



Commitment to Excellence

**June 27, 2026**

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

**Sub: Annual Report of the Company for the Financial Year 2025-26**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Annual Report of the Company for the Financial Year 2025-26, which is being sent only through electronic mode to the Members.

The Annual Report is also available on the Company's website at [www.aeroflexindia.com](http://www.aeroflexindia.com)

Kindly take the same on record.

Thanking you,

Yours faithfully,

**FOR AEROFLEX INDUSTRIES LIMITED**

**Ruthu Parampogi**  
**Company Secretary & Compliance Officer**  
**Membership No.: A60982**

*Encl.: As above*

Aeroflex Industries Limited  
Business Office & Factory  
Plot No: 41 & 42/13, 14, 18, Village: Chal, Near Taloja M.I.D.C.,  
Post: Ghot Camp, Tal: Panvel, Dist: Raigad,  
Maharashtra - 410 208 India  
Phone: +91 22 6146 7100 (100 Lines), Fax: +91 22 6146 7136  
Email: [info@aeroflexindia.com](mailto:info@aeroflexindia.com), Website: [www.aeroflexindia.com](http://www.aeroflexindia.com)  
CIN: L27509MH1993PLC074576





Commitment to Excellence

**Aeroflex Industries Limited**  
Annual Report **2025-26**

# Engineering the next intelligence



# Engineering the next intelligence

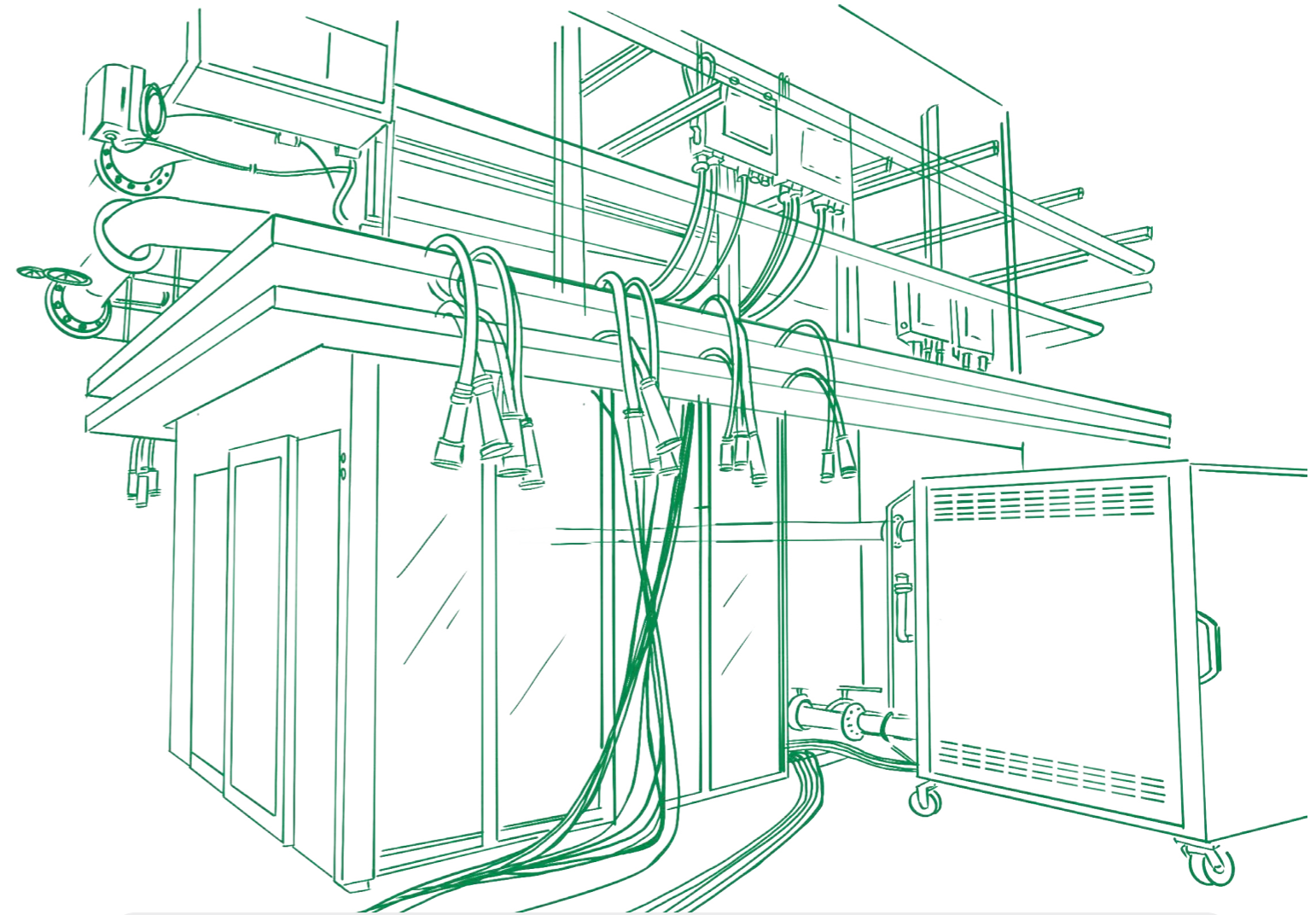
For decades, Aeroflex Industries has been at the forefront of engineering advanced flexible flow solutions that power critical industrial operations worldwide. From enabling the safe and efficient transfer of fluids and gases to supporting high-performance applications across industries, our solutions have become integral to modern industrial infrastructure.

