding figure of revenues in the previous financial year of ₹ 140,45 Crores. The Company's strong product portfolio along with superior consumer insights and a strategy of continuous innovation and value creation has, once again, helped in delivery of superior competitive performance during the financial year, notwithstanding the extremely challenging operating environment. It is a matter of deep satisfaction that



the Company consolidated its leadership position in the industry during the financial year and continues to improve its standing in key competitive markets across the country.

### 2. DIVIDEND:

To conserve the resources for the future use the directors do not recommend dividend for the Financial Year 2019-2020.

### 3. 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 relate and the date of report.

### 4. Changes in the nature of business:

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

### 5. TRANSFER TO RESERVE :

During the year no amount was transferred to any Reserves.

## 6. CONSERVATION, ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUT GO

Pursuant to section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014, it is stated that the Company is taking every possible steps to conserve the energy wherever possible by stream lining the production process. Its impact will be visible in the time to come. The Company is exploring avenues for alternate sources of energy. Steps taken or impact on conservation of energy

Some of the Implementation of EMS (Energy Management System) for judicial and effective usage of energy.

- Online monitoring of energy usage and consumption.
- 2. Quarterly load balancing done controlling usage of electricity.
- Oxylene used in place of chosphating (No heating required).
- Power savings through open access.
- Installation of Atcon Air conditioner Energy Saver.
- Introduced Partly LED in plant and shop-floor.
- VFD installation in OEM compressor, 1004.
- Servo controller system PDC installed.
- Less efficient Air-conditioning replaced with 5 star air-conditioner and VRVS.
- Temperature Controlling in Utility 1004.
- Implementation of IE3 motors.
- 12. Implementation of servo system.
- 13. Control of cooling tower fan with temperature requirement.
- 14. Installation of servo in mains.
- 15. Maintaining Power Pactor at Unity.

The Company has imported no technology. The technology employed for the manufacture of HDPE/PP woven sacks/fabrics is indigenously sourced and time tested. The Company regularly keeps itself <u>updated</u> with the latest development in

the technology with the motto of cost reduction and improvement of quality of the products. No expenditure has been incurred on research and development.

During the year under review earnings in foreign exchange was Rs 21.93 Crores. Out go in foreign exchange was Rs. 16.53 Crores

### PARTICULARS OF EMPLOYEES ;

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### DIRECTORS' RESPONSIBILITY STATEMENT;

Pursuant to section 134 sub-section (3) clause (c) of the Companies Act, 2013, it is stated that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures, if any;
- the directors had 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 loss of the Company for that period;
- iii) the directors had 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) the directors had prepared the annual accounts on a "going concern" basis.
- v) internal financial centrols has been laid down to be followed by the company and such financial controls are adequate and are operating effectively;

### 9. DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Harikant Turgelia (DIN: 00049544) was liable to retire by rotation, at the forthcoming annual general meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

Pursuant to Section 196 of Companies Act, 2013 and rules framed thereunder, Mr. Asad Daud (DIN: 02491539) was appointed as the managing director for a period of five (5) years w.c.f. 15.10.2019.

Pursuant to Section 149 and 152 of Companies Act, 2013 and rules framed thereunder Mr. Ramesh Chandra Soni (DIN 00049497), was appointed as the independent director w. c. f. 15.10.2019.

### SUBSIDIARY & ASSOCIATE COMPANIES;

### Subsidiary:

The Company has 1(one) wholly owned subsidiary company namely Aeroflex Industries Limited (holding 100%). The document Statement of performance & financial position in Form AOC-1 to be annexed to this report in pursuance of section 129 of the Companies act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014, is annexed herewith.

### Holding:

Your Company is a subsidiary of Sat Industries Limited with a holding of 98.70 %.

### Joint Ventures and Associates:

Your Company does not have any Associates or Joint Ventures as on 31,03,2020.

### 11. 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.

### 12. 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.

### NO. OF MEETINGS OF THE BOARD ;

Numbers of Board meetings of the Company were 10 (Ten) (i.e. 01.04.2019, 03.04.2019, 10.05.2019, 10.06.2019, 15.07.2019, 03.09.2019, 29.09.2019, 15.10.2019, 25.11.2019, 26.02.2020.)

### 14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company has no particulars to be furnished in respect of loans given, investment made and guarantees given and securities provided covered under section 186(4) of the Companies Act, 2013, since it has not carried on any activity mentioned herein above during the year under report

## 15. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year under review the Company has not entered into any contracts and arrangement with related parties referred in the provision of sub-section (1) of section- 188 of the Companies Act, 2013.

### 16. STATEMENT ON DECLARATION OF INDEPENDENT DIRECTORS:

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## 17. <u>COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT AND REMUNERATION</u>:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is applicable to the Company and hence the Board on recommendation of the said committee framed the policy relating to appointment of Directors, Remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

## 18. <u>POLICY DEVELOPED AND IMPLEMENTED ON CORPORATE SOCIAL</u>, <u>RESPONSIBILITY INITIATIVES</u>;

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to our company.

# 19. 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.

### EXTRACT OF ANNUAL RETURN ;

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached to this Report.

### 21. <u>BOARD EVALUATION:</u>

The Companies act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its Committee and individual directors. Schedule IV of the Act states that the performance of Independent Directors shall be done by the entire Board of Directors.

The evaluation of all the directors and the Board /Committee as a whole was conducted based on the criteria and framework adopted by the board. The evaluation includes the effectiveness of its own functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee. The aspects covered in the evaluation included the

contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, performance of non-independent directors, including but not limited to, active participation at the Board and Committee meetings.

### 22. STATUTORY AUDITORS :

In line with the requirements of the Companies Act 2013, M/s. S S N 8s Co., Chartered Accountants (FRN: 024352N) was appointed as the Stalutory Auditor of the Company and to hold the office for a period of 5 consecutive years at the 24h Annual General Meeting of the Company, from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2023.

Auditors have not reported any fraud.

### AUDITORS REPORT:

The Auditors' Report does not contain any qualification, reservation or adverse remark.

### 23. COMPOSITION OF AUDIT COMMITTEE

The Company Audit Committee is constituted under the chairmanship of Mr. Asad Daud, Mnaging Director and its members. Mr. Ramesh Chandra Soni, Independent Director and Mr. Mahendra Bhatnagar Singh, independent Director. The committee recorded no such recommendations that were not accepted by the Board in the period under review.

### 24. RISK MANAGEMENT:

The component of risk in the activities of your Company is very minimal. In the opinion of the Board there is no element of risk that may threaten the existence of the Company.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

### 25. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## 26. NAME OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES JOINT VENTURES OR ASSOCIATES COMPANIES DURING THE YEAR

During the year under report none of the companies became or ceased to be subsidiaries, joint venture or associates companies of your Company.

### 27. MAINTENANCE OF COST RECORDS



The Central Government has not specified maintenance of cost records under subsection (1) of section 148 of the Companies Act, 2013, by the Company.

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

It is stated that the Company is in process of complying with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Probletion and Refressal) Act, 2013.

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

### 29. 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 a otherwise.
- (b) Issue of shares fineholding sweat equity shares) to employees of the Company under any scheme.
- (c) None of the Whole-time Director or Managing director of the Company secsived any remuneration or commission from any of its holding or subsidiary.

## 30. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Ameual General Meetings.

### 31. ACKNOWLEDGEMENTS:

Your Directors place on record their sincore shanks to bankers, business associates consultants, and various Government Authorities for their continued support extended to your Companies actionies during the year under review. Your Directors also acknowledges pracefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Place: Mumbai Dated; 23/07/2020 Asad Daud Managing Director

managing parector S DIN: 02491539

Mustala Abid Kachwala Whole-time Director

D(N: 03124453

## ADDEXUSE "A" FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

### As on financial year ended on \$1,03,2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rate 12(1) of the Company (Management & Administration) Rules, 2014.

#### L. REGISTRATION & OTHER DETAILS:

1. CIN	U241 IOMH1993PLCC74576
2. Registration Date	19th October, 1993
<ol><li>Name of the Company</li></ol>	Acrof.ex Industries Limited
4. Category / Sub-category of the Company	Category : Company limited by shares Sub- category : Non- government company
5. Address of the Registered office & contact details	Survey No. 41, 42/13, 42/14, 42/18, Village Chai Near Mide Taloja, Pervet, Dist.: Raigad , Navi Mumbai , Maharashtra Jindia -410208 Tel. 491 2261467100 Fax: 91 2261467106 Website : www.aeroflexhdia.com   e-mail: yusufnikagal/ aeroflexindia.com
6.	No.
Whether listed company	l
	Link Intime india Private Limited
details of the Registrar &	247 Park, C (U) 1st Floor, LRS Marg, Vikhroli (W),
Transfer Agent, if any.	Mumbai - 400 083
, , , , , , , , , , , , , , , , , , , ,	Phune: +91-22-49]86000
<u> </u>	Pax: +91-22-49186060

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (the business activities contributing 10 % or more of the total turnover of the Company)

S. No.	Name and Description of main products / services	NEC Code of the Product/service	% to total twinover of the company)
ì	Steinless Steel Hose with or without braiding and easembly products	2599	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

-	CULARS OF HOLDING, SUI		· · · · · · · · · · · · · · · · · · ·	Di .	
SM	Name and Registered	1 *	Holding/		Applicable
1	Office Address of the	1	Subsidiar	/% of	Section
1	Company	1	y/	sberes	
		1	Associate	held	
:	SAT INDUSTRIES	L25199MH1984PLC0346	Mindding	98,70%	Section
	LIMITED	l32			2(46)
1					_(
	121, B-Wing, Mittal Tower,				
	Namman Pt , Mumber-400				
1	I				
	021	<u> </u>	L		



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) [2] Sategory-wise Share Holding

	<u> Çateşpay-wise</u>				_				
Category of Pull of Shares held at the beginning of the No. of Shares held at the end of the finance Shareholders linuarial year[As on 01-April -20181 year[As on 31-March-2019]						nancial	% Change duzing the financial year		
	Репас	J'hysical	Total -	% of Total Shares	Demat	Physical	Total	Mol Total Share s	
A. Promoter s						_	i ·		
(1) Indian		- <del></del> -		i			ı	<del>-</del>	
o) Individual/	67,01,304	jo	57,01,300	29.31	0	ΰ	0	O O	(29.31)
b) Central Gava	0	С	j	U	0	ŏ	0	0	0
c) State Govt(s)	0	U	0	· · · · ·	0	0	<u> </u>	0	0
d) Bodies Corp.	1,43,74,106	0	1,43,74,198	62.97	Z.10,75.406	0	2,10,75,408	6170	29.31
e) Banks / Fl	0	0	υ	0	0	0	3	0 0	U U
f) Any other	0	0	D.	ö	0	D	<u> </u>	0	0
Subtotal A(f)	2.10.75,400	0 "	2,10,75,408	92.1B	2,10,75.408	-0	2,10,75,400	92.18	c <sup>.</sup>
(2) Fureign	0	0	0	a	D-	0	0	0	0
Subtotal A(2)	· i o · · · · ·	0	3	0	0	a	0	ü	0
Fotal shareholding of Fromoter (A)=A(1)+A(2)	2,10.75.408	jo	2,10,75,400 	92.18	2,10,75,409	a	2,10,75,408	92.1B	đ
i  0. Public			<u> </u>				·		
Shareholding					i				
1. Institutions	ð	0	U	0	0	0	0	0	0
a) Micual Pineds	٥	_ ∘	Ü	0	0	0	0	0	0
b) Banks / FI	0	0	0	Ö.	. 0	0	0	0	0
c) Contral Covt	0	a	0	υ	0	0	. 0	0	0
d) State Govt(s)	0	10,	ŀ	D	0	Ţ,	0	0	0
e) Venture Capital Funcs	-]· <sub>0</sub> -—	0	0	0	0	0	Ď	Ü	0
() filisurance Companies	0	υ	ū	ถ	<u> </u>	U	D	П	0
e) fiis	0	- 0	0	0	<del>!</del>	-· <sub>•</sub>	c	Û	D
b) Foreign Venture Capital Funds	c	i.	0	a	n	-0	И	a	D
i) Others:	0	<u>a</u>	0	0	0	. 0	0	0	0



Individual		I	I		1	I	I	I	I
Sub-total (8)(1):-	0	-0	0	1 0	0	0	a	+ -	D
2. Nonthstitutions						1		Τ.	
a) Bodies Corp.		<del></del>			<del>                                     </del>			_	<u>r                                      </u>
i) Ind <u>san</u>	1.43,400	1 0	1.49.403	0.65	1,49,400	0	1,49,460	0.65	0
ii) Overscas	i °	14,541,966	14,90,966	6.52	0	14,90,96£	14,90,966	6.52	0
b) Individuals					<del>l                                     </del>		23,10,51.0	0.36	<del></del> "
i) Indivedual skare tolders incleing neminal phare empiral tytto Rs. 1 lakh				<u> </u>					
r) Individual	<del> </del> ." -	300	300	3,00	0	300	306	0.00	0.00_
Shazeholders halding nominal stare capital in excess of Rx 1 Jakh									
	6	: 1,48,000	1,48,000	0.65		1,40,000	1.48.000	0.65	. 0
c) Others (specify)	°	i °	0	1 0	1 0	ָ ט	D	O	0
Non Besident Indians	0	ů.	· · · · c	Ū	a -	0	3	0	0
Foreign Nationals	C C	0	-0	0	0	<del>1 0 i</del>	0	Ð	- <sub>0</sub>
Clearing Meiobers	С	T 0 -	0	0	- · -	0	9	-0	0
Jrusts	U	a	0	0	0	q	0	0	ō.
Parel <b>go Bodles - D</b> P	U	D 4	0	0	0	4	0	0	n -
sub-total (8)(8);-	1.49,400	16,39,266	17.88.666	7.82	1,49,400	15,39,266	17,98,666	7.62	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,49,40H	: 16,39,26 !6	17,88,666	7.92	1.49,400	16,39,266	17,88,666	7.82	_ 0
C Shares held by Custodian for GDRs & ADRs	0	0	D	i d	ส	0	ų.	0	- à -
Frand Total (A+R+C)		16.39,266	2,28,64,074	100	2.12.24,608	16.39,266	2,28,64,074	100	100

[5] Shareholding of Promoters-

٠.											
	SN	SN Shareholding at the beginning of the year Shareholding at the end of the year									
		Skareholder's Maide ——— :							% change in skareholding during the year		
			(No. of Shares	Shares of		No. of Shares	Stares of the	Shof Shares Pledged / encombere d to total shares			



1.	587 Industries lámited 1,43.74,108	62.97	0.00		62.86
.느				<b>2,1</b> 0,75,408  92.18  0	

(c) Change in Promotors' Shareholding (please specify, if there is no change)

S V	Particulars	Comolative Share financial year	halding during the
	At the beginning of the financial year	No. of shares 1,43,74,100	% of total shares of the company 62.87
	Date wise increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/transfer/ bonus/ sweat equity etc.):		
	Sat Industries Acquired Mr. Yusuf Kagzi's share	6791300	2931
_	At the end of the financial year	2.10,75,408 <u></u>	92.18

d) Sharcholding Pazzeru uf tunten Shareholdess. Althor thau Dieseroes, Promoters and Malders of closes and Annua-

: <u>дагс</u>	<u>поміня Ражейно</u> гир	ten Shareholde	<del>ss (Utherithai</del>	• Director:	<u>s. Promaters and</u>	Halders of G	DRs and ADRs	1:
57 No	. Name		olding	Date	Increase/ Decrease/ No Change in shareholding	Reason	Shareholdli the end (	grrpob go
		No-of shares at the Degioning	% ofthe total shares of the Company				No. of Shares	%of total shares of the Company
1.	Italica Global FZC. VAE	14,90,9 56	6.52				14,90,566	6.52
<b>Z</b> .	Mr. Pervez Akhtan	1,48,000	2.11		No Change		1,48,000	3.65
3.	Park Continental Private Limited	149,400	0.65%		На Спалде	-	145,400	0.65%
4.	Mrs. Tasheem Yousuf Kagzi	100	000		No Change	-	103	0.00



(a) Sharoholding of Directors and Key Managerial Personnels

3N	Shareholding of each Directors and each Key			Sharefielding	at the end of	
	Managerial Personnel	Shareholding	at the	уеаг		
		beginning of a	ije year			
		No. of shares		No. of shares	Τ	
			%oo≨total	1	86 of total	
			shares of the		Shares of the	
			симрапу		company	
	At the beginning of the year					
	Mr. Asad Daud (Managing Director)	1 0	0.00	O-	0.00	
	Mr. Mostafa Kachwala (Whole-time	ì				
	Director)	100	0.0-3	100	40.00	
	Mr. harikant Tergalia (Director)	٥	0.00	100	0.DU	
	Mr. Mahendre Strigh Bhatnagan (Princitor)	0	0.00	0	0.00	
	Mili Ratileati Chandra Snni (Di roctor)	0	0.00	-0	0.00	
	Date wise Increase / Decrease in Shareholding	HIL	MIL	100 —	0.00	
	during the year.					
	Total shareholding of Directors and KMP at the	NIL	NIL	300	Nil	
	and of year				!	

### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Meduced Livers	Unaocured Epans	Depasits i	Total Indebtedness
Indebtedness at the beginning of the Bhancial year		i		
) Principal Amount	52,76,82,559	25,00,19,6\$4	<del>  .</del>	77,77,02,213
ii) Integest due hot not paré	1 0	0		0
NI) litterest accrued but not disc	í o	0		— <u> </u>
Total [i+ii+ili]	52,76,82,559	25.00.19.654		77,77,02,213
Change in fielebredness during the financial year				
• Addition	55,00,00,000		-	55,00,00,000
Reduction /Paymont	(54,10,80,174)	[5,69,48,083)		(59,80,28,177)
Net Change	89,19,826	(5,69,46,003)		(4,80,28,177)
Indebtedness at the end of the financial Year				
) Principal Amount	53,66,02,385	19,30,71,651		72,96,74,936
r) Interest due out not poid	0	0		0
ii) Interest accrued but not due	0	0		0
Total (i+ii+iii)	53,66,02,385	19,30,71,631		72,96,74,036



### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remunershort to Managing Director, Whole-time Directors and/or Manager:

			(Атоцп	⊼án Rs.]_
SΝ.	Particulars of Remuneration	Mr. Asad Daud (MD)	Mr. Museafa Kachwala• (WTD)	Total Amount
ի <sup></sup>	Gross salady (a) Salady as per provisions contained to section 17(t) of the Income-tex Act, 1961	15,01,250	6,86,472	2987730
	(b) Value of parquiseres (1/s) 17(2) Income tax Act, 1981	-		,
	(c) Profits in lieu of salary under section 17(3) Income tax Act. 1961	-	•	
2	Stuck Option			<del>-</del> .
3	Sweat Equity	,		─.
4	Commission · as 9n of profit · orliers, specify		<u>-</u> -	
5	Others, please specify		- i	
	Fotal (A)	15,01,258	8,86,472	2387730

### B. Remuneration to other Directors: NIL

			/Amount in Rs.)
SNL	Particulars of Remusieration	Mame of the Directors	
1	Independent Directors	·	Total American
-			ı
	Fee for attending board/commutee		
	meebngs		İ
	Genialessian		•
	Others, please specify		
_	Total (2)		_ ·
2	Other Non-Executive Directors		
	Fee for attending board/committee	<del></del>	•
	meetings		
	Commission		· · '
	Others, please specify		
	Total (2)	<b></b>	-
	Total (B)=  [+2]		─ · . ··-
	Total Managerial Remuneration	'''	•
			1



### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MIT/MANAGER/WTD

ŞN	Particulars of Romaneranian	Rey Managerial Personnel		
		Ms.Madlauri Vējay Vyas Computy Secretary	Mg. POTAL Visitef M Pagel CEO	
ļ	Dross salary  (n) Salary as per provisions contained in section [7(1) of day	441370	09,13,572 8241425	
 	(h) Value of pergundes n/s 17(2) ipcome tax Act. 1961 [c] Profits in lieu of salary muler section 17(3) Isleanne-184/64, 1961	<u> </u>		
2 -	Stock Option			
B	Sweat Equity Commission	1 <del>  </del>	- <del></del>	
	- as % of profit Diners specify			
Ř	Others, nlease specify Tutal		G0.13.572 1 K241.423	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OTHER CASE VII.

Place: Membai Dated: 23/07/2020 Asad Daud Managing Director DIN 02491539 Musically Abid (Geological Whote-time Director DSN: 03174455

Pur and on behalf of the Buant of Directors

Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section [3] of Section 178.

#### Introduction:

Aerofick Industries Limited ('the Company') believes that an appropriate composition of Board with persons having diversified expenses and experience helps in providing long term vision and ensuring good corporate governmente. It also helps the Board in discharging its responsibilities and duties effectively.

The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company situs to have an optimum combination of Executive, Non-Executive and Independent Directors.

#### Scope and Exclusion;

2.3. This Policy sets out the guiding principles for the Nordhatton and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

#### Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of Directors (the Board) of the Company.
- 3.2. Nomination and Remuneration Committee" means the committee constituted by the Company's Board of Directors in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013

#### 4. Policy:

#### 4.1. Qualifications and criteria:

- 4.1.1. The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.
- 4.1.2. In evaluating the suitability of individual Board members, the NRC may take Intoaccount factors, such as:
  - o) General understanding of the Company's business dynamics, global business and social perspective;
  - b) Educational and professional background Standing in the profession; Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

- 4.1.3. The proposed appointed shall also suffil the following requirements:
  - Shall possess a Director Identification Number;
  - b) Shall not be disqualified under the Companies Act, 2013;
  - c) Shall give his written consent to act as a Director;
  - d) Shall endeavor to attend all Board.
  - e) Meetings and wherever he is appointed as a Committee Member, the Committee Meetings; shall abide by the Code of Conduct established by the Company for Directors and Scalor Management Personnel;
  - f) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
    - Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other retevant laws.
- 4.1.4. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.
- 4.1.5. Criteria of Independence
- 4.1.6. The NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Buard shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- 4-1.7. The criteria of independence are as below:
  - The Company adopts the same criteria for determining independence as set out in Section 149(6) of Companies Act 2013
- 4.1.8. The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- Other directorships / committee memberships
- 4.2.1. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should valuatarily limit their directorabips in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the sultability of the individual Director and making its recommendations to the Board.
- 4.2.2. A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.



- 4.2.3. A Director shall not serve as an Independent Director in case than 7 Listed Companies and 30t more than 3 Lested Companies in case he is serving as a Whele-Cire Director in any Listed Company.
- 4.2.4. A Director shall not be a member in more than 10 Committees or act as Charamon of more than 5 Committees arms all comparties in which he holds directorships.

For and on behalf of the Usuad of Directors

Marc: Munital Dated: 23/07/2020 Asad (Sout Managing Director DIN: 02491539

Mastafa Alife Barlovaka Whole-time Director at N: 03124453

## AUDITED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

### AUDITOR S S N & CO

CHARTERED ACCOUNTANTS

Address:- 1A, Ramchandra Niwas, Plot No 21-22, Sector 12A

Koparkhairane, Navi Mumbai - 400709.



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SHEETING CONTROL OF THE SHEET

### **AUDITORS 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 Ind As financial statements of AEROFLEX INDUSTRIES LIMITED ("the company"), which comprise the standalone Ind As Balance Sheet as at 31 March 2020, the standalone Ind As Statement of Profit and Loss including standalone Ind As other Comprehensive Income, the standalone Ind As Cash Flow Statement and the standalone Ind As Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements and a summary of significant 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit 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



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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 2020. These matters were addressed in the context of our audit of the AS 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 to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying Standalone financial statements.

### 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 Annual Report, but does not include the Standalone financial statements and our auditors' report thereon. 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities 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 performance including other current energy in the Company in accordance



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with the Indian Accounting Standards and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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

Those charged with governance are 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 scepticism throughout the audit. We also:

 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 Cocollusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### SSN & CO.

Chartered Accountants



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E mail: - casusilgupta@gmail.com

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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 2019 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

## SSN & CO.

### Chartered Accountants



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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:

- As required by the Companies (Auditor's report) Order, 2016 ("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
- 2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone 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 as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - 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:

    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 couring the year is in accordance with the provisions of section 197 of the Act.



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- 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:
  - The Company does not have any pending litigations which would impact its financial position in financial statement.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which required to be transferred to the Investors Education and Protection Fund by the Company.

FOR S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

SUSIL K GUPTA

(Partner)

Membership No.: 060315

Place : Mumbai

Date : 15th June 2020 🔾

UDIN: 20060315AAAAA02212



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## 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, 2020)

i,

- The company has maintained proper records, showing full particulars including quantitative details and situations of all fixed assets.
- b. The Fixed assets are physically verified by the management in a phased manner during the year by way of a regular program of verification, which in our opinion are reasonable, having regard to size of the company and nature of its assets. As explained to us, no material discrepancies were noticed on such verifications.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the title deed of immovable properties which are freehold, are held in the name of the company.

ii.

- a) As explained to us, inventory of the company has been physically verified by the management during the year at reasonable Intervals.
- b) In our opinion and as per the information and explanation given to us, the frequency of the physical verification of the inventories is reasonable.
- c) In our Opinion and according to information and explanation given to us the company has maintain detailed record of inventory considering the nature of business and number of inventory items. As per details given by the management that there were no material discrepancies noticed on physical verification of inventory.
- iii. As per the information given to us, the company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under the section 189 of the Companies Act 2013 ("the Act"). Accordingly Clause 3 (iii) (a) & (b) of the order are not applicable.
- iv. As per information & explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and securities, as applicable.





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- v. As per information & explanations given to us, the Company has not accepted any deposit from public therefore directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Act or other relevant provisions of the Companies Act 2013 & rules there under are not applicable to the company.
- vi. Accordingly to the information & explanations given to us, maintenance of the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act & rules there under are not applicable to the company.

vii.

- a. According to the information and explanations given to us and the records of the company verified by us, in our opinion the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Goods and Service Tax, cess & other Material Statutory Dues applicable to it with the appropriate authorities.
- b. According to the information & explanations given to us there are no dues of Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Goods and Service Tax, cess & other Material Statutory Dues, which have not been deposited with appropriate authorities on account of any dispute.
- viii. In our opinion and according to the informations and explanations given to us, the company hasn't made any default in repayment of loans or borrowing to banks. The company did not have any outstanding loan or borrowings from financial institutions or Government and there are no dues to debenture holder.
- ix. According to the records of the company examined by us and the information and explanations given to us, we hereby report that the company has not raised money by way of initial or further public offer. In our opinion the term loans taken by the company has been applied for the purpose for which the same has been obtained.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended.
- xi. In our opinion and according to the informations and explanations given to us, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V of the Act.





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- xii. The company is not a Nidhi company therefore the provisions of this clause is not applicable.
- xiii. In our opinion and according to the informations, explanations and details given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act; 2013 wherever applicable and the details of the same has been disclosed in the Financial statement as required by the applicable accounting standards.
- xiv. According to the information & explanations given to us and the records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, hence reporting under this clause of the order is not applicable to the company.
- xv. According to the information & explanations and details given to us and the records examined by us, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly this clause of the order is not applicable to the company during the year under review.
- xvi. As per informations, explanations and details given to us, the company is not required to register under section 45-1A of the Reserve Bank of India Act 1934.

FOR S S N & CO.

F.R.N.: Q24352N

Cost

SUSIL K GUPTA

(Partner)

Membership No.: 060315

Place : Mumbai Date : 15th June, 2020

UDIN : 20060315AAAAA02212



1A, Ramchandra Niwas, Plot: 21 - 22, Sector - 12 A Koparkhairane, Navi Mumbai - 400709. Tel: +91 22 65236958, E mail: - casusilgupta@gmail.com

## ANNEXURE "B "TO THE INDEPENDENT AUDITOR'S REPORT:

Report on the Internal Financial controls under Clause (İ) 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 AEROFLEX INDUSTRIES LIMITED ("the Company") as of 31st March, 2020 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





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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 evidence, we have obtained is sufficient and appropriate to provide a basis for my / our audit opinion on the Company's internal financial cont. als system over standalone financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting:

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





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### Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

### Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### FOR S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

SUSIL K GUPTA

(Partner)

Membership No.: 060315

Place: Mumbai Date: 15th June, 2020

UDIN: 20060315AAAAA02212

( CIN NO : U24110MH1993PLC074576 ) BALANCE SHEET AS AT 31ST MARCH, 2020

PARTICULARS	Note No	As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
ASSETS			1.6
NON CURRENT ASSETS			
a) Property, Plant and Equipment	"6"	44,21,42,330	46,74,46,020
b) Other Intangible Assets	171	17,81,321	6,35,087
c) Financial assets			
i) Investments	"8"	9,54,708	
ii) Trade Receivables	191	1,25,99,640	3,31,54,888
iii) Other financial assets	43 On	1,18,67,923	1,20,29,645
d) Deferred Tax Assets		3,00,32,411	1,87,01,164
e) Other non-current assets	*11"	49,31,610	29,52,713
Total Non-Current Assets	(A)	50,43,09,943	53,49,19,517
CURRENT ASSETS		~	
a) Inventories	"12"	31,75,25,293	25,66,41,913
b) Financial Assets		14 1.73 (11) - 34 74 34 (14) 77	
i) Trade Receivables	"13"	28,31,67,907	27,14,49,654
ii) Cash and cash equivalents	"14"	4,65,26,971	2,60,03,694
iii) Bank balances other than cash and cash equivalent	"15"	6,54,246	6,54,246
iv) Other financial assets	"16"	38,55,808	34,75,852
c) Current Tax Assets (Net) d) Other current assets	*17*	2,42,681	88,000
Total Current Assets	"18" (B)	41,57,11,604 1,06,76,84,510	43,93,74,980 99,76,88,339
TANKAN PARA MANAMAN	20070		
TOTAL	C = (A+B)	1,57,19,94,453	1,53,26,07,856
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	"19"	22.86.40.740	22,86,40,740
b) Other equity	"20"	29,86,41,537	24,86,16,750
Total Equity	(D)	52,72,82,277	47,72,57,490
LIABILITIES		E-047-04-04-04-04-04-04-04-04-04-04-04-04-04-	
Non-current Liabilities			
a) Financial liabilities			
i) Borrowings	-21"	37,57,79,144	40,96,66,346
ii) Trade Payables	112211	96,08,825	3,07,81,397
b) Deferred tax Liability (Net)	***	70,00,023	SSMEARINGS
Total non-current liabilities	(E)	38,53,87,969	44,04,47,743
Current Liabilities	3778		SECTION SEC
a) Financial liabilities			
i) Borrowings	×23"	25 45 53 245	98 40 M
ii) Trade Payables	*24"	25,87,73,305 33,70,38,945	32,00,07,690
b) Other current liabilities	*25"	6,35,11,958	24,34,93,987 5,14,00,946
Total Current Liabilities	(F)	65,93,24,208	61,49,02,623
Total Liabilities	G = (E+F)		
	colling a March 190	1,04,47,12,177	1,05,53,50,366
Significant Accounting Policies	H = (D + G)	1,57,19,94,453	1,53,26,07,856
Notes on Financial Statement	1 to 34		
As Per Our Report of even date	0.000000000	455450000000000000000000000000000000000	
10 (4 (5 A) A		For and on behalf	of the Board
FOR S S N & CO.	2	IMAZA	
CHARTERED ACCOUNTANTS		1117	1964C1031VC25CA
F.R.N.: 024 52N ASAD DAUD	mary L	MUSTAFA A K	
MANAGING DIREC	HOUSTA	WHOLETIME DIRE	
SUSIL K GUPTA (CARROLL DE CARROLL	AM	(DIN-0312	
SUSIL K GUPTA	(4)	- Alluni	.v. yas
Partner)	匠 MUMBAI		
Membership No: 0600 Granered 100	100	MADHURI VI)	
lace : Mumbai	100	COMPANY SEC	CRETARY
Dated : 15th June, 2020	W /	(M.No: A5	LE701

## AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

REVENUES: Revenue from operations Other Income  EXPENSES: Cost of Material Consumed	"26" "27" TOTAL	1,443,410,263 5,955,867	1,404,246,707
Other Income  EXPENSES:	"27"		
EXPENSES:		5,955,867	
	TOTAL		263,471
		1,449,366,130	1,404,510,178
Cost of Material Consumed			
	"28"	963,718,959	1,005,909,843
Changes in Inventories	"29"	(15,676,876)	(92,590,579
Employee Benefit Expenses	"30"	126,705,911	109,005,431
Finance costs	"31"	113,078,998	143,465,208
Depreciation and amortisation expense Other expenses	"32" "33"	39,153,553 150,848,814	40,112,707 148,889,245
CII	TOTAL	1,377,829,359	1,354,791,855
D C 101 1 1 2	TOTAL	1124-12000-1-004	THE PROPERTY OF THE PROPERTY O
Profit/(loss) before exceptional item and tax  Exceptional item		71,536,771	49,718,323
a) Profit/(Loss) on sale of Fixed Assets		19,898,077	
b) Impairement of Fixed Assets		(17,459,736)	
c) FCTL Exchange Fluctuation		(38,160,195)	*
Profit/(loss) before tax		35,814,917	49,718,323
Tax expense:			
(1) Current Tax			
(2) Deferred tax Liability/(Assets)		(11,331,247)	(21,130,383
Profit/(loss) for the period from continuing operati	ion	47,146,165	70,848,706
Profit/(Loss) from discontinued operations.		597	(E)
Tax expense of discontinued operations		320	•
Profit/(loss) from discontinued operation		*	
Profit/(loss) for the period		47,146,165	70,848,706
Other Comprehensive income/(loss)			
a) Item that will not be reclassified subsequently to profit or loss		.=/	
Net change in fair values of investments in equity shares carried at fair value through OCI		2	
b) Income tax relating to item that will not be			
reclassified subsequently to profit or loss c) Item that will be reclassified subsequently to profit or		30	**
loss			
d) Income tax relating to item that will be reclassified subsequently to profit or loss		151	
Total Other Comprehensive income/(loss)		-	160



Total Comprehensive Income for the year	4,71,46,165	7,08,48,706
Earnings per equity share : (for continued	21 14	
Operation)		
(1) Basic	2.06	3.10
(2) Diluted	2.06	3.10
Earnings per equity share : (for discontinued		
Operation)		
(1) Basic	- 1	
(2) Diluted		
Earnings per equity share : (for discontinued &		
continuing operations)		
(1) Basic	2.06	3.10
(2) Diluted	2.06	3,10
Significant Accounting Policies  1 to	34	

ASAD DAUD

ANAGING DIRECTOR

(DIN-02491539)

Notes on Financial Statement

As Per Our Report of even date

FOR SSN & CO. CHARTERED ACCOUNTANTS

F.R.N.: 024352N

SUSIL R GUPTA

(Partner)

Membership No: 060315

Place : Mumbai

Dated: 15th June, 2020

For and on behalf of the Board

MUSTAFA A KACHWALA WHOLETIME DIRECTOR & CFO

(DIN-03124453)

madhui. v. yay MADHURI VIJAY VYAS COMPANY SECRETARY

(M.No: A56570)

- balantia

(CIN NO: U24110MH1993PLC074576)

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit ( Loss ) before Tax	1	3,58,14,917	4,97,18,323
Less: Other Comprehensive income/(loss)		100000000000000000000000000000000000000	45.074.05.042
Add : Depreciation		3,91,53,553	4,01,12,707
Operating Profit before working capital changes		7,49,68,470	8,98,31,030
Adjustements for:		10.040	
(Increase)/Decrease in Non Current Trade Receivables		2.05.55.248	(3,05,13,075
(Increase)/Decrease in Non Current Other Financial Assets		1,61,722	84,80,703
(Increase)/Decrease in Other Non Current Assets		(19,78,897)	(19,61,079
(Increase)/Decrease in Change in Inventories		(6,08,83,380)	(11,86,66,491
(Increase)/Decrease in Current Trade Receivables		(1,17,18,253)	3,83,24,616
(Increase)/Decrease in Current Other Financial Assets		(3,79,956)	(13,30,491
(Increase)/Decrease in Current Tax Assets		(1,54,681)	(18,700
(Increase)/Decrease in Other Current Assets		2,36,63,376	17,11,317
Increase/(Decrease) in Non Current Trade Payables		(2,11,72,572)	(11,93,346
Increase/(Decrease) in Current Trade Payables		9,35,44,958	3,98,87,832
Increase/(Decrease) in Other Current Liabilities		1,21,11,012	38,50,511
Net Cash Flow from Operatiing Activities	TOTAL (A)	12,87,17,047	2,84,02,827
CASH FLOW FROM INVESTING ACTIVITIES			
Deduction/(Addition) to Fixed Assests	1	(1,21,17,475)	(3.02,62,361)
Payments to acquire financial assets		(9,54,708)	2002.4
Net Cash Flow from Investing Activities	TOTAL (B)	(1,30,72,183)	(3,02,62,361)
CASH FLOW FROM FINANCEING ACTIVITIES		(A)	
Proceeds from issuance of equity share capital	1	(8),712	Audio Michigan
Proceeds from Share Premium		は万米の	(5,13,49,260)
Proceeds from Long term borrowings		17 TO 07 DOG	5,13,49,260
Proceeds from Short term borrowings & Bank Settlement		(3,38,87,202)	40,96,66,346
Net Cash Flow from Financing activities	TOTAL (C)	(6,12,34,385)	(45,76,94,523)
DANS DOWN WAT VINCEN	TOTAL (C)	(9,51,21,587)	(4,80,28,177)
Net Increase in Cash & Cash Equivalents ( A+B+C)		2,05,23,277	(4,98,87,711)
Cash and Cash Equivalents at the beginning of the year		2,66,57,940	7,65,45,651
Cash and Cash Equivalents at the end of the year		4,71,81,217	2,66,57,940
Net Increase in Cash & Cash Equivalents as at 31st March 20.	20	2,05,23,277	(4,98,87,711)

FOR S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

SUSIL K GUPTA

(Partner)

Membership No: 060315

Place : Mumbai

Dated: 15th June, 2020

ASAD DAUD

MANAGING DIRECTOR (DIN-02491539)

NOUST

MUSTAFA A KACHWALA WHOLETIME DIRECTOR & CFO

(DIN-03124453)

MADHURI VIJAY VYAS COMPANY SECRETARY

(M.No : A56570)

(CIN NO: U24110MH1993PLC074576)

### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

### NOTE 1: CORPORATE INFORMATION:

AEROFLEX INDUSTRIES LIMITED is domiciled in India and incorporated under the provision of Companies Act, 1956. The Company's registered office is at Survey No 41, 42/13, 42/18, Village Chalgaon, MIDC Taloja, Teh-Panvel, Dist-Raigad, Navi Mumbai - 410206. The company is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies. The company has incorporated 100% foreign subsidiary at London, UK during the year. The Company is a subsidiary company of Sat Industries Limited, a listed company, which holds 92.18% of the equity shares of the company.

### NOTE 2: SIGNIFICANT ACOUNTING POLICIES

Significant accounting policies adopted by the company are as under:

### 2.1 Basis of Preparation of Financial Statements:

### a) Statement of Compliance with Ind AS:

These Standalone financial statements have been prepared in accordance with 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, as amended from time to time.

### b) Basis of Preparation:

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 period. 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.

The financial statements are presented in Indian Rupee (INR), which is the company's functional currency and all the values are rounded off to the nearest rupee except when otherwise indicated.

### c) 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:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ii) Expected to be realized within twelve months after the reporting period. Or





(CIN NO: U24110MH1993PLC074576)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All the other assets are classified as non-current.

A liability is classified current when

- It is expected to be settled in normal operating cycle;
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

d) Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 recognized in the period 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.

## NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

# 3.1 Property, plant and equipment and Other intangible assets: Property, plant and equipment

Recognition and measurement:

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the Property, plant and equipment

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# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

until it is ready for use, as intended by the management. Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### Depreciation methods, estimated useful lives:

Depreciation is provided (other than Free hold Land and capital work-inprogress) on Written Down Value (WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows:

Type of Assets	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building for the year	
Server and Networks	10 Years
Plant & Machinery	6 Years
Computer	25 Years
	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	
Testing Equipments	8 Years
Office Equipment	5 Years
Electrical I + 11 · ·	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.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition 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

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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 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 derecognized 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 recognized in the Statement of Profit or Loss.

#### 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 recognized in the Statement of Profit and Loss 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 recognized for the asset in prior years.

#### 3.2 Investments:

The company do not have any categorized investment other than the investment in the equity shares of its 100% foreign subsidiary. The Investment in the shares of the foreign subsidiary are accounted at historical cost and the same has not been translated.

3.3 Other Intangible Assets:

Intangible assets are stated at acquisition cost, net of accumulated amortization.

( CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

The Company amortized intangible assets over their estimated useful lives using the Written Down method. The estimated useful lives of intangible assets are as follows:

Computer Software

6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### 3.4 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.

#### b) Transactions and balances:

On initial recognition, 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. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized 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 recognized in the Statement of Profit and Loss.

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.

#### 3.5 Revenue Recognition:

The Company recognizes revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at the value of the consideration received or receivable. Revenue from the sale of

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

goods in the course of ordinary activities is recognized 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 goods are considered as 'transferred' when the customer obtains control of those goods.

#### Sale of services:

Revenue from services are recognized in the accounting period in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

#### Other Income:

Interest income from a financial asset is recognized 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.

#### 3.6 Taxation:

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.

#### Current Tax:

The tax currently payable is based on the taxable profit for the year. 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 that have been enacted or substantially enacted by the end of the reporting period.

Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid. Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### Deferred Tax:

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### Current tax and deferred tax for the year:

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

#### 3.7 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 capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

MUMBAL

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### 3.8 Provisions:

Provisions are recognized 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 recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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 recognized as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 3.9 Contingent liabilities and contingent assets:

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.

#### 3.10 Financial instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### FINANCIAL ASSETS:

#### Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or

( CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

#### Impairment:

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized 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. 12month 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.





(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### De-recognition:

The Company derecognizes 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized 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 recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

#### FINANCIAL LIABILITIES:

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### 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 recognized 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

( CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

value through profit or loss. Gains or losses on liabilities held for trading are recognized 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 amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortized 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.

# Foreign exchange gains and losses for assets & liabilities:

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized 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 recognized in the Statement of Profit and Loss.

#### De-recognition:

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial assets and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.





(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### 3.11 Employee Benefits:

Short-term Employee Benefits:

Liabilities for wages and salaries, 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 recognized 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

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution

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 recognizes such contributions as an expense when incurred.

b) Defined benefit plans

CO

The defined benefit obligation recognized 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 period, regardless of when the actual settlement is expected to occur.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has made payments for the annual applicable gratuity

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

liability to LIC gratuity Scheme where the gratuity liability will be paid to the employees by them when the same is due to pay.

#### 3.12 Inventories:

Inventories are valued at after reviewing the cost and net realizable 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 realizable 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 basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable 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 realizable value is made on item by item basis

#### 3.13 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.14 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 during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity

( CIN NO: U24110MH1993PLC074576)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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).

#### 3.15 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest Rupees as per requirement of Schedule III of the Act, unless otherwise stated.

# NOTE 4. Significant accounting judgments, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

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 below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. 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 lifes of property, plant and equipment:

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period

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(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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 judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

d) Recognition of Deferred Tax Assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilized. The Company has identified Deferred Tax Asset for the carry forward losses at the year ended and also has recognized deferred tax for the Depreciation difference. The net effect of the same has been taken in Balance Sheet.

# NOTE 5: RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.





# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH11993ULC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

# NOTE 6: PROPERTY, PLANT AND EQUIPMENTS

	Freehold Land	Freehold Buildings	Plantand	Furnitum and fortunes	Vehicles	Office equipments	Air	Computer	Hectrical Installation	Testing Equipment's	Wardshop Tool & Equipment's	Water	TOTAL
Year Ended as on 31st March, 2019 Gross Carrying Amount Deemed Cost Exchange Difference Additions Assets include in a disposal group for sale Disposals	16,27,73,821	2443.13,689	52.15.56,882 (7.53.888) 1.52.00,898	3,63.15,046	609'66'76	UA27.885 593.671	31,67,908	3,09,417	3,19,66,037	35,65948	6427.289 - 188.48.111	\$173	1,06,15,43,335 (7,53,666) 3,06,11,979
Gosing Gross Carrying Amount	1627,73,821	24,71,40,161	53,78,03,862	3,87,10,603	609'66'56	1,22,21,5%	33,47,061	136,91,530	5,19,66,000	\$121648	8.05.400	619138	1 00 15 m and
Accumulated Deprectation Deprectation charge during the year Assets include in a dispusal group for sale lachange Difference Disposals	76 SV 65%	1455,98,675	2,11,56,950	227,50	92,15,737	1,10,69,051	30,18,629	6.48,312	481,1378	25,86,848	6,23,423 14,15,326	1.95,453	58,65,18,483
Gosing Accumulated Depreciation		155611402	34.77.78.466	4 34 55 554	100 44 400	100000		Linciania					21.84,617
			Company of the Company	Sport Court of	23,47,307	1,00,00,00,00	30,79,534	1,26,10,390	5,05,15,484	39,56,711	20,39,749	6,58,001	62,41,55,426
NET CARRIYING AMOUNT AS ON 31,03,2019	16,27,73,821	9,15,26,357	19,45,29,393	52,54,619	1,72,360	14,96,905	267,507	10,81,140	16.50,583	9,66,637	78.65.693	34140	46.73.46.000
Year Ended as on 33 st March, 2020 Gross Carrylug Amount Deemed Cost Exclange Difference Additions Assets include in a disposal group for sale Disposals	16.27,73,821 (K.7,42.3)	24,71,40,161 38,070 (1,55,18,97)	58,78,03,882 1,30,58,(85 (0,63,77,27)	347,10.6cm 17,16,925 (85,22,46)	90,99,609	1,2221,536 22,46,807 (9,29,745)	33,47,061 54,048 (57,64,501)	9,36,91,530	\$19,46,037	49,34,840 1,73,580	95,65,400	3,35,000	1,09,16,01,446 1,50,18,523 (10,24,77,820)
Closing Gross Cerrying Amount	16,21,39,087	23,16,59,260	48,44,54,736	3,15,95,262	3,39,428	1,35,56,618	23,76,437	1,46,38,047	519,66,037	48,98,236	252.14.781	12.72.136	100 65 65 664
Accumulated Depreciation Depreciation charge during the year Assets include in a disposal group for aule Exchange Diffeence Disposals	M 18. E(8)	15.56,13.804 91.78.803 (1.35,13.023) (20,12.733)	34.32.74,489 2.06,66,539 (4.80,43,225) 32,05,443 (11,04,033)	33425,984 10.25,45 (R3.90,634) - 6.57,546	95,27,309 67,720 (91,60,181)	(9,29,745) (9,29,745) (9,29,745)	80,954 81,911 (9,71,438)	5,64,731	5,03,15,486	36.56.0TT 4.54.736	20.39,749 48,71,674		62.41,55,426 3,85,68,785 (8,10,10,245) 30,65,443 (20,19,590)
Connig Accumulated Depreciation		14,92.66,832	31,52,02,313	259,48,639	2,34,846	1,06,26,856	21,63,190	131,79,121	5,113,44,191	36,68,056	64,76,906	8.86,816	\$8,19,99,819
NET CARRESTING AMOUNT AS ON HARBORD	16,21,39,087	8,23,92,426	16,62,82,483	46,46,443	1,11,580	29,31,762	213,234	14.58,426	16.21,526	12,01136	147 87 677	141703	44 75 47 740





# (CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

ASSETS	ž.	3	31.03.2019		25.35	ACMINISTRATION		6.35.087	200
NOTE 7: FIXED ASSETS	Net Block		As at 31.03.2020		17,81,731	-		17,81,321	F 15 Agre
4	Exchange Flactuation		As at 31.03.2020 As at 31.03.2020 As at 31.03.2020		,				
			As at 31.03.2020		32,04,140		-	32,04,140	25,78,404
	ation	74.5	Earlier year		(896'01)		240 11000	(40,968)	
	Accumulated Depreciation	Depreciation	the year						9
	Accui	Provided	year		5,84,768		5. Rd 738	200000	2,91,147
		Учи	91.04.2019		五,38,44		25.78.404	-	757.737
		As ## 31.03.2020			49,85,461		49,85,461	20 43 404	10000000
	Gross Block	Sale/Impairme nt during the	year						
	Gross	As at 01.04.2019 Additions			17,71,970	100	17,71,970	2.04.250	
					32,13,491	20100000	168/01/20	30,09,241	
	PARTICULARS			mangible Assets	kiltware & Licences	TR TOTAL ARV	Total man of the same	Previous year	





#### AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

#### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

#### NOTE 8: NON-CURRENT INVESTMENTS

CON 2.102	DOCUMENTS AND ASSESSED.	100000000000000000000000000000000000000	As at March	131, 2020	As at Mary	ch 31, 2019
SR NO	PARTICULARS	Paid up value	No. of shares	Rupees in (₹)	No. of shares	Rupees in (₹)
A)	Investment in Equity Instruments Quoted-Others (at fair value through OCI) Fully paid up					
	Unquoted Subsidiaries (at cost or fair market value) Aeroflex Industries Limited - UK ( E/s 1000 of £ 10 each )	₹10 each	1,600	9,54,708	3.	
	Total		1,000	9,54,708		





# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
NOTE 9: NON CURRENT - TRADE RECEIVABLES			
Long Term Trade Receivables		l l	
Outstanding for more than a year		FO TABLE (MATACON) MATACON	- 36 VAC at 1 24 AT 16 VAC
Unsecured, Considered good )		1,25,99,640	3,31,54,888
	TOTAL	1,25,99,640	3,31,54,888
NOTE 10: NON CURRENT - OTHER FINANCIAL ASSETS			
700 (800 B)		57,70,585	64,49,885
Balance with Revenue Authorities		60,97,338	55,79,760
Security Deposits Other Advances		00,57,500	50,75,750
Other Advances			
	TOTAL	1,18,67,923	1,20,29,645
NOTE 11: NON CURRENT - OTHER NON CURRENT ASSE	TS		
A decemente Compliar		21,872	8,06,985
Advance to Supplier Repair & Maintenance ( To be amortised )		23,43,008	4,53,308
Residual Value of Impaired Assets		24,88,034	16,13,724
Retention Money		78,696	78,696
	TOTAL	49,31,610	29,52,713
NOTE 12 : CURRENT - INVENTORIES			
Raw Material In Stock (At Cost)		18,33,98,806	13,81,92,302
Work In Progress In Stock (At Cost)		13,41,26,487	11,84,49,017
(1997년 1916년 : 1954년 <b>왕</b> (1964년 : 1954년 : 195	TOTAL	31,75,25,293	25,66,41,913
	TOTAL		
NOTE 13: CURRENT - TRADE RECEIVABLES			
Unsecured, Considered goods		22 24 20 22	a 16091 la 74 (730)
- Debts outstanding for a period exceeding six months		11,97,61,513	1,35,18,60
- Debts outstanding for a period not exceeding six months		16,34,06,394	25,79,31,047
	TOTAL	28,31,67,907	27,14,49,65
NOTE 14 : CASH & CASH EQUIVALENTS			
Cash on hand			3,62,80
In Rupees		70,746	
In Foreign Currency		1,21,370	
Balances with banks:		4 (0.04 000	2.56.40.00
On current accounts		4,63,34,855	2,56,40,89
Fixed deposits with maturity of less than 3 months			
Cheques/drafts on hand		:#1	5:
	TOTAL	4,65,26,971	2,60,03,69

( CIN NO: U24110MH1993PLC074576 )

- PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
NOTE 15: BANK BALANCES OTHER THAN CASH AND CASH EQU	JIVALENT		
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date		6,54,246	6,54,246
	TOTAL	6,54,246	6,54,246
NOTE 16: CURRENT - OTHERS FINANCIAL ASSETS			
Advance to Staff		38,55,808	34,75,852
	TOTAL	38,55,808	34,75,852
NOTE 17: CURRENT - CURRENT TAX ASSETS			
Advance Tax & TDS (Net of Provisions for Tax)		2,42,681	88,000
	TOTAL	2,42,681	88,000
NOTE 18: CURRENT - OTHER CURRENT ASSETS			
Advance to Suppliers		39,22,99,877	42,32,81,761
Balance with Revenue Authorities	5	2,21,55,268	1,34,28,592
Prepaid Expenses		12,56,459	26,64,627
9	TOTAL	41,57,11,604	43,93,74,980





( CIN NO: U24110MH1993PLC074576 )

#### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

#### NOTE 19: SHARE CAPITAL

#### a) Shares Details

PARTICULARS	As at 31 M	larch 2020	As at 31 M	larch 2019
TANTICOLARS	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Authorised Share Capital				
Equity Shares of ₹ 10/- each Series "A" Compulsorily Convertible Preference	2,40,00,000	24,00,00,000	2,40,00,000	24,00,00,000
Shares of Rs. 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-	10,00,000	20,00,00,000	10,00,000	20,00,00,000
Issued, Subscribed & Paid up	2,60,00,000	45,00,00,000	2,60,00,000	45,00,00,000
Equity Shares of ₹ 10/- each Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,740
Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-		2	2	
TOTAL	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,740

#### b) Reconciliation of Equity shares:

PARTICULARS	As at 31 M	farch 2020	As at 31 N	farch 2019
TARTICULARS	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Shares outstanding at the beginning of the year	2,28,64,074	22,86,40,740	70,00,000	7,00,00,000
Shares Issued against Convertible Pref. shares	NIL	NIL	1,58,64,074	15,86,40,740
Shares bought back during the year	NIL	NIL	NIL	NIL
Shares outstanding at the end of the year	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,740

#### c) Reconciliation of Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each :

PARTICULARS	As at 31 M	farch 2020	As at 31 M	larch 2019
TARTICOLARS	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (7)
Shares outstanding at the beginning of the year	NIL.	NIL	9,99,000	99,90,000
Shares Issued during the year	NIL	NIL	NIL	NIL
Shares Converted into Equity Shares	NIL	NIL	9,99,000	99,90,000
Shares outstanding at the end of the year	NIL	NIL.		-





( CIN NO: U24110MH1993PLC074576 )

#### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

#### d) Reconciliation of Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-:

PARTICULARS	As at 31 M	larch 2020	As at 31 M	1arch 2019
ACAN CONTROL ATOMIC	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Shares outstanding at the beginning of the year	NIL	NIL	10,00,000	20,00,00,000
Shares Issued during the year	NIL	NIL	NIL	NIL
Shares Converted into Equity Shares	NIL	NIL	10,00,000	20,00,00,000
Shares outstanding at the end of the year	NIL.	NIL		

#### e) Shares held by its holding Companies:

Name of Shareholder	As at 31 Ma	rch 2020	As at 31 Ma	rch 2019
	No. of Shares	%	No. of Shares	9/6
Sat Industries Limited	2,10,75,408	92.18%	1,43,74,108	62.87%

#### e) Name of the shareholders holding more than 5% Equity shares in the company:

Name of Shareholder	As at 31 Ma	rch 2020	As at 31 Ma	rch 2019
	No. of Shares	9/0	No. of Shares	%
Sat Industries Limited	2,10,75,408	92.18%	1,43,74,108	62.87%
Italica Global FZC	14,90,966	6.52%	14,90,966	6.52%
Yusuf M Kagzi	-	-	67,01,300	29.31%

#### f) Name of the shareholders holding more than 5% Preference shares in the company:

Name of Shareholder	As at 31 Mai	ch 2020	As at 31 Mar	rch 2019
OVERNIA DE PROPOSO CARTONITATIVA	No. of Shares	0/0	No. of Shares	0/0
Series "A" Compulsorily Convertible Pret	erence Shares of Rs. 10/-	each :		7,377
Sat Industries Limited	- 1	(*)		
Italica Global FZC	-	• 3		
Series "A" Compulsorily Convertible Pref	erence Shares of Rs. 200/		+	
Sat Industries Limited		-		- 2
Italica Global FZC		2		





# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

# NOTE NO 20: STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

Particulars		Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period								
For the year ended on 31/03/2018	3	7,00,00,000		7,00,00,000	111							
For the year ended on 31/03/2019		7,00,00,000	15,86,40,740	22,86,40,740								
For the year ended on 31/03/2020	-	22,86,40,740		22,86,40,740								
B. Other Equity												
	Share	Equity			Reserves & Surplus	urplus		Debt	Equity	Effecti	Effecti Revalu Fx	4
	Applic ation Money pendin g allotme nt	component of compound financial instrument	Capital Subsidiy Capital Reserve Securities premium	Capital Reserve	Securities	General Retained Reserve earnings		Instru ments throug h other compre hensiv e income	Instrum ents through other Compre hensive Income	ve n of Cash Flow hedge	ation Surplu s	6 8 F E & E & E & F
Balance at the beginning of the reporting period-01/04/2018	12	ŀ	8	<b>t</b> a	19,06,00,000		(6,63,65,833)		1	9.	281	
Profit for the year		٠	3.			,	7.08.48.706	3		1		
Other comprehensive income	٠	*	ŗ	3						100	2010	Ш
Amount received against share warrants		6.		87		97		*	9	A		
Issue of Equity Share	*	30	.t	æ	5,13,49,260			1		,	1	
Changes in accounting policy/ prior period errors	**	÷li		۸	*	9		8.0	•			100
Restated balance at the beginning of the reporting period	4	()	11.			(2)	•)	85	*5	A-	*	
Total Comprehensive income for the year			163	40	7()	a)	+	1347	^	17		
Present and de						l						

12,42,34,167

Money Total

difference ttems of received

Effecti Revalu Exchange Other

on other against

Warrants against

g ensive financial income difference (specify on foreign nature) operation

7,08,48,706

5,13,49,260

24,86,16,750

1

24,19,49,260

useful life of assets
Balance at the end of the reporting
period -31,03,2019

Acc depreciation adjusted for

settlements

Transfer to retained earnings

Dividends

Waiver by the lenders on

21,84,617 061,79,390

21,84,617

Capital Subsidity Capital Reserve Securities  Capital Subsidity Capital Reserve Securities  Capital Subsidity Capital Reserve Securities  Reserve searnings through not signature outputs that the compression of the signature of		Share			Reserves & Surplus	las			Debt	Equity	Effecti	devalu		Other	Money	Total
ing of the state o		Application Application Money Pending S	component of compound financial instrument		Capital Reserve	Securities premium	General Reserve	Retained	Instruments through tother compre heasiv e income	Instrum ents through other Compre hensive Income	ve portio Cash Flow hedge	Surple		terns of other compreh ensive income (specify nature)	7 + 1	
income  the beginning  he beginning the beginning t	Balance at the beginning of the reporting period-01/04/19	k)	*	/4	1	24,19,49,260	ł	66,57,493		†il.	7	(4)	0	ă:	Ä	24,86,16,750
policy/ policy	Profit for the year	(0)	ď					4.71 46.145	1							
the blant in the blant in the blant of the Board in the B	Other comprehensive acome	36	.70	Ä		G		40.000000000000000000000000000000000000	1	5		4	+	1	(4)	4,73,46,165
t policy/ treeme for treeme for treeme for treeme for treeme for the Samo to t	Amount received against share warrants			20	±ï	80	(4)		96	t. i.t.		- 6		*		36 2
theomee for the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning on the beginning of the Board ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA ANATA CHIWAIA CHIRACTOR & CONSTRUCTOR OF CONSTRUCTOR ANATA CHIWAIA CHIRACTOR & CONSTRUCTOR ANATA CHIWAIA CHIRACTOR & CONSTRUCTOR ANATA CHIWAIA CHIRACTOR & CONSTRUCTOR &	Issue of Equity Share															
income for the beginning on the sed for the form of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on behalf of the found on the fou	Changes in accounting policy/ prior pend errors	(4)	跌			e e	0	ar fan	8 V.	<b>X</b>		1 1		e (e.	4	237
Tricome for SACRAZZ ON SACRONAL ON Dehalf of the Board ANTS CHARLES ON COLORS OF CO	Restated balance at the beginning of the reporting period		<u>(</u> e	1		N		27	**	*		2	14		7.	
Seed for the formal on behalf of the Board ANTS CO ** SEED DAUD ANTS OF CONSTREE AND CONSTREE OF CONST	Total Comprehensive income for the year	70	J#1)	E.	œ	12	1.5		1	1	3	N.	- 6	£):	7	
Sabaron Sabaro	Dividends	Y	*		9	7.										
the 33000 he 540 200 he ball of the Board was a SAS 92.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the Board was a SAS 0.20 he central of the	Transfer to retained earnings	1		,							-		+		,	Y
the Sagge See 12.27 See 12	Waiver by the lenders on settlements											-	-	+		1 6
The same of the Board and the	Acc depreciation adjusted for															28,78,422
Saben  The sent of the Board  The sent of the Sent of the Board  The sent of the sent of the Sent of t	Balance at the end of the	ő	4			24.16.36.363		34,73,622								
ANTER CONTROL OF THE BOARD ANTER CONTROL OF THE BOARD ANTER CONTROL OF THE BOARD ANTER CHORACTOR OF THE CHORACTOR OF THE CONTROL OF THE CONTR	reporting period -31,03,2920					A CONTRACTOR OF THE PARTY OF TH	25	1000	85	63		·		96		29,86,41,537
(MANAGING DIRECTOR) (MISTAFA A KACHWALA (MANAGING DIRECTOR) (MHOLETIME DIRECTOR & CHINALA (DIN-02491579)	1 8	( A	Silve		100	SUSTRICE	/	for /	and on b	chalf of th	e Board					Mil
(ESHCED-N)(I) (ASCENDENIA)	VSS	Charlow St. St. St. St. St. St. St. St. St. St.	oc decount		A STATES	1	MITEA	ASAD DAUD AGING DIREC		MUST	SA A	CACHIN	ALA (CFO)	A SAN	HURI VIJ.	NY VYAS RETARY
								(100011300)			DINE	(154453)		-	M.No: AS	(0259)

( CIN NO: U24110MH1993PLC074576 )

PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
NOTE 21: NON CURRENT BORROWINGS			
Secured Loans: From Bank & Financial Institution Term Loan Kotak Mahindra Bank Ltd (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		€	36,50,97,439
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		4,08,65,492	4,45,68,907
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		33,49,13,652	
	TOTAL	37,57,79,144	40,96,66,346
NOTE 22; NON CURRENT - TRADE PAYABLES			
Total outstanding dues of micro enterprises and small			
Fotal outstanding dues of creditors other than micro enterprises and small enterprises*		96,08,825	3,07,81,39
	TOTAL	96,08,825	3,07,81,397
NOTE 23 : CURRENT BORROWINGS			
Secured Loans: From Bank & Financial Institution			
l'erm Loan Kotak Mahindra Bank Ltd (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		Pa	3,25,97,58
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		59,13,858	50,48,994
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)		4,50,06,476	'2', '1'
Cash Credit Accounts Kotak Mahindra Bank Ltd Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)	Continued.	8 CO CHURCH	8,92,89,46

# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS		For the year ended 31.03.2020 AMOUNT (?)	For the year ended 31.03.2019 AMOUNT (₹)
Continued			187
Unsecured Loans:			
From Related Parties		4442222200	
From Non Related Parties		14,19,55,296	14,54,37,151
		6,58,97,675	4,76,34,500
	TOTAL	25,87,73,305	32,00,07,690
NOTE 24 : CURRENT - TRADE PAYABLES		and the state of t	32,00,07,640
Total outstanding dues of micro enterprises and small enterprises		1	
fotal outstanding dues of creditors other than micro		37,69,723	24.04,363
enterprises and small enterprises*		118,5,5,7,5,5,8,10	3 450.484
* ===		33,32,69,222	24,10,89,624
	TOTAL	33,70,38,945	24,34,93,987
NOTE 25 : CURRENT - OTHER CURRENT LIABILITIES			64,04,75,767
latutory due payable			
dvance from customer		17,55,205	11,25,812
undry Creditors for Capital Goods		2,64,88,568	1,98,24,496
undry Creditors for Expenses		2,17,426	85,10,984
W ==20		3,50,50,759	2,19,39,654
	TOTAL	6,35,11,958	5,14,00,946





# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS	For the year ended 31.03.2020	For the year ended 31.03.2019
	AMOUNT (₹)	AMOUNT (₹)
NOTE 26: REVENUE FROM OPERATION		
Sale of Products :		
- Finished Goods - Domestic Sales	36,15,82,038	28,61,98,039
- Finished Goods - Export Sales	1,07,87,85,644	1,11,13,38,208
- Scrap Sales	61,77,283	50,69,812
Constitute Constitution of the Constitution of	1,44,65,44,965	1,40,26,06,059
Less: GST	5,65,97,378	4,44,27,353
TOTAL	1,38,99,47,587	1,35,81,78,706
Other operating Revenue:	- Shind Servineding	V2C2 10/27/4 (12/20/01)
Foreign Exchange Fluctuation	2,38,86,745	2,13,20,985
Misc. Operating Revenue	2,95,75,931	2,47,47,016
>7000007/4		
TOTAL	1,44,34,10,263	1,40,42,46,707
NOTE 27 : OTHER INCOME		
Interest Income	1221724444411444	
- On fixed deposits designated as amortized cost	5,28,988	2,63,471
Sundry Balances Written Back ( Net)	54,26,879	
TOTAL	59,55,867	2,63,471
	07,007,001	2,00,17
NOTE 28: COST OF MATERIAL CONSUMED		
Opening Stock of Raw Material & Consumables	13,81,92,302	11,21,16,390
Add : Purchase of Raw Material & Consumables	1,00,89,25,463	1,03,19,85,755
TOTAL	1,14,71,17,765	1,14,41,02,145
Less: Closing Stock of Raw Material & Consumables	18,33,98,806	13,81,92,302
Cost of Material Consumed	96,37,18,959	1,00,59,09,843
	30,37,10,939	1,00,05,05,043
NOTE 29: CHANGE IN INVENTORIES		
Inventories at the beginning of the year		
-Finished goods		
-Work-in-progress	11,84,49,611	2,58,59,032
The state of the s	11,84,49,611	2,58,59,032
	11,04,43,011	2400409,002
Less: Inventories at the end of the year		
-Finished goods	9	- 2
-Work-in-progress	13,41,26,487	11,84,49,611
	13,41,26,487	11,84,49,611
Decrease/(Increase) in Inventories	(1,56,76,876)	(9,25,90,579)
		- Maile March
NOTE 30: EMPLOYEES BENEFITS EXPENSES		
Salaries, Wages, Bonus and Other Allowances	11,38,72,145	9,64,52,779
Contribution to Provident Fund and ESI	48,94,373	38,91,194
Gratuity and compensated absences expenses	10,24,038	12,29,395
Staff welfare expenses 8 CO	69,15,355	74,32,063
(9/A )* (3/		
TOTAL	12,67,05,911	10,90,05,431

( CIN NO : U24110MH1993PLC074576 )

PARTICULARS		For the year ended 31.03.2020 AMOUNT (₹)	For the year ended 31.03.2019 AMOUNT (₹)
NOTE 31 : FINANCE COST			
Interest on borrowing		11,04,03,998	12,82,15,208
Finance Charges towards Loan Processing & Stamp duty		26,75,000	1,52,50,000
	TOTAL	11,30,78,998	14,34,65,208
NOTE 32 : DEPRECIATION AND AMORTIZATION EXP			
		500-2-040	
Depreciation Cost		3,85,68,785	4,01,12,707
Amortization Cost		5,84,768	
	TOTAL	3,91,53,553	4,01,12,797
NOTE 33 : OTHER EXPENSES			
		0.000000000	
Processing Labour Charges		42,45,187	30,33,085
Power & Fuel		2,18,22,523	2,09,30,373
Freight Inward		59,16,868	40,27,514
Repair & Maintenance		3,86,76,390	3,12,04,374
Commission Expenses		16,02,233	17,80,864
Testing & Calibration charges		18,27,089	8,13,393
Late Deliveries Charges		15,30,331	43,87,178
License & Consultancy Fees		66,41,949	57,83,467
Water Charges		5,13,097	5,13,233
Rates & Taxes		11,82,360	19,40,628
Export Freight , Handling & Clearing Charges		1,60,43,948	2,75,52,465
Freight Outward & Octroi		61,54,896	76,88,409
Travelling Expenses		74,36,215	1,22,70,600
Business Promotion Exp		57,285	3,32,600
Bank Charges & Commission		30,73,550	28,90,576
Office Expenses		1,31,08,899	83,85,909
Computer Exp		13,94,988	15,37,877
Conveyance Expenses		64,78,206	47,52,773
Insurance Charges		50,21,693	25,89,669
Cylinder Rent		5,40,000	5,40,000
Printing & Stationary		22,39,981	17,61,966
Telephone & Internet Expenses		11,96,887	9,54,213
Auditor Remuneration		70,000	70,000
Misc. Expenses		6,80,157	8,18,252
Car Maintenance Exp		7,51,803	5,49,278
Hotel Expenses		20,25,949	45,868
Exhibition Expenses & Marketing Expenses		1,63,830	3,62,683
Professional Tax		2,500	2,500
Sundry Balances Written off		FORE	13,69,488
Donation Paid		4,50,000	
	TOTAL	15,08,48,814	14,88,89,245





(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### NOTE 34 : OTHER NOTES :

- In the opinion of the Board of Directors, the current assets are approximately of the value stated if realized 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
- Additional liability if any, arising pursuant to respective assessment under II. various fiscal statues, shall be accounted for in the year of assessment. Also interest liability for the delay payment of the statutory dues, if any has been accounted for in the year in which the same are being paid.
- Balances of Debtors & Creditors & Loans & Advances taken & given are III. subject to confirmation and are subject to 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.

#### IV. 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, 2020. The following informations 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

Particulars	Ac at 224 1 5	
Outstanding Amount	As at 31st March 2020	As at 31st March 2019
Catstanding Amount	37,69,723/-	

#### Earnings Per Share

TICULARS	As at 31.03.2020	As at 31.03.2019
Net profit after taxation for the year	AMOUNT (₹)	AMOUNT (₹)
varioei di Edutty sharos (a. D. :	471,46,165	708,48,706
	228,64,074	228,64,074
asic / Diluted earnings per Equity Share (₹)	10	10
GO (TSTR)	2.06	3.10

( CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### DEFERRED TAX ASSETS/(LIABILITIES): VI.

The tax effect of the items constituting deferred tax is as under:

PARTICULARS Opening Balance	As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹
Add : Deferred Tax Assets/(Liabilities) for the year	(4,89,63,529)	(24,29,219)
Defensed To Galactic He year	(4,98,44,595)	(4,65,34,310)
Deferred Tax (Liability)/Assets (A)	8,81,066	(4,89,63,529)
Opening Balances of Deferred tax Assets		15 15 15 15 15 15 15 15 15 15 15 15 15 1
Add: Deferred Tax Assets/(Liabilities) for the year	6,76,64,693	3
Definities) for the year	(3,85,13,348)	6,76,64,693
Deferred Tax Assets (B)	2,91,51,345	6,76,64,693
Net Deferred Tax Assets/(Liability) (A+B)	3,00,32,411	1,87,01,164

#### VII. RELATED PARTY DISCLOSURES:

Key Management Personnel: i.

Asad Daud

: Managing Director

Mustafa Abid Kachwala

: Wholetime Director

Ramesh Chandra Soni

: Director

Harikant Turgalia

: Director

Mahendra Bhatnagar Singh

: Director

Yusuf M Kagzi

: CEO

Madhuri Vijay Vyas

: Company Secretary

- Enterprises over which key management personal are having significant influence: NIL ii.
- iii. Wholly Owned Subsidiary Company: Aeroflex Industries Ltd - London UK
- Holding Company: Sat Industries Limited iv.

# Transaction carried out with Related Parties & KMP during the year:

PARTICULARS	NATURE OF TRANSACTION	AS AT 31.03.2020	AS AT 31.03.2019
ASAD DAUD YOUSUF M KAGZI.	Director Remuneration Director Remuneration & Salary.	AMOUNT (₹) 15,01,258/- 69,13,572/-	AMOUNT (₹) NIL 58,32,693/
MUSTAFA A KACHWALA	Director Remuneration	8,86,472/-	7,72,999/
SAT INDUSTRIES LTD Aeroflex Industries Ltd UK	Interest on Loan Balance of Loan Taken & Repaid with Interest	2,23,32,562/- 14,19,55,296/-	3,65,53,439/ 14,54,37,151/
6 S A	Inv. In Equity Shares	9, 54,708/-	NIL

(CIN NO: U24110MH1993PLC074576)

# NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### VIII. FOREIGN EXCHANGE INFLOW & OUTFLOW

#### a) Foreign Exchange Outflow:

PARTICULARS	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019 AMOUNT (₹)
Traveling & Hotel Expenses	51,53,378/-	47,35,961/-
TOTAL	51,53,378/-	47,35,961/-

#### b) Foreign Exchange inflow:

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
F.O.B Value of Exports	AMOUNT (₹)	AMOUNT (₹)
1.0.D value of Exports	1,07,87,85,644/-	1,09,51,13,559/-
TOTAL	1,07,87,85,644/-	1,09,51,13,559/-

#### c) CIF Value of Import:

PARTICULARS	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019 AMOUNT (₹)
Raw Material	43,10,92,169/-	The state of the s
Capital Goods		44,98,26,435/-
Capital Goods	1,27,25,402/-	1,03,80,107/
TOTAL	44,38,17,571/-	46,02,06,542/-

IX. There are no outstanding derivative instruments as on 31st March, 2020. Foreign currency Exposures are at the year end has not been hedged by the company by any derivative instrument or otherwise are given below:

PARTICULARS	CURRENCY	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019
Amount Receivable in foreign Currency		111/10 CIVI (t)	AMOUNT (₹)
1. Export of Goods	Rs USD EURO UKP	21,12,79,937/- 17,77,188/- 11,13,443/- 67,989/-	24,30,66,544/- 24,24,851/- 9,05,695/- 54,841/-
2. Advance to Suppliers	Rs USD EURO	49,57,774/- 68,783/-	2,90,53,897/- 3,68,875/- 45,537/-

(CIN NO: U24110MH1993PLC074576)

#### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Amount Payable in Foreign Currency			
1. Import of Goods	Rs	8,83,67,745/-	3,80,11,412/-
	USD	12,17,340/-	5,14,580/-
	EURO	5,606/-	31,109/-
2. Advance - Customers	Rs USD EURO UKP	4,40,46,569/- 5,22,952/- 63,853/-	2,00,88,246/- 1,94,918/- 82,857/- 1,850/-
3. Spares & Others	Rs	3,07,27,462/	3,40,57,360/
	USD	96,117/-	96,117/-
	EURO	2,82,741/-	3,52,741/-

- X. The management is of the opinion that there is no contingent liability exists at the year ended therefore no separate provision is made for the same.
- XI. Releasable value of the Plant, Machinery and equipments impaired during the year has been taken at the fair market value of the same as estimated by the management and the remaining amount has been transferred to profit & loss account as Impairment of the fixed Assets.
- XII. Company has over due receivables & payables against the export realization and imports, due to the various business reasons. As per the management and the informations available, the company has availed extension from RBI through its authorized dealers and incase of pending intimations it is under process to inform and also avail the extension for the same.

#### XIII. Impact of COVID-19 Pandemic:

The company has considered the possible effect that may result from the pandemic relating to COVID - 19 on carrying amount of receivables, unbilled revenue. Financial instruments carried at fair value as at March 31, 2020. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to repayment capacity of the customers. The Company closely monitors its customers who are going through financial stress and assesses actions





( CIN NO : U24110MH1993PLC074576)

#### NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

such as change in payment terms, depending on severity of each case. The Company basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the effectiveness and measuring ineffectiveness. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration. The Impact of Covid -19 on the Company financial Statement may differ from that estimated as at the date of approval of these financial statements.

XIV. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes from "1" to "34" form an integral part of the Accounts.

As per our Report of even date attached

FRN-024352N

For and on behalf of the Board

For SSN & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

ASAD DAUD MANAGING DIRECTOR

(DIN-02491539)

MUSTAFA A KACHWALA WHOLETIME DIRECTOR (DIN-03124453)

MDUS

SUSIL K GUPTA

(Partner)

Membership No: 060315

Place : Mumbai

Dated: 15th June, 2020

MADHURI VIJAY VYAS COMPANY SECRETARY

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(M.No: A56570)

CONSOLIDATED AUDITED FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31ST MARCH 2020

#### AUDITOR SSN & CO

CHARTERED ACCOUNTANTS

Address:- 1A, Ramchandra Niwas, Plot No 21-22, Sector 12A

Koparkhairane, Navi Mumbai – 400709.

# SSN & CO. Chartered Accountants



1A, Ramchandra Niwas, Plot: 21 - 22, Sector – 12 A Koparkhairane, Navi Mumbai – 400709. Tel: +91 22 65236958, E mail: - casusilgupta@gmail.com

#### AUDITORS 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 ("the company") and its foreign subsidiary Aeroflex Industries Limited, incorporated at London, UK ("the Subsidiary") (The company and its subsidiary together referred as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2020, 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 significant 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, 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 accounting principles generally accepted in India, of the state of affairs of the Group as at 31 March 2020, its profit 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 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 Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical

# S S N & CO. Chartered Accountants



1A, Ramchandra Niwas, Plot: 21 - 22, Sector - 12 A Koparkhairane, Navi Mumbai - 400709. Tel: +91 22 65236958, E mail: - casusilgupta@gmail.com

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 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 31 March 2020. 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. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated financial statements. The results of our audit procedures, including the procedures performed provide the basis for our audit opinion on the accompanying Consolidated financial statements.

#### 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 Annual Report, but does not include the Consolidated financial statements and our auditors' report thereon. 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 and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# S S N & CO. Chartered Accountants



1A, Ramchandra Niwas, Plot: 21 - 22, Sector - 12 A Koparkhairane, Navi Mumbai - 400709. Tel: +91 22 65236958, E mail: - casusilgupta@gmail.com

#### Management's Responsibilities for the Consolidated 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the Consolidated financial statements, the respective 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.

#### 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.

part of an audit in accordance with SAs, we exercise professional judgment and

# S S N & CO. Chartered Accountants



1A, Ramchandra Niwas, Plot: 21 - 22, Sector - 12 A Koparkhairane, Navi Mumbai - 400709. Tel: +91 22 65236958,

E mail: - casusilgupta@gmail.com

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 4. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the 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.



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Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 Consolidated financial statements for the financial year ended 31 March 2019 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:

- As required by section 143(3) of the Act, based on our audit, to the extend applicable, 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 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.





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c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the consolidated Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity 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.

- a) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- b) On the basis of written representations received from the directors of the holding company as on March 31, 2020, and taken on record by the Board of Directors, none of the directors of the holding company is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act.
- c) With respect to the adequacy of the internal financial controls over financial reporting of the holding Company with reference to these Consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report which is based on the auditors' reports of the holding Company incorporated in India and does not include the foreign subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the holding company.
- d) 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: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- e) 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:

The Group does not have any pending litigations which would impact its financial position in financial statement.



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- The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There were no amounts which is required to be transferred to the Investors Education and Protection Fund by the Group.

#### FOR SSN & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

SUSIL K GUPTA

(Partner)

Membership No.: 060315

Place : Mumbai

Date : 15th June 2020 (9

UDIN: 20060315AAAAAP7572



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#### ANNEXURE " A "TO THE INDEPENDENT AUDITOR'S REPORT:

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, We have audited the internal financial controls over financial reporting of **AEROFLEX INDUSTRIES LIMITED** ("the Company") as of 31st March, 2020 which is the company incorporated in India.