Today, as artificial intelligence, advanced computing, automation and digital technologies reshape the global economy, the demand for precision-engineered flow and thermal management solutions is accelerating rapidly. Aeroflex Industries is strategically aligning its capabilities and capacities with this next phase of industrial and intelligence evolution. Through investments in advanced metal bellows, expanded

manufacturing infrastructure and its prestigious collaboration with global technology leaders for liquid cooling applications in AI data centres, we are strengthening our position in emerging, high-growth sectors where reliability, precision and performance are mission-critical.

Our growing presence across aerospace, AI data centres, robotics, electric mobility, semiconductors and advanced manufacturing reflects our commitment to building future-ready solutions for an increasingly connected world. Backed by engineering excellence, innovation and operational agility, we continue to evolve from a flexible flow solutions provider into a critical enabler of next-generation industrial infrastructure.

**Engineering the Next Intelligence** reflects our commitment to supporting the technologies, systems and industries shaping the future of global progress.



## Read our journey

### Corporate Overview

An Introduction to Aeroflex Industries.....	02
Milestones.....	06
Our Niche Offerings.....	08
Industries We Serve.....	12
Footprint.....	16
Robust Infrastructure.....	18
Awards and Recognitions.....	20
From the MD's Desk.....	22
Financial Performance.....	26
Liquid Cooling Solutions Growth Drivers.....	28
Strategic Priorities.....	30
R&D Expertise.....	32
Environmental Stewardship.....	34

Social Commitment.....	36
Responsible Governance.....	40
Managing Risks.....	44
Corporate Information.....	46

### Statutory Reports

Management Discussion and Analysis.....	47
Board's Report.....	57
Corporate Governance Report.....	79

### Financial Statements

Consolidated Financial Statements.....	104
Standalone Financial Statements.....	160

### Forward-Looking Statement

This document includes forward-looking statements pertaining to anticipated future events and the financial and operational outcomes of Aeroflex Industries Limited ('AIL' or 'Aeroflex' or 'Company'). Given their nature, these forward-looking statements necessitate our Company to make assumptions and are inherently susceptible to risks and uncertainties. These assumptions, predictions, and other forward-looking statements may not prove to be precise. Readers are advised against placing undue reliance on these forward-looking statements, as various factors could lead to disparities between assumptions and actual future results and events. Consequently, this document is subject to a disclaimer and is qualified in its entirety by the assumptions, qualifications and risk factors outlined in the Management Discussion and Analysis section of our Company's Annual Report.

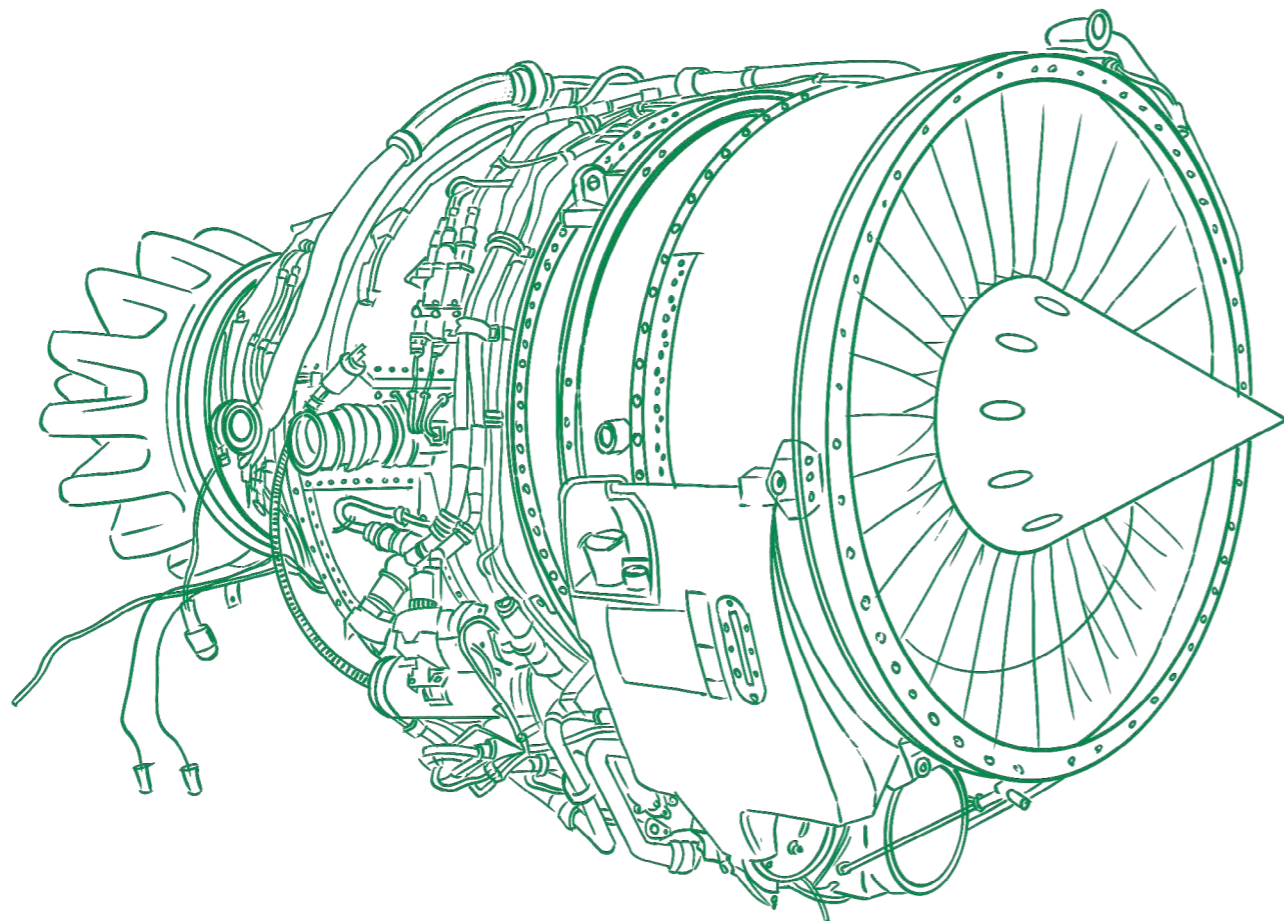
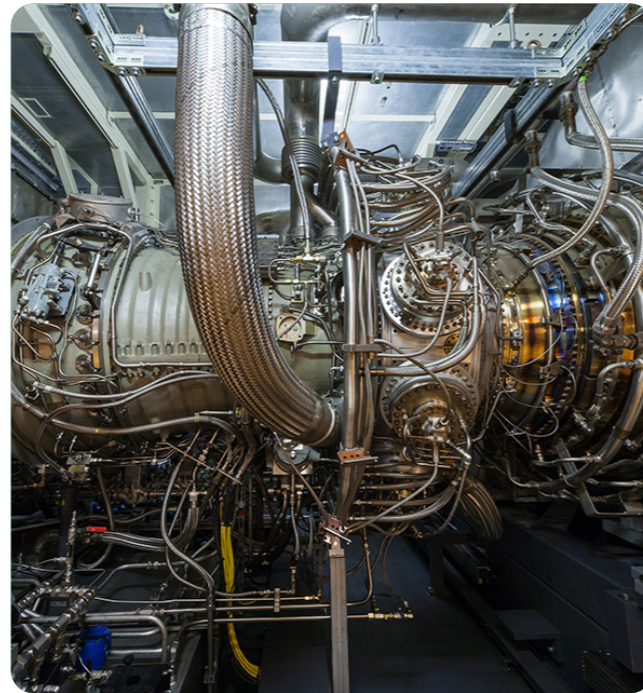


For more details:  
[www.aeroflexindia.com](http://www.aeroflexindia.com)

AN INTRODUCTION TO AEROFLEX INDUSTRIES

# Where engineering meets intelligence

Aeroflex Industries is a global manufacturer of high-precision flexible flow solutions designed for the safe and efficient transfer of solids, liquids and gases across demanding industrial applications. Serving customers in over 90 countries, we combine advanced engineering, specialised manufacturing and customer-focused innovation to deliver reliable, customised flow technologies to sectors such as data centres, marine, aerospace, oil & gas, chemicals, semi-conductor and renewable energy.



Established in 1998, we have built a strong reputation for manufacturing flexible flow solutions engineered for performance, durability and application-specific requirements. We operate advanced manufacturing facilities in Maharashtra, supported by specialised engineering capabilities and an NABL-accredited in-house R&D laboratory that drives continuous innovation. Through our specialised flow solutions and strategic collaboration with a leading global technology provider for liquid cooling solutions, we are strengthening our role in enabling high-performance data centre infrastructure.

Over the years, we have developed a de-risked and diversified portfolio across industries and geographies, strengthening our resilience in dynamic global markets while enabling the safe and controlled transfer of fluids and gases across critical industrial systems.

As industries evolve and new-age technologies accelerate, our flexible flow solutions are supporting the infrastructure that powers the digital economy, spanning AI-ready data centres and high-precision sectors such as aerospace, robotics and semiconductor manufacturing. Backed by the promoter Aeroflex Enterprises Limited (formerly Sat Industries Limited), the Company benefits from strong governance, and financial discipline.