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

#### Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





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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 evidence, we have obtained is sufficient and appropriate to provide a basis for my / our audit opinion on the Company's internal financial controls system over consolidated financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting:

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

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





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#### Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

#### Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N. ; 024352N

SUSIL K GUPTA

(Partner)

Membership No.: 060315

Place : Mumbai

Date : 15th June, 2020

UDIN: 20060315AAAAAP7572

FRN-024352N

( CIN NO : U24110MH1993PLC074576 ) CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

PARTICULARS	Nate No	As at 31.03.2020 AMOUNT (*)	As at 31.03.2019 AMOUNT (₹)
ASSETS			
NON CURRENT ASSETS			
a) Property, Plant and Equipment	*6"	44,21,42,330	46,74,46,020
b) Other Intangible Assets	17"	17,81,321	6,35,08
c) Financial assets		F-12/20/E-17/1-1/1/	
ii) Trade Receivables	*8"	1,25,99,640	3,31,54,88
iii) Other financial assets	*9*	1,18,67,923	1,20,29,64
d) Deferred Tax Assets		3,00,87,326	1,87,01,16
e) Other non-current assets	.11.	49,31,610	29,52,71
Total Non-Current Assets	(A)	50,34,10,150	53,49,19,51
CURRENT ASSETS -		100000	
a) Inventories	.11.	31,75,25,293	25,66,41,91
b) Financial Assets			
i) Trade Receivables	*12*	28,31,67,907	27,14,49,65
ii) Cash and cash equivalents	*13*	4,73,42,038	2,60,03,694
iii) Bank balances other than cash and cash equivalent	*14*	6,54,246	6,54,24
iv) Other financial assets	*15*	36,20,800	34,75,85
c) Current Tax Assets (Net)	"16"	2,42,681	88.000
d) Other current assets	*17*	41,57,11,604	43,93,74,980
Total Current Assets	(B)	1,06,84,99,577	99,76,88.335
TOTAL	C = (A+B)	1,57,19,09,727	1,53,26,07,856
EQUITY AND LIABILITIES			
3237.74			
EQUITY	400.00	**********	
a) Equity share capital	"18"	22,86,40,740	22,86,40,740
b) Other equity	19	29,83,83,690	24,86,16,750
Total Equity	(D)	52,70,24,430	47,72,57,490
LIABILITIES Non-current Liabilities a) Financial liabilities		-	
i) Borrowings	*20*	37,57,79,144	40 DC 45 246
ii) Trade Payables	*21*	96,08,825	3,07,81,397
b) Deferred tax Liability (Net)	***	70,00,043	24W 201 123
Total non-current liabilities	(E)	38,53,87,969	44,04,47,743
		2007000000	19070
Current Liabilities		1661	
a) Financial liabilities			
i) Borrowings	*22*	25,87,73,305	32,00,07,690
ii) Trade Payables b) Other current liabilities	*23*	33,70,38,945	24,34,93,987
Total Current Liabilities	(F)	6,36,85,079	5,14,00,946
		65,94,97,329	61,49,02,623
Total Liabilities	$G = \{E+F\}$	1,04,48,85,298	1,05,53,50,366
TOTAL	$H = \{D + G\}$	1,57,19,09,727	1,53,26,07,856
Significant Accounting Policies Notes on Financial Statement	1 to 33		
As Per Our Report of even date	,	For and on behalf	of the Board
FOR S S N & CO.	9	WWY.	\
CHARTERED ACCOUNTANTS	_	11117	
F.R.N.: 024352N S C ASAD DAUD		MUSTAFAAK	ACHWALA
MANACING DIREC	TOR	WHOLETIME DIRI	
(DIN-02491539)	The second second	(DIN-0312	
SUSIL'R GUPTA FRN-024352N	4	Municipal	1. Was
Partner)	$ \omega $	-\ mtama.	1
Membership No: 000015 oct ACCOS	로(MUMBAI)	MADHURI VI	IAY VYAS

Dated : 15th June, 2020

# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

#### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Note No	For the year ended 31.03.2020 AMOUNT (*)	For the year ended 31.03.2019 AMOUNT (')
REVENUES:			
Revenue from operations	"25°	1 112 120 200	
Other Income	'26"	1,443,410,263 5,955,867	1,404,246,707 263,471
	TOTAL	1,449,366,130	1,404,510,178
EXPENSES:			-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Cost of Material Consumed	*27"	963,718,959	1,005,909,843
Changes in Inventories	*28"	(15,676,876)	(92,590,579)
Employee Benefit Expenses Finance costs	"29"	126,705,911	109,005,431
Property and the second	"30"	113,078,998	143,465,208
Depreciation and amortisation expense Other expenses	"31"	39,153,553	40,112,707
Otto expenses	"32"	151,128,589	148,889,245
	TOTAL	1,378,109,134	1,354,791,855
Profit/(loss) before exceptional item and tax		71,256,996	49,718,323
Exceptional item	1 [		
a) Profit/(Loss) on sale of Fixed Assets		19,898,077	Carr.
b) Impirement of Fixed Assets		(17,459,736)	
c) FCTL Exchange Fluctuation		(38,160,195)	4
d) Profit/(Loss) on sales of Investment			4.7
Profit/(loss) before tax	1	35,535,142	49,718,323
Tax expense:			17,7 10,023
(1) Current Tax			
(2) Deferred tax Liability/(Assets)		(11,386,162)	(21,130,383)
Profit/(loss) for the period from continuing operation	-	46,921,305	70,848,706
Profit/(Loss) from discontinued operations.			
Tax expense of discontinued operations			
Profit/(loss) from discontinued operation			- E
Profit/(loss) for the period	-	46,921,305	70 040 802
Other Comprehensive income/(loss)	-	10,721,303	70,848,706
Item that will not be reclassified subsequently to profit or oss			
i) Net change in fair values of investments in equity shares			-
arried at fair value through OCI			
) Income tax relating to item that will not be			
eclassified subsequently to profit or loss		*	2
) Item that will be reclassified subsequently to profit or loss			
Exchange differences on translation of financial		X	- 50
tatements of foreign operations		(32,987)	
) Income tax relating to item that will be reclassified		(04/307)	
ubsequently to profit or loss			
otal Other Comprehensive income/(loss)		(32,987)	





Total Comprehensive Income for the year	4,68,88,318	7,08,48,706
Earnings per equity share : (for continued Operation) (1) Basic (2) Diluted	2.05 2.05	3.10
Earnings per equity share : (for discontinued Operation)		5577
(1) Basic		14
(2) Diluted		181
Earnings per equity share : (for discontinued & continuing operations)		
(1) Basic	2.05	3.10
(2) Diluted	2.05	3.10
Significant Accounting Policies 1 to 3	3	1 7
As Per Our Report of even date  FOR S S N & CO.	For and on behalf	of the Board
CHARTERED ACCOUNTABLE		
SUSIL K GUPTA  ASAD DAUD  Mannaging Director  (DIN-02491539)	MUSTAFA A K. WHOLETIME DIRI (DIN-0312	CTOR & CFO
(Partner)	mtdluw.1	
Manufacture Lin No. or or or	ALA DELLIDE VI	AY VYAS
Membership No: 060313	The second contract of the second contract of	
Place : Mumbai Dated : 15th June, 2020	COMPANY SE	

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( CIN NO: U24110MH1993PLC074576 )

#### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES  Net Profit (Loss) before Tax  Loss: Other Comprehensive income/(loss)  Add: Depreciation		3,55,35,142 (32,987) 3,91,53,553	4,97,18,323
Operating Profit before working capital changes		7,46,55,708	8,58,31,030
Adjustements for: (Increase)/Decrease in Non Current Trade Receivables (Increase)/Decrease in Non Current Other Financial Assets (Increase)/Decrease in Other Non Current Assets (Increase)/Decrease in Change in Inventories (Increase)/Decrease in Current Trade Receivables (Increase)/Decrease in Current Other Financial Assets (Increase)/Decrease in Current Tax Assets (Increase)/Decrease in Other Current Assets Increase/(Decrease) in Non Current Trade Payables Increase/(Decrease) in Current Trade Payables Increase/(Decrease) in Other Current Liabilities		2,05,55,248 1,61,722 (19,78,897) (6,08,83,380) (1,17,18,253) (3,79,956) (1,54,681) 2,36,63,376 (2,11,72,572) 9,35,44,958 1,22,84,133	(3,05,13,075 84,80,703 (19,61,079 (11,86,66,49) 3,83,24,616 (13,30,49) (18,700 17,11,317 (11,93,346 3,98,87,832 38,50,511
Net Cash Flow from Operating Activities	TOTAL (A)	12.85.77,406	2,84,02,827
B. CASH FLOW FROM INVESTING ACTIVITIES Deduction/(Addition) to Fixed Assests Payments to acquire financial assets	_	(1,21,17,475)	(3.02.62.361
Net Cash Flow from Investing Activities	TOTAL (B)	(1,21,17,475)	(3,02,62,361
Proceeds from Issuance of equity share capital Proceeds from Share Premium Proceeds from Long term borrowings Proceeds from Short term borrowings		(3,38,87,202) (6,12,34,385)	(5,13,49,260) 5,13,49,260 40,96,66,346 (45,76,94,523)
Net Cash Flow from Financing activities	TOTAL (C)	(9,51,21,587)	(4,80,28,177)
Net Increase in Cash & Cash Equivalents ( A+B+C)		2,13,38,344	(4,98,87,711)
Cash and Cash Equivalents at the beginning of the year Cash and Cash Equivalents at the end of the year Net Increase in Cash & Cash Equivalents as at 31st March 2021	,	2,66,57,940 4,79,96,284 2,13,38,344	7,65,45,651 2,66,57,940 (4,98,87,711)
As Per Our Report of even date		and on behalf of the l	The second name of the second na
FOR S S N & CO. CHARTERED ACCOUNTANTS F.R.N.: 024352N	1	MALL	_

SUSIL K GUPTA (Partner)

Membership No: 060319 'ed Ac

RN-024352N

Place : Mumbai Dated: 15th June, 2020

ASAD DAUD MANAGING DIRECTOR

(DIN-02491539)

MUSTAFA A KACHWALA WHOLETIME DIRECTOR & CFO

(DIN-03124453)

COMPANY SECRETARY

(M.No: A56570)

(CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### NOTE 1: CORPORATE INFORMATION:

AEROFLEX INDUSTRIES LIMITED is domiciled in India and incorporated under the provision of Companies Act, 1956. The Company's registered office is at Survey No 41, 42/13, 42/18, Village Chalgaon, MIDC Taloja, Teh-Panvel, Dist-Raigad, Navi Mumbai - 410206. Its subsidiary company Aeroflex Industries Ltd has been incorporated during the year at London, United Kingdom. There was no much business operation activities done by the newly incorporated company however the company intend to the business in line with the holding company which is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies. The holding company along with its subsidiary company is hereinafter referred as "Group". The Group as a whole is the subsidiary company of Sat Industries Limited, a listed company incorporated in India, which holds 92.18% of the equity shares of the holding company.

#### NOTE 2: SIGNIFICANT ACOUNTING POLICIES

Significant accounting policies adopted by the Group are as under:

#### 2.1 Basis of Preparation of Financial Statements:

#### a) Statement of Compliance with Ind AS:

These Consolidated financial statements have been prepared in accordance with 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, as amended from time to time.

#### b) Basis of Preparation:

The Consolidated financial statements 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 period. 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.

The financial statements are presented in Indian Rupee (INR), which is the functional currency of the holding company. The functional currency of the foreign subsidiary is the currency of the primary economic environment in which the entity operates. The recorded foreign currency transactions of the foreign subsidiary, which are forming part of its profit & loss account has be translated at the average exchange rate for the year. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate





(CIN NO: U24110MH1993PLC074576)

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

prevailing on the balance sheet date and exchange gain and loss arising prevailing on the settlement and restatement are recognized in the consolidated profit & loss account. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. The significant accounting policies used in preparation of the financial statement are discussed in the respective notes. All the values are rounded off to the nearest rupee except when otherwise indicated.

#### c) Current or Non-current classification

All assets and liabilities has been classified as current and non current as per the group's normal operating cycle. An asset is classified as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle.
- ii) Expected to be realized within twelve months after the reporting period. Or
- iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified current when

- It is expected to be settled in normal operating cycle;
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

#### d) Use of estimates and judgements:

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 recognized in the period 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.

(CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### e) Basis Of Consolidation:

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at 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 the change in entity. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

#### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 3.1 Property, plant and equipment and Other intangible assets: Property, plant and equipment

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 Group'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.

#### Recognition and measurement:

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the Property, plant and equipment until it is ready for use, as intended by the management. Subsequent costs are included in the asset's carrying amount or recognized 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

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#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### Depreciation methods, estimated useful lives:

Depreciation is provided by the holding company (other than Free hold Land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows:

Type of Assets	Period of useful life of Assets
Factory Building	30 Years
Addition to factory Building for the year	10 Years
Server and Networks	6 Years
Plant & Machinery	25 Years
Computer	3 Years
Vehicles	6 Years
Workshop Tools & Equipment	8 Years
Testing Equipments	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.

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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 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 derecognized 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 recognized in the Statement of Profit or Loss.

#### 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 recognized in the Statement of Profit and Loss 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 recognized for the asset in prior years.

#### 3.2 Investments:

The Group do not have any categorized investment other than the investment by the company in its foreign subsidiary which has been shown at the historical cost and the same has been nullified on consolidation of the Balance sheets.

#### 3.3 Other Intangible Assets:

Intangible assets which are forming part of the holding company balance sheet are stated at acquisition cost, net of accumulated amortization. The Company amortized intangible assets over their estimated useful lives using the Written Down method. The estimated useful lives of intangible assets are as follows:

Computer Software

6 years



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### 3.4 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 holding Company's functional and presentation currency.

#### b) Transactions and balances:

On initial recognition, 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. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized 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 recognized in the Statement of Profit and Loss.

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.

#### 3.5 Revenue Recognition:

The Group recognizes revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes 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 recognized 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 bath

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

The goods are considered as 'transferred' when the customer obtains control of those goods.

#### Sale of services:

Revenue from services are recognized in the accounting period in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

#### Other Income:

Interest income from a financial asset is recognized 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.

#### 3.6 Taxation:

The Company's two major tax jurisdictions are India and the US, though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred income tax assets, the

Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management

believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### Current Tax:

The tax currently payable is based on the taxable profit for the year. 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 that have been enacted or substantially enacted by the end of the reporting period.

Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid. Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### Deferred Tax :

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### Current tax and deferred tax for the year:

Current and deferred tax are recognized by the group in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### 3.7 Business Combinations:

The group account for its business combinations under acquisition method of accounting. The holding company has acquired equity in its foreign subsidiary directly on its incorporation therefore no other cost or valuation for the same required on acquisition. Business combination arising on transfer of the interest in the entities that are under common control are accounted at historical cost.

#### 3.8 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 capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### 3.9 Provisions:

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Provisions are recognized 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 recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Whe.. 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 recognized as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 3.10 Contingent liabilities and contingent assets:

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### 3.11 Financial instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### FINANCIAL ASSETS:

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Impairment:

The Company applies the expected credit loss model for recognizing impairmant loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit of

(CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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:

The Company derecognizes 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized 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 recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

#### FINANCIAL LIABILITIES:

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### 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**

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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 recognized 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 recognized 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 amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortized 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.

#### Foreign exchange gains and losses for assets & liabilities:

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

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#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

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 recognized in the Statement of Profit and Loss.

#### De-recognition:

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial assets and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

#### 3.12 Employee Benefits:

#### Short-term Employee Benefits:

Liabilities for wages and salaries, 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 recognized 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

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. Payments to defined contribution retirement plans are recognized as expenses when the employees have rendered the service entitling them to the contribution

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Commissioner. The Company recognizes such contributions as an expense when incurred.

b) Defined benefit plans

The defined benefit obligation recognized 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 period, regardless of when the actual settlement is expected to occur.

Gratuity: The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company has made payments for the annual applicable gratuity liability to LIC gratuity Scheme where the gratuity liability will be paid to the employees by them when the same is due to pay.

#### 3.13 Inventories:

Inventories are valued at after reviewing the cost and net realizable 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 realizable 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 basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable 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 realizable value is made on item by item basis

#### 3.14 Cash and cash equivalents:

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 3.15 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 during the period. 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).

#### 3.15 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest Rupees as per requirement of Schedule III of the Act, unless otherwise stated.

#### NOTE 4. Significant accounting judgments, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

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 below. The Company based its assumptions and estimates on

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

parameters available when the financial statements were prepared. 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 lifes of property, plant and equipment:

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period

Provision for litigations and contingencies:

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

d) Recognition of Deferred Tax Assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilized. The Company has identified Deferred Tax Asset for the carry forward losses at the year ended and also has recognized deferred tax for the Depreciation difference. The net effect of the same has been taken in Balance Sheet.