Beyond engineering excellence, we foster a culture rooted in collaboration, accountability and innovation. Our recognition as a 'Great Place to Work' reflects our commitment to building an environment where people, technology and ideas come together to drive the next generation of flexible flow solutions.

## Vision

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

## Mission

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


## Values

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

## Purpose

Commitment to excellence.



 Bellow Factory Lodha

AN INTRODUCTION TO AEROFLEX INDUSTRIES (CONTD.)

Our scale

28 years

Of industry leadership



3,200+

SKUs



690+

Skilled workforce



Customised

Solution provider for high-end application



NABL-accredited

R&D lab



Great Place to Work

Awarded by the Great Place to Work Institute



14

R&D team members



58 products

At various stages of R&D



16 products

In R&D related to data centre (liquid cooling) applications



17.5 million metres

Annual hose production capacity



90+ countries

Export presence across Asia, Americas, Europe and Africa



Capabilities that power our leadership

Leadership in flexible flow solutions

A leading manufacturer of flexible flow solutions engineered for durability, precision and reliability across critical industrial applications.

People-first workplace

Recognised as a Great Place to Work, driven by a culture that prioritises employee well-being, engagement and growth.

Responsible manufacturing

Sustainability-led operations supported by the use of recycled materials and emission-free technologies.

Innovation powered by R&D

A strong R&D backbone driving continuous product innovation and the development of next-generation flexible flow solutions.

Globally approved quality

Products accredited by leading global customers, reflecting consistent quality, stringent standards and deep customer trust.

Advanced manufacturing infrastructure

State-of-the-art facilities equipped with cutting-edge technology to ensure precision engineering and consistent product quality.

MILESTONES

# Defining moments of growth

Our journey reflects a steady pursuit of engineering excellence and global relevance. From a focused manufacturing operation to a trusted provider of flexible flow solutions across international markets, each milestone marks a strategic step in expanding our capabilities, strengthening our global footprint and deepening customer partnerships. These defining moments capture how we have consistently evolved, by investing in technology, scaling our manufacturing strengths and positioning the Company to serve the infrastructure and precision industries shaping the future.

1993

Founded as **Suyog Intermediates Private Limited**

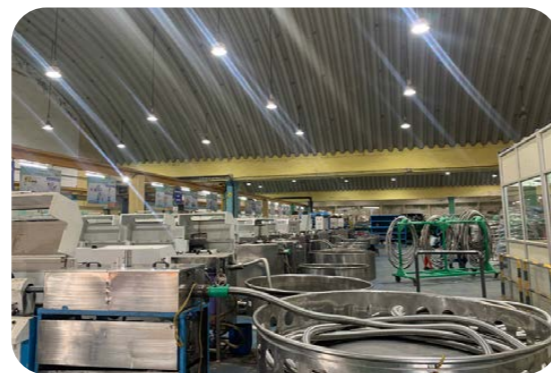


1998

Transitioned to **Aeroflex Industries Private Limited**

2007

Recognised as **'One Star Export House'** by the Government of India



2008

Received private equity investment to accelerate growth

2009

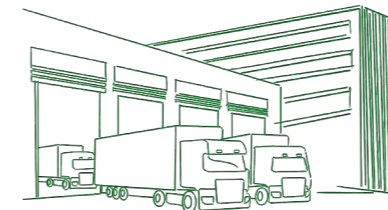
Commissioned a **manufacturing facility** in Navi Mumbai, among the largest of its kind in Asia

2018

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

2020

Launched **turbine hose assemblies**  
Expanded presence to **80+ countries**



2021-22

Achieved **NABL-certified R&D capabilities**  
Upgraded to **'Two Star Export House'** by the Government of India

2023

Listed on Indian stock exchanges through a **successful IPO**

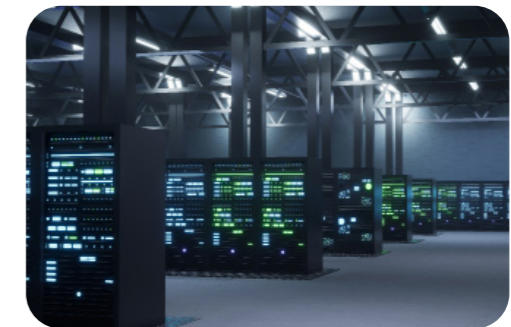


2024

Expanded manufacturing capacity from 11 million metres to **16.5 million metres**  
Acquired **Hyd-Air Engineering** to strengthen assembly capabilities

2025

Introduced **advanced metal bellows**  
Expanded capacity further to **20 million metres**



2026

Secured a long-term supply agreement with a leading U.S. corporation for **liquid cooling solutions for data centres**  
Showcased flexible flow solutions for liquid cooling systems at **Data Center World Exhibition, USA**



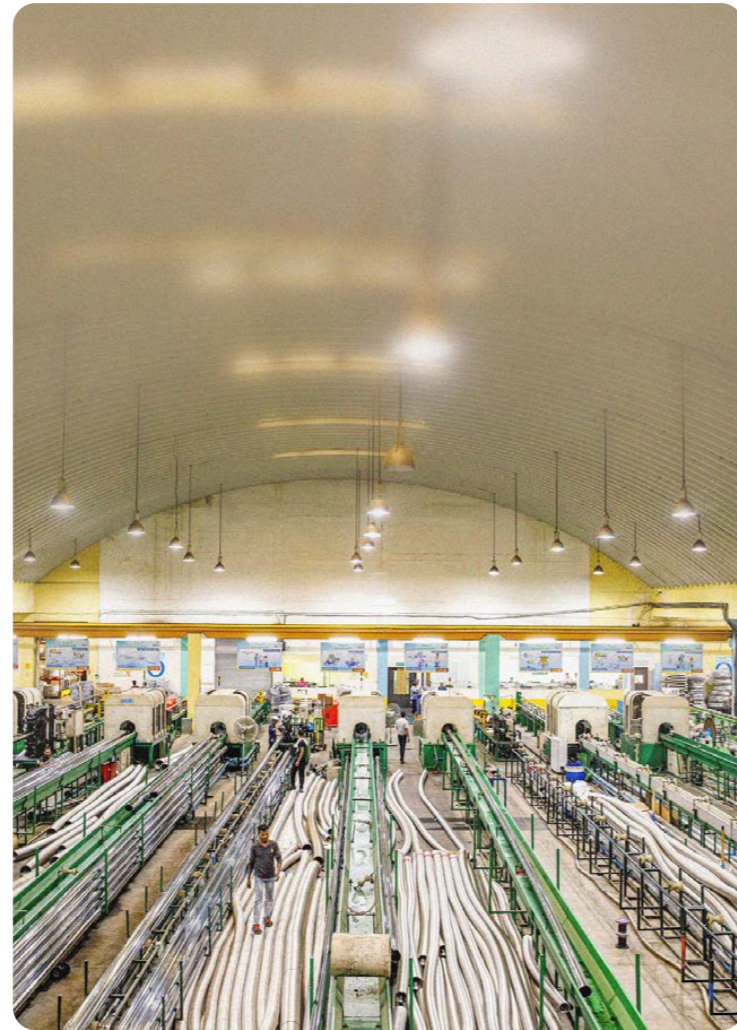
OUR NICHE OFFERINGS

# Precision built for the future

We engineer high-performance flexible flow solutions designed to meet the demanding requirements of diverse industries. Our portfolio spans stainless steel flexible hoses, assemblies & fittings, as well as specialised solutions such as composite & interlock hoses. Complementing these are advanced precision-engineered products, including metal bellows, and liquid cooling solutions for data centres, reflecting our ability to deliver reliability, adaptability and performance across critical applications.



Flagship Taloja Facility



## Stainless steel flexible hoses

Our stainless steel flexible hoses are engineered to deliver reliable performance in demanding operating environments. These hoses provide the flexibility required for complex industrial applications. They are designed to withstand high pressures, extreme temperatures and corrosive conditions, supporting safe and efficient operations across sectors such as steel, hydrocarbon chain and firefighting.



### Key properties

- Resistance to high pressure and temperature
- Resistance to abrasion
- Superior flexibility
- Chemical compatibility
- Available in sizes 1/4" to 14"
- Suitable for extreme weather conditions

43%

Revenue contribution

17.5 million metres per annum

Current operational capacity

## Assemblies, fittings and others

Flexible hose assemblies with welded or soldered end fittings provide secure, plug-and-play connections for a wide range of applications. The fittings are fastened to both ends of the hose through welding or clamping, ensuring reliable performance in industries such as chemical processing, pharmaceuticals, firefighting, defence, aerospace and oil and gas.



46 assembly stations

2 robotic welding lines

Current manufacturing infrastructure

52%

Revenue contribution



### Key properties

- Customisable fittings
- Secure and reliable connections
- Suitable for diverse, new-age applications

## Value-added products

### Metal bellows

Metal bellows are manufactured from stainless steel, nickel alloys and inonel in diameters ranging from 50 mm to 3,000 mm. They are designed to absorb vibration, movement and misalignment in demanding systems. These products serve industries such as space and aviation, robotics, electronics and semiconductors, hydrogen and clean energy, oil and gas, power, water treatment, HVAC and exhaust systems.

1,20,000 pieces per annum

Current capacity of metal bellows



### Key properties

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

**OUR NICHE OFFERINGS (CONTD.)**

**Leveraging Hyd-Air's expertise**

In 2024, we acquired Hyd-Air Engineering Private Limited, marking a strategic step toward expanding our capabilities in advanced flow solutions. Hyd-Air's expertise in hydraulic products strengthens our design capabilities and enables us to offer more comprehensive solutions across applications.