#### NOTE 5: RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

# AEROFI EX INDUSTRIES LIMITED (CIN NO. LEATIONHI 593PLC07475)

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	Dispositio							200 00 000	1 16 04 230	119 66.037	40,24,685	45.05,400	9,17,136	1,99,16,01,446
1,455,64,675   1,11,11,11,11,11,11,11,11,11,11,11,11,1		15, 30, 71, 621	34.71.40,161	53,78,03,862	3,8730,603	44,99,569	1,22,21,536	33,47,082	1,36,71,230	1				
13,00,19,200   12,0,17,300   14,0,0,000   1,0,0,0,000   1,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,000   1,0,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0,0   1,0,0,0,0	Chesing Grees Corrying Amount	I British	14 57 08 875	32,11,56,950	3,11,86,314	92,15,737	1,10,69,051	30,38,620	1,27,87,862	4,86,13,735	27,86,848	624,423	1,95,953	3,86,18,463
15,00,13,304   15,00,130   15,04,030   1,07,300   1,0	Accumulated Depreciation		1.0011.929	2,21,17,539	2271,470	1,11,572	10.14,633	60,00	8.40.314			*		
15,00,13,00	Department Charge curring the year.  According include in a disposal group for sale.			200					1	4				21.86.617
Approximation	Euchange Difference	9			S		13,39,033	343	8,15,584					
15,00,19304   94,27,7361   17,0,061   14,0,061   14,0,066   1,0,0,061   1,0,0,066   1,0,0,0,066   1,0,0,0,06	Theperals	200				-	400 10 000	270 07 19	126.10.790	5,00,15,464		30,39,748	6,56,000	62,41,55,426
	And the second second sections		13,36,13,304	34,32,74,489	12,55,804	13.27,319	440.44000	Total State						Table of the ca
16.2773621 34.71.40.161 3375403622 3.87.10603 94.99.609 1.22.11536 33.47.061 1.86.91.350 5.19.46.607 41.20.350 3.55.400 94.97.09 1.22.11536 33.47.061 1.86.91.350 5.19.46.607 41.20.350 3.55.400 94.97.09 1.22.11536 33.47.091 1.86.27.27.01 1.86.91.350 5.19.46.607 44.52.00 3.35.400 91.40.181 92.24.631 92.24.632 3.27.462 3.35.400 91.40.181 92.24.631 91.20.353 1.22.11536 3.35.400 91.40.181 92.24.631 91.20.1833 1.22.14.632 1.22.14.631 91.20.1833 1.22.14.632 1.22.14.632 1.22.14.632 1.22.14.632 1.22.14.632 1.22.14.632 1.22.14.632 1.22.14.633 1.22.14.	Closing Accumulated Depreciation					-	44 00 000	100 000	16,811.40	1630,383			2,59,137	46.74,46.141
	SET CARRIVING AMOUNT AS ON TABLED	16,27,73,621	1,15,26,357	119,415,29,393	52,54,619	1,77,380	24,75,767	1000000			5076			
6.27,73,821   34,74,40.161   33,74,05,822   3,46,74.77   186,32,246   1,20,44.617	You Taded as on But Merch, 2020					-	4.00 14 554	190,2368	13691530	3,19,46,007		- 53	6,17,138	1,08,16,31,446
Figure   F	Cress Carrying Amount	16,27,73,821	_	53,7%,03,882	3,87,10,603						+ 42	-	355,600	3.50,18,523
	Exchange Difference		38.073				77				6,72,000	_		(10,24,77,830)
16,77,200 64,446,47% 3,75,91,24% 50,720 1,0724,651 34,79,554 1,06,70,077 1,46,	Additions Assets include in a disposal group for sale	(6,34,734)		-	_			_			á	*	9	
16,71,34,067   23,66,926   3,35,40,246   3,35,40,246   3,35,40,246   3,45,40,246   3	Disposale					4		200 0000	1.45.78.76.77	1	1	-		1,02,41,42,149
15.56,11,804   34.32,74,89   3.50,75,904   3.07,24,651   30,70,554   3.06,10,10,10,904   3.06,00,10   3.06,	to have Complete Amount	16,71,39,067	-	Ц	Ц	1	(35,58,619	40,70,000	1,000	-	-			40 40 45 436
135,15,000   2,06,66,000   10,05,443   67,720   12,19,533   61,011   6,46,771   1,57,771   (1,34,517)   1,57,771   (1,34,517)   (1,34	Closed very serial serial					- 100	1,00,24,651	N0.79,554		-				
(1.55.12.022) (4.60.12.25) (62.90.45.40) (91.60.187) (925.748) (92.54.50) (925.748) (1.55.777) (4.94.517) (4.94.517) (4.94.517) (1.94.517)	Accumulated Dependation		01 78 807	_			1219,533						-	
12.05.443	Depreciation charge during, the year		11 15 13 002	_			<u> </u>					*		32,05,447
(51,04,033) (51,04,033) EST-646 (500,035) (4,000) (4,000) (4,1	Assets include in a disposal group for rate	0.0	1000				-			38.70		_		(25,15,29)
. 1442-66.832 31,82,02,513 2,69,44,629 2,34,546 21,63,149 1,31,71,32 5,53,44,193 36,04,194 04,24,000 04,24	Exhange Difference		(20,12,759				(387,383						4	013 00 00 02
1474,200.00 30,000.00 10,0	Contractor		100000	4	1		-		Н	1		1	1	1
10,00,00 at 10,00 at	Clastag Acceptainted Depreciation		14,92,66,634	4	1	L					1	-	1	44,21,41,590
THE TAX TO SECURE	and the second s	74.77 14.067	K23.42,428	16,62,82,443		Ц					1	-	1	





# (CIN NO: UZ4110MH1993PLC074576)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

# NOTE 7: FIXED ASSETS

		Gross	Gross Block			Acco	Accumulated Depreciation	ation		Exchange	Net Block	ock
PAKTICULAES										uoumuon.		
	As at 01.04,2019 Additions	Additions	_	SaleTinpairme nt during the As at 31,03,2020 year	As at 01.04.2019	Provided For the year	Depreciation adjusted during the year	Adjusted of the Earlier year	As at \$1.03.300	As at 71.03.3020 As at 31.03.2020 As at 31,03.3020	As at 31,03,002,0020	As at 31,05,2019
Intengible Assets Software & Licences	32,13,491	17,71,970		1985,461	25.78,404	5,64,768		(40,966)	32,04,140	- 10	17,81,321	5,35,087
SUBTOTAL (B)	32,13,491	17,71,970		19785.461	25,78,404	5,84,768	1	(40,968)	32.04.140		1781,321	6,36,067
Previous year	30,09,261	2,04,250		32,13,491	22,37,257	2,91,147			25,78,466		6.35.067	721 964





(CIN NO: U24110MH1993PLC074576)

PARTICULARS		As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019
NOTE 8: NON CURRENT - TRADE RECEIVABLES  Long Term Trade Receivables Outstanding for more than a year (Unsecured, Considered good )		1,25,99,640	AMOUNT (R)
	TOTAL		5,51,51,68
NOTE 9: NON CURRENT - OTHER FINANCIAL ASS	Pre	1,25,99,640	3,31,54,88
Balance with Revenue Authorities Security Deposits Other Advances	613	57,70,585 60,97,338	64,49,535 55,79,760
NOTE 10: NON CURRENT - OTHER NON CURRENT	TOTAL	1,18,67,923	1,20,29,645
Advance to Supplier  Repair & Maintenance (To be amortised)  Residual Value of Impaired Assets  Retention Money	200112	21,872 23,43,008 24,88,034 78,696	8,06,985 4,53,308 16,13,724 78,696
NOTE 11 : CURRENT - INVENTORIES	TOTAL	49,31,610	29,52,713
Raw Material In Stock (At Cost) Work In Progress In Stock (At Cost)		18,33,98,806 13,41,26,487	13,81,92,302 11,84,49,611
NOTE 12: CURRENT - TRADE RECEIVABLES	TOTAL	31,75,25,293	25,66,41,913
Unsecured, Considered goods  Debts outstanding for a period exceeding six months Debts outstanding for a period not exceeding six months	TOTAL	11,97,61,513 16,34,06,394	1,35,18,607 25,79,31,017
OTE 13 : CASH & CASH EQUIVALENTS	IOIAL	28,31,67,907	27,14,49,654
osh on hand clances with banks: On current accounts ced deposits with maturity of less than 3 months eques/drafts on hand		1,92,116 4,71,49,922	3,62,804 2,56,40,890
	TOTAL	4,73,42,038	3





# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS	As at 31.03,2020 AMOUNT (₹)	As at 31.03,2019 AMOUNT (₹)
NOTE 14: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	6,54,246	6,54,24
NOTE 15 : CURRENT - OTHERS FINANCIAL ASSETS	6,54,246	6,54,24
Advance to Staff	38,55,808	34,75,852
NOTE 16: CURRENT - CURRENT TAX ASSETS	38,55,808	34,75,652
Advance Tax & TDS (Net of Provisions for Tax)	2,42,681	88,000
OTE 17: CURRENT - OTHER CURRENT ASSETS	2,42,681	88,000
dvance to Suppliers alance with Revenue Authorities repaid Expenses	39,22,99,877 2,21,55,268 12,56,459	42,32,81,761 1,34,28,592 26,64,627
TOTAL	41,57,11,604	43,93,74,980





( CIN NO: U24110MH1993PLC074576 )

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

#### NOTE 18: SHARE CAPITAL

#### a) Shares Details

	As at 31 M	arch 2020	As at 31 M	arch 2019
PARTICULARS	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Authorised Share Capital				
Equity Shares of ₹ 10/- each	2,40,00,000	24,00,00,000	2,40,00,000	24,00,00,000
Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-	10,00,000	20,00,00,000	10,00,000	20,00,00,000
	2,60,00,000	45,00,00,000	2,60,00,000	45,00,00,00
Issued, Subscribed & Paid up  Equity Shares of ₹ 10/- each	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,74
Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each	674	-	*	
Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-		-	-	-
TOTAL	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,74

#### b) Reconciliation of Equity shares:

	As at 31 M	Jarch 2020	As at 31 M	arch 2019
PARTICULARS		AMOUNT (₹)	No. of Shares	AMOUNT (₹)
PARTICULARS	No. of Shares	240000000000000000000000000000000000000	70,00,000	7,00,00,000
Shares outstanding at the beginning of the year	2,28,64,074			
shares outstanding at the beginning	NIL	NIL	1,58,64,074	
Shares Issued against Convertible Pref. shares	NIL	NIL	NIL	NIL
Shares bought back during the year Shares outstanding at the end of the year	2,28,64,074	22,86,40,740	2,28,64,074	22,86,40,740

## c) Reconciliation of Series "A" Compulsorily Convertible Preference Shares of Rs. 10/- each :

	As at 31 M	Jarch 2020	As at 31 M	arch 2019
PARTICULARS		AMOUNT (₹)	No. of Shares	AMOUNT (₹)
93.44.54.54.54.54.54.54.54.54.54.54.54.54.	No. of Shares	NIL	9,99,000	99,90,000
Shares outstanding at the beginning of the year	NIL	NIL	NIL	NII
Shares Issued during the year	1 444.7		9,99,000	99,90,00
Shares Converted into Equity Shares	NIL	NIL	3,77,000	
Shares outstanding at the end of the year	NIL	NIL		





( CIN NO: U24110MH1993PLC074576 )

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

#### d) Reconciliation of Series "A" Compulsorily Convertible Preference Shares of Rs. 200/-:

	As at 31 M	larch 2020	As at 31 M	larch 2019
PARTICULARS	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Shares outstanding at the beginning of the year	NIL	NIL	10,00,000	20,00,00,000
Shares Issued during the year	NIL	NIL	NIL	NIL
Shares Converted into Equity Shares	NIL	NIL	10,00,000	20,00,00,000
Shares outstanding at the end of the year	NII.	NIL		

#### e) Shares held by its holding Companies:

11. 698	As at 31 Ma	rch 2020	As at 31 Ma	rch 2019
Name of Shareholder	No. of Shares	9/0	No. of Shares	%
Sat Industries Limited	2,10,75,408	92.18%	1,43,74,108	62.87%

#### e) Name of the shareholders holding more than 5% Equity shares in the company:

	As at 31 Ma	rch 2020	As at 31 Ma	rch 2019
Name of Shareholder	No. of Shares	0/6	No. of Shares	9/0
Sat Industries Limited	2,10,75,408	92.18%	1,43,74,108	62.87%
Italica Global FZC	14.90.966	6.52%	14,90,966	6.52%
Yusuf M Kagzi	-		67,01,300	29.31%

#### f) Name of the shareholders holding more than 5% Preference shares in the company:

26-35-01 V D Q-26-01-75-01-32-3-01-1	As at 31 Mar	rch 2020	As at 31 Mag	rch 2019
Name of Shareholder	No. of Shares	%	No. of Shares	%
Series "A" Compulsorily Convertible Pre	ference Shares of Rs. 10/-	each:		
Sat Industries Limited				
Italica Global FZC	-		-	-
Series "A" Compulsorily Convertible Pre	ference Shares of Rs. 200/	-:		
Sat Industries Limited		-	-	
Italica Global FZC		*		





# AEROFLEX INDUSTRIES LIMITED (CIN NO: UMIDMH1993PLC074576.)

STATEMENT OF CHANGES IN FOUTTY FOR THE YEAR ENDED MARCH 31, 2020

# NOTE NO 19 : STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

rticulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance 21 the end of the reporting period
or the year ended on 31 / 03 / 2018	7,00,00,000		7,00,00,000
For the year ended on 31/03/2019	7,00,00,000	15,86,40,740	22,86,40,740
or the war ended on 31 /03 / 2020	22.86.40.740		22,86,40,740

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the Country England	Charge	Earth			Reserves & Surplus	urplus		Debt	Equity	Effecti	Revalu E	Effecti Revalu Exchange O	Other	Money	Total
	v 55 8	compound compound financial instrument	component of Capital Subsidiy Capital Reserve Securities compound financial instrument	Capital Reserve	Securities	General Retained Reserve earnings	Retained	Instru ments throug h other compre hersiv e		portio n of Cash Flow hedge	Supla of d	ifference anslatin nancial ifference n foreign peration		niceived against share warrants	
Falance at the beginning of the	*	*		80	19,06,00,000		(6,63,65,833)				•		ľ		12,42,94,167
reporting period-01/04/2018	1			3			7,08,48,706		•	*	*		,	+	7,08,48,706
Other commelves income									*	•		٠	9		
Amount received against share	8	*		50	*	10.0		168	*	•	•	•	•	•	
Issue of Equity Share		,			5,13,49,260		*		*	*	1	*	•		5,13,49,260
Changes in accounting policy/ prior period errors	*	į.				•				1			•		
Restated balance at the beginning of the reporting period	1			4	*		Ť:	, t.	*			1			
Total Comprehensive indome for the year			+	*	Y			50	100		1	•			
Dividends		*			4		*	1	•	1	1		1		
Transfer to retained earnings	*			7			1	1		1		1	5		
Waiver by the lenders on															1000000
Acr depreciation adjusted for		((					21,84,617								21,84,617
Balance at the end of the reporting period -31.03.2019		185 N B	63	EX MOGO.	24,19,49,260	+	66,67,490	•		•			,		24,26,10,750
ASSESSMENT OF THE PARTY OF THE	A	* W.	100	100											

Applies Component of Capital Substitute Securities General Reserve carnings afforms instrument for allocate and allocate for allocate f	Approximation Approximation Money Mo					-		_	-		-			Money Total	
28,19,48,296		n instrument		April Keene		Reserve s							7.7.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1	against share warrands	
nne (32,987)	+			160	24,19,49,290	• 1	1697,590	턴	0.	00	100	8	10.	10	34,86,16,730
income (02.907)			3	7.	9		4,69,21,305	+		7					4,69,21,305
inel share							(32,987)							-	(302,987)
	received against share		4		¥	1		,	1	7		û.			
Issue of Equity Strare	100000000000000000000000000000000000000			-	+			4			-			,	
	ing policy/		47	8	B-1		***	ħ	63	00			,		
Restated balance at the beganning of the reporting period	gunnaged with		£()	20	80	7)	80	80 J	¥. 📑			76	7)	77	
Total Comprehensive income for the season of	imprehensive moome for			~	-	*	*	e.	0)	11.	*	4	,	1.	
Disabends	dends	+						,							
		1 +		0.00	+	-		4			-	-	,	,	
Worker by the lenders on settlements.	er by the lenders on ments						+								
Ass deproclation adjusted for useful life of assets	depreciation adjusted for Il life of assets						28,78,822								28,78,622
of the 24,79,45,250 - 5				4	24,79,45,298	8	5,64,34,436	4	10		*		Ž.		29,83,83,840

# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS		As at 31.03.2020 AMOUNT (7)	As at 31.03,2019
NOTE 20: NON CURRENT BORROWINGS			AMOUNT (8)
Secured Loans:			
From Bank & Financial Institution			
Term Loan			
Kotak Mahindra Bank Ltd (Secured against months)		1	
(Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Inventory and Trade		-	36,50,97,43
Receivables & other movable & immovable Assets)			
Kotak Mahindra Bank Lad		1	
(Secured against mortgage of Land & Building, Plant & Machiney & hypothecation of Issue		4,08,65,492	4,45,68,907
Machiney & hypothecation of Inventory and Trade Receivables & other movable & immovable Assets)			4,40,00,50/
		1	
Kotak Mahindra Bank Ltd - Foreign Currency Loan (Secured against most engage of		20733	
Machiney & hypotheration of Land & Building, Plant &		33,49,13,652	
Machiney & hypothecation of Inventory and Trade  Receivables & other movable & immovable Assets)			
animovable Assets)	1		
	TOTAL	37,57,79,144	***
NOTE 21: NON CURRENT - TRADE PAYABLES		77.77.71.44	40,96,66,346
Total outstanding dues of micro enterprises and small	1	7/1	
otal outstanding dues of creditors other than micro	- 1		
nterprises and small enterprises*	- 1		-
		96,08,825	3,07,81,397
COTTO DE CONTROL DE CO	TOTAL	96,08,825	3 07 01 200
OTE 22: CURRENT BORROWINGS			3,07,81,397
cured Loans:			
om Bank & Financial Institution			
rm Loan	- 1		- 1
tak Mahindra Bank Ltd			
cured against mortgage of Land & Building, Plant & schiney & hypothecation of Inventory and Trade			3,25,97,584
de de de la movable & immovable Assetal			
tak Mahindra Bank Ltd. Co	)		
		59,13,858	50,48,994
chiney & hypothecation of Inventory and Trade eivables & other movable & immovable Assets)		-909/09/90	
ak Mahindas Basta a a a mmovable Assets)			
ak Mahindra Bank Ltd - Foreign Currency Loan ured against mortgage of Land & Building, Plant & hiney & hypothesestics - (1)		grama appropri	
		4,50,06,476	*
rivables & other movable & immovable Assets)			
Credit Accounts			
k Mahindra Bank I 64			
ared against mortgage of Land & Building, Plant &		-	8,92,89,461
niney & hypothecation of Inventory and Trade	A N	The same of the sa	0,72,09,401
and a constant movable & immovable Assets)	/93 N	acol Anous	
C	ontinued	(2) (2)	35
	O THU TO	152N 1 (3 (MUMILA)	100

# AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS		For the year ended 31.03.2020 AMOUNT (₹)	For the year ended 31.03.2019 AMOUNT (₹)
Continued Unsecured Loans: From Related Parties From Non Related Parties		14,19,55,296 6,58,97,675	14,54,37,15 4,76,34,50
NOTE 23 : CURRENT - TRADE PAYABLES	TOTAL	25,87,73,305	32,00,07,690
Total outstanding dues of micro enterprises and small enterprises  Fotal outstanding dues of creditors other than micro enterprises and small enterprises*		37,69,723 33,32,69,222	24,04,363 24,10,89,624
OTE 24 : CURRENT - OTHER CURRENT LIABILITIES	TOTAL	33,70,38,945	24,34,93,987
tatutory due payable dvance from customer andry Creditors for Capital Goods andry Creditors for Expenses		17,55,205 2,64,88,568 2,17,426 3,52,23,880	11,25,812 1,98,24,496 85,10,984 2,19,39,654
	TOTAL	6,36,85,079	5,14,00,946





( CIN NO: U24110MH1993PLC074576)

PARTICULARS		For the year ended 31.03.2020 AMOUNT (₹)	For the year ended 31.03.2019 AMOUNI (₹)
NOTE 25 : REVENUE FROM OPERATION			
Sale of Products :			
- Finished Goods - Domestic Sales		36,15,82,038	28,61,98,039
- Finished Goods - Export Sales		1,07,87,85,644	1,11,13,38,208
- Scrap Sales		61,77,283	50,69,812
Scrap Saids	1	1,44,65,44,965	1,40,26,06,059
Less : GST		5,65,97,378	4,44,27,353
MHE DOZ	TOTAL	1,38,99,47,587	1,35,81,78,706
Other operating Revenue:		100000000000000000000000000000000000000	
Foreign Exchange Fluctuation		2,38,86,745	2,13,20,985
Misc. Operating Revenue		2,95,75,931	2,47,47,016
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	200000000000000000000000000000000000000		
	TOTAL	1,44,34,10,263	1,40,42,46,707
NOTE 26 : OTHER INCOME			
Interest Income			
- On fixed deposits designated as amortized cost		5,28,988	2,63,471
Sundry Balances Written Back ( Net)		54,26,879	
Surfaces Without Such (1964)			
	-00000000000000000000000000000000000000		9 24 4M2
	TOTAL	59,55,867	2,63,471
NOTE 27: COST OF MATERIAL CONSUMED			
		88101-821082	
Opening Stock of Raw Material & Consumables		13,81,92,302	11,21,16,390
Add : Purchase of Raw Material & Consumables	11610/ACMS	1,00,89,25,463	1,03,19,85,755
	TOTAL	1,14,71,17,765	1,14,41,02,145
Less: Closing Stock of Raw Material & Consumables		18,33,98,806	13,81,92,302
Cost of M	faterial Consumed	96,37,18,959	1,00,59,09,843
NOTE 28 : CHANGE IN INVENTORIES			
Inventories at the beginning of the year			100
-Finished goods		11,84,49,611	2,58,59,032
-Work-in-progress		11,84,49,611	2,58,59,032
		11,04,45,011	Aprilyaryyour
Less: Inventories at the end of the year			
-Finished goods		13,41,26,487	11,84,49,611
-Work-in-progress		13,41,26,487	11,84,49,611
		H PC PC OPC	(0.25 00.570
Decrease/(Incre	ease) in Inventories	(1,56,76,876)	(9,25,90,579
NOTE 29: EMPLOYEES BENEFITS EXPENSES			
THE SHOW ON SERVICE	MIDUS		0.1100.000
Salaries, Wages, Bonus and Other Allowances Contribution to Provident Fund and ESI	19/	11,38,72,145	9,64,52,779
Contribution to Provident Fund and ESI	5 MUMBA	48,94,373	**************************************
Gratuity and compensated absences expenses	* Bugas	10,24,038	12,29,395
Staff welfare expenses	2	69,15,355	74,32,063
	3/ marris	12,67,05,911	10,90,05,431
Contract	TOTAL.	12,67,05,911	10,90,05,431

## AEROFLEX INDUSTRIES LIMITED (CIN NO: U24110MH1993PLC074576)

PARTICULARS		For the year ended 31.03.2020 AMOUNT (₹)	For the year ended 31.03.2019 AMOUNT (₹)
NOTE 30 : FINANCE COST			
		1.11.20000A0064A	1190V 301H03V 5444V
Interest on borrowing		11,04,03,998	12,82,15,208
Finance Charges towards Loan Processing & Stamp duty		26,75,000	1,52,50,000
	TOTAL	11,30,78,998	14,34,65,208
NOTE 31 : DEPRECIATION AND AMORTIZATION EXP			
Depreciation Cost		3,85,68,785	4,01,12,707
Amortization Cost		5,84,768	
	TOTAL	3,91,53,553	4,01,12,707
	TOTAL	3,91,53,555	4,01,12,707
NOTE 32 : OTHER EXPENSES			
Processing Labour Charges		42,45,187	30,33,085
Power & Fuel		2,18,22,523	2,09,30,373
Freight Inward		59,16,868	40,27,514
Repair & Maintenance		3,86,76,390	3,12,04,374
Commission Expenses		16,02,233	17,80,864
Testing & Calibration charges		18,27,089	8,13,393
Late Deliveries Charges		15,30,331	43,87,178
License & Consultancy Fees		68,01,988	57,83,467
Water Charges		5,13,097	5,13,233
Rates & Taxes		11,82,360	19,40,628
Export Freight, Handling & Clearing Charges		1,60,43,948	2,75,52,465
Freight Outward & Octroi		61,54,896	76,88,409
Travelling Expenses		74,36,215	1,22,70,600
Business Promotion Exp		57,285	3,32,600
Bank Charges & Commission		30,75,353	28,90,576
Office Expenses		1,31,08,899	83,85,909
Computer Exp		13,94,988	15,37,877
Conveyance Expenses		64,78,206	47,52,773
Insurance Charges		50,21,693	25,89,669
Cylinder Rent		5,40,000	5,40,000
Printing & Stationary		22,39,981	17,61,966
Telephone & Internet Expenses		11,96,887	9,54,213
Auditor Remuneration		1,78,195	70,000
Misc. Expenses		6,89,895	8,18,262
Car Maintenance Exp		7,51,803	5,49,278
Hotel Expenses		20,25,949	45,868
Exhibition Expenses & Marketing Expenses		1,63,830	3,62,683
Professional Tax		2,500	2,500
Sundry Balances Written off		100	13,69,488
Donation Paid		4,50,000	
	TOTAL	15,11,28,589	14,88,89,245





( CIN NO : U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### NOTE 33: OTHER NOTES:

- I. This is the first year of the Consolidation of the accounts, as the foreign subsidiary was incorporated during the year. The previous year figures given in the Balance sheet & other all reporting are pertaining to the standalone figures of the holding company.
- II. In the opinion of the Board of Directors of the group, the current assets are approximately of the value stated if realized 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.
- III. Additional liability if any, arising pursuant to respective assessment under various fiscal statues, shall be accounted for in the year of assessment. Also interest liability for the delay payment of the statutory dues, if any has been accounted for in the year in which the same are being paid.
- IV. Balances of Debtors & Creditors & Loans & Advances taken & given are subject to confirmation and are subject to 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.

#### V. Micro, Small & Medium Enterprises :

The holding company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31st March, 2020. The following informations 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 2020:

Particulars	As at 31st March 2020	As at 31st March 2019
Outstanding Amount	37,69,723/-	24,04,363/-
TOTAL	37,69,723/-	24,04,363/-
	100000000000000000000000000000000000000	





( CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### VI. Earnings Per Share:

As at 31.03.2020	As at 31.03.2019
AMOUNT (₹)	AMOUNT (₹)
468,88,318	708,48,706
228,64,074	228,64,074
10	10
2.05	3.10
	31.03.2020 AMOUNT (₹) 468,88,318 228,64,074 10

#### DEFERRED TAX ASSETS/(LIABILITIES): VII.

The tax effect of the items constituting deferred tax are as under:

PARTICULARS Opening Poly	As at 31.03.2020 AMOUNT (₹)	As at 31.03.2019 AMOUNT (₹)
Opening Balance	(4,89,63,529)	(24,29,219)
Add: Deferred Tax Assets/(Liabilities) for the year	(4,98,44,595)	(4,65,34,310)
Deferred Tax (Liability)/Assets (A)	8,81,066	(4,89,63,529)
Opening Balances of Deferred tax Assets	6,76,64,693	
Add: Deferred Tax Assets/(Liabilities) for the year	(3,84,58,433)	6,76,64,693
Deferred Tax Assets (B)	2,92,06,260	6,76,64,693
Net Deferred Tax Assets/(Liability) (A+B)	3,00,87,326	1,87,01,164

#### VIII. RELATED PARTY DISCLOSURES:

Key Management Personnel: i.

Asad Daud

: Managing Director

Mustafa Abid Kachwala

: Wholetime Director

Ramesh Chandra Soni

: Director

Harikant Turgalia Mahendra Bhatnagar Singh

: Director : Director

: CEO

Yusuf M Kagzi

Madhuri Vijay Vyas

: Company Secretary

Enterprises over which key management personal are having significant influence: NIL ii.

Wholly Owned Subsidiary Company: Aeroflex Industries Ltd - London UK iii.

Holding Company: Sat Industries Limited iv.





( CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### Transaction carried out with Related Parties & KMP during the year:

PARTICULARS	NATURE OF TRANSACTION	AS AT 31.03.2020	AS AT 31.03.2019
ASAD DAUD YOUSUF M KAGZI.	Director Remuneration Director Remuneration	AMOUNT (₹) 15,01,258/- 69,13,572/-	AMOUNT (₹) NIL 58,32,693/.
MUSTAFA A KACHWALA	& Salary, Director Remuneration	8,86,472/-	7,72,999/
SAT INDUSTRIES LTD	Interest on Loan Balance of Loan Taken & Repaid with Interest	2,23,32,562/- 14,19,55,296/-	3,65,53,439/- 14,54,37,151/-
Aeroflex Industries Ltd UK	Inv. In Equity Shares	9,54,708/-	NIL

#### IX. FOREIGN EXCHANGE INFLOW & OUTFLOW:

Details given below are pertaining to the holding Company;

#### a) Foreign Exchange Outflow:

PARTICULARS Travelles & Handa	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019 AMOUNT (₹)
Traveling & Hotel Expenses	51,53,378/-	47,35,961/-
TOTAL	51,53,378/-	47,35,961/-

#### b) Foreign Exchange inflow:

PARTICULARS	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019 AMOUNT (₹)
F.O.B Value of Exports	1,07,87,85,644/-	1,09,51,13,559/-
TOTAL	1,07,87,85,644/-	1,09,51,13,559/-

#### c) CIF Value of Import;

<u>PARTICULARS</u>	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019
Raw Material		AMOUNT (₹)
Capital Goods	43,10,92,169/-	44,98,26,435/-
Capital Goods	1,27,25,402/-	1,03,80,107/-
TOTAL	44,38,17,571/-	46,02,06,542/-

X. There are no outstanding derivative instruments as on 31st March, 2020. Foreign currency Exposures are at the year ended and the same has not been hedged by the holding company by any derivative instrument or otherwise are given below: N & CO

( CIN NO : U24110MH1993PLC074576)

PARTICULARS	CURRENCY	AS AT 31.03.2020 AMOUNT (₹)	AS AT 31.03.2019
Amount Receivable in foreign		AMOUNT (C)	AMOUNT (₹)
1. Export of Goods	Rs USD EURO UKP	21,12,79,937/- 17,77,188/- 11,13,443/- 67,989/-	24,30,66,544/ 24,24,851/ 9,05,695/ 54,841/
2. Advance to Suppliers	Rs USD EURO	49,57,774/- 68,783/-	2,90,53,897/ 3,68,875/
Amount Payable in Foreign Currency		*	45,537/-
1. Import of Goods	Rs USD EURO	8,83,67,745/- 12,17,340/- 5,606/-	3,80,11,412/- 5,14,580/- 31,109/-
2. Advance - Customers	Rs USD EURO UKP	4,40,46,569/- 5,22,952/- 63,853/-	2,00,88,246/- 1,94,918/- 82,857/- 1,850/-
3. Spares & Others	Rs USD EURO	3,07,27,462/ 96,117/- 2,82,741/-	3,40,57,360/ 96,117/- 3,52,741/-

- XI. The management of the group is of the opinion that there is no contingent liability exists at the year ended therefore no separate provision is made for the same.
- XII. Releasable value of the Plant, Machinery and equipments impaired during the year has been taken at the fair market value of the same as estimated by the management and the remaining amount has been transferred to profit & loss account as Impairment of the fixed Assets.
- XIII. The holding Company has over due receivables & payables against the export realization and imports, due to the various business reasons. As per the management and the informations available, the company has availed extension from RBI through its authorized dealers and incase of pending intimations it is under process to inform and also avail the extension for the same.

(CIN NO: U24110MH1993PLC074576)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

#### XIV. Impact of COVID-19 Pandemic:

The Group has considered the possible effect that may result from the pandemic relating to COVID - 19 on carrying amount of receivables, unbilled revenue. Financial instruments carried at fair value as at March 31, 2020. In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the financial strength of the customers in respect of whom amounts are receivable. The Group has specifically evaluated the potential impact with respect to repayment capacity of the customers.

The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, depending on severity of each case. The Group basis their assessment believes that the probability of the occurrence of their forecasted transactions is not impacted by COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the effectiveness and measuring ineffectiveness. The Group has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration. The Impact of Covid -19 on the Group's financial Statement may differ from that estimated as at the date of approval of these financial statements.

XV. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes from "1" to "33" form an integral part of the Accounts.

As per our Report of even date attached

RN-0243525

For and on behalf of the Board

For S S N & CO.

CHARTERED ACCOUNTANTS

F.R.N.: 024352N

ASAD DAUD

MANAGING DIRECTOR

(DIN-02491539)

MUSTAFA A KACHWALA

WHOLETIME DIRECTOR

(DIN-03124453)

MUME

SUSIL K GUPTA

(Partner)

Membership No: 060315

Place : Mumbai

Dated: 15th June, 2020

mtalimi.v. was MADHURI VIJAY VYAS

COMPANY SECRETARY

(M.No: A56570)