Following the acquisition, the facility has undergone significant upgrades, including enhancements to the Quality Lab and R&D Centre. Advanced CNC machines have also been ordered and are scheduled for installation to support faster production and improved operational efficiency.

Hyd-Air brings strong capabilities in hydraulic fittings, fluid connectors and flanges, enabling Aeroflex to provide complete flow solutions to customers. It also adds a prestigious client base across sectors such as railways, shipbuilding and heavy industries, while supporting infrastructure optimisation and improved EBITDA margins.

**Enabling advanced cooling infrastructure for next-generation data centres**

The rapid expansion of artificial intelligence and high-performance computing is accelerating the development of high-density data centres and driving the shift towards advanced liquid-cooling systems.

Aeroflex has entered into a long-term agreement with a leading US based corporation to supply advanced flow-control components for high-performance liquid-

cooling solutions. Our precision-engineered metallic hoses, piping systems and expansion joints support the Secondary Fluid Network (SFN), a critical layer that ensures safe, stable and efficient coolant distribution across data centre infrastructure. Our fully welded metallic systems offer inherent advantages, including zero permeation, enhanced fire safety and predictable lifecycle performance. Combined with controlled clean manufacturing processes and rigorous testing protocols, these capabilities support long-term reliability and thermal stability in mission-critical environments.

Designed for compact, plug-and-play deployment inside data centre white spaces, our SFN skid assemblies enable faster installation, high thermal efficiency and continuous operation for high-density computing environments. Their space-efficient footprint also helps maximise utilisation within high-value data centre infrastructure.



At the India AI Impact Summit held in New Delhi in February 2026, Aeroflex showcased advanced liquid-cooling solutions designed for high-density AI and data-centre environments. As part of this display, the complete product category supplied by the Company for liquid-cooling applications was unveiled.

Our precision-engineered metallic hoses, piping systems and expansion joints form an integral part of the coolant distribution architecture used in these systems, enabling safe and reliable thermal management for high-performance computing infrastructure. The showcase highlighted Aeroflex Industries' role in supporting next-generation data-centre cooling technologies and strengthened its position within the emerging AI-driven digital infrastructure ecosystem.

**617**

Liquid-cooling skid assemblies delivered in FY26

**₹21.2 crore**

Revenue generated from liquid-cooling skid in FY26

**6,000 p.a.**

Liquid-cooling skids manufacturing capacity as at Q4FY26

**15,000 p.a.**

Liquid-cooling skids manufacturing capacity planned by Q2FY27

**FY26 Operational Performance**

**Revenue contribution by product segment**

Products	FY26	FY25
SS Flexible Hoses	43%	49%
Assemblies & Others*	52%	51%
SFN Skid Assemblies	5%	0%

\* Includes revenue from Metal Bellows and Hyd-Air divisions

**Global markets we serve**

Products	FY26	FY25
Americas (North and South)	59%	56%
Europe	27%	30%
Asia	11%	10%
Africa	2%	3%
Others	1%	1%

We have completed our first commercial dispatch under this partnership and are scaling our liquid-cooling skid assembly capacity from 6,000 units to 15,000 units per annum to support growing demand from global data centre infrastructure providers.

This collaboration marks our entry into next-generation data centre infrastructure and strengthens our presence in a rapidly expanding global market. Through engineering depth, manufacturing discipline and the ability to deliver customised solutions at scale, we continue to support global data centre operators, OEMs and system integrators in building resilient and future-ready cooling ecosystems.



INDUSTRIES WE SERVE

# At the core of emerging industries



## Steel and Metal

### Applications

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



We deliver high-performance stainless-steel hoses, assemblies and precision flow solutions for critical applications across industries such as aerospace, oil and gas, hydrogen, solar, robotics and other emerging technology sectors. Our products are engineered to support demanding environments where reliability, safety and precision flow management are essential.

## Bulk Terminal Handling

### Applications

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



## Solar

### Applications

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



## Chemicals, Food and Pharmaceuticals

### Applications

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



## Petrochemicals and Oil Refineries

### Applications

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



## Paper & Pulp

### Applications

- Steam transfer
- Chemical transfer
- By-product transport



INDUSTRIES WE SERVE (CONTD.)

Emerging industries

Data centres

Applications

Our liquid cooling solutions are used in data centres to remove heat from high-performance computing equipment such as CPUs, GPUs and AI accelerators.



Aerospace and defence

Applications

Our products enable the safe and reliable transfer of fuel, lubricants, compressed gases and coolants across critical aircraft systems. They are widely used in hydraulic, fuel and cooling systems within the aerospace and defence sectors, where flexibility and reliability are essential.



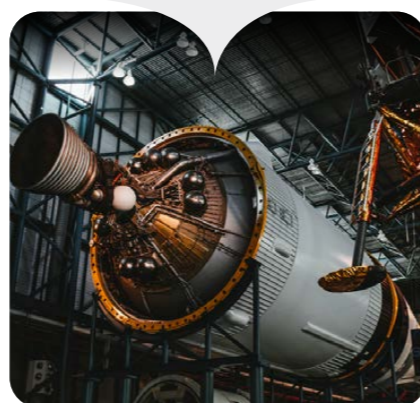
Our esteemed clientele



Semiconductors

Applications

In the semiconductor industry, our small-diameter hoses support chip fabrication processes by enabling the precise transfer of ultrapure water, chemicals and gases. Designed for cleanroom environments, they ensure high reliability while maintaining the purity of critical fluids.



Electric mobility

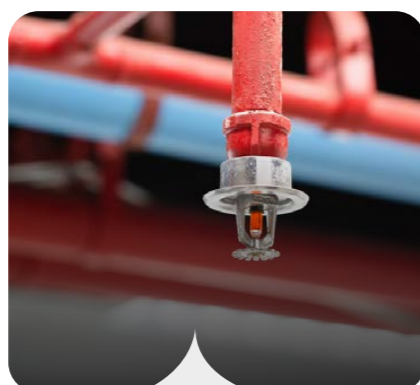
Applications

Our flexible flow solutions support thermal management in EV battery systems and fluid transfer assemblies, ensuring efficient heat regulation and reliable system performance.

Robotics and automation

Applications

Our flexible flow solutions support pneumatic systems, robotic welding and automation applications. Designed for flexibility and durability, they enable reliable performance and efficient operation in advanced robotic environments.



Hydrogen

Applications

Our products are used in hydrogen storage, dispensing and transportation systems, enabling the safe and reliable transfer of hydrogen across critical infrastructure.



Fire sprinklers and firefighting solutions

Applications

High-pressure hoses play a critical role in fire sprinkler systems, both indoors and outdoors, enabling rapid and effective fire suppression. They deliver water or fire retardants efficiently by connecting fire engines, hydrants and building safety systems.

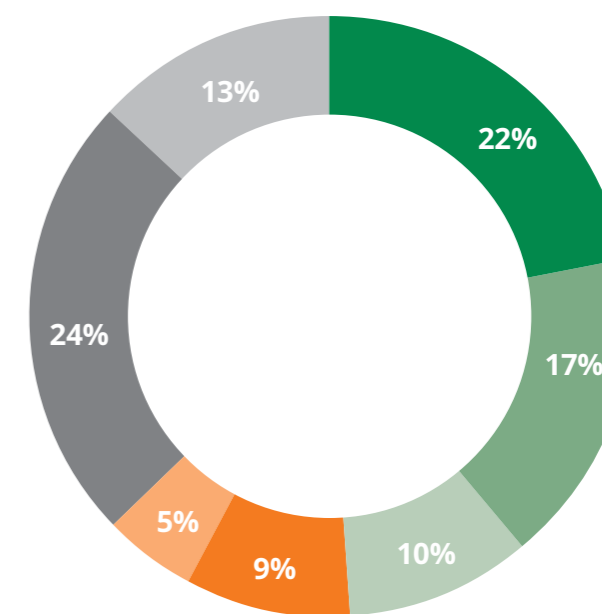


HVAC

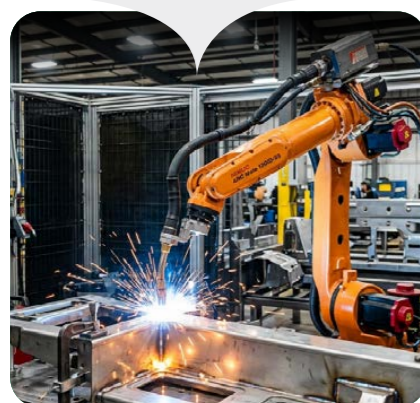
Applications

Our products are used in HVAC piping systems to manage thermal expansion and absorb vibrations, enhancing system stability, durability and operational efficiency.

Revenue breakup by industry



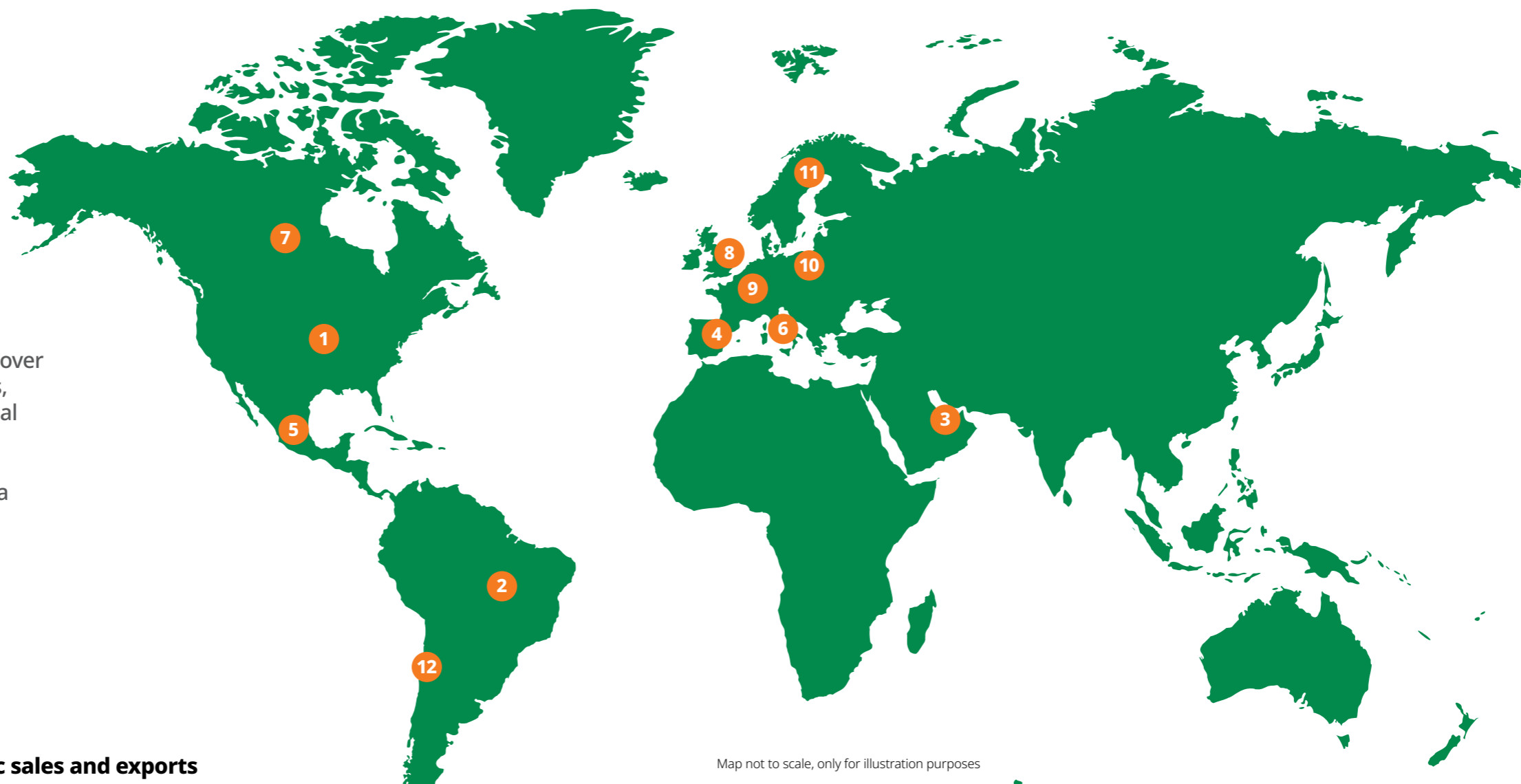
- 22% - Steel and other metals
- 17% - Ports and terminals
- 10% - Oil, natural gas and energy
- 9% - Petrochemicals and chemicals
- 5% - Data centres
- 24% - New-age industries
- 13% - Others



FOOTPRINT

# Growing global presence

Aeroflex products reach customers in over 90 countries across Asia, the Americas, Europe and Africa. This extensive global footprint enables us to participate in diverse industrial markets while strengthening our resilience through a well-balanced geographic presence.



Map not to scale, only for illustration purposes

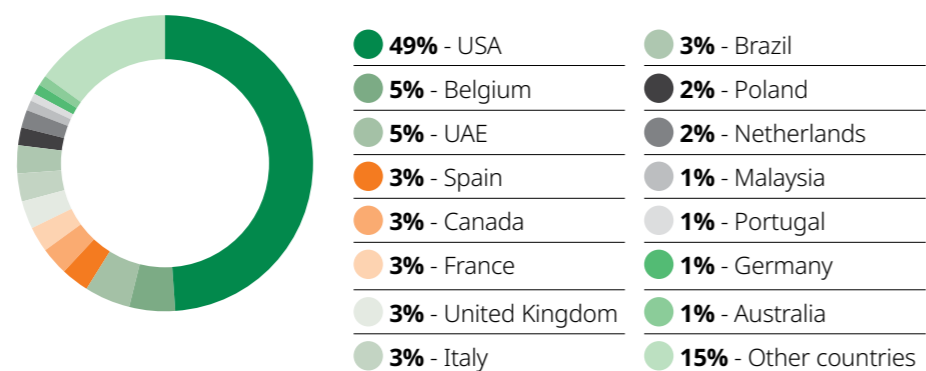
## Major Export Destinations

- 1 United States of America
- 2 Brazil
- 3 United Arab Emirates
- 4 Spain
- 5 Mexico
- 6 Italy
- 7 Canada
- 8 United Kingdom
- 9 France
- 10 Germany
- 11 Sweden
- 12 Chile

## Domestic sales and exports

	FY26	FY25
Domestic	31%	26%
Exports	69%	74%

## FY26 Country-Wise Export Sales



## Geography-wise exports

### Americas



### Europe



### Asia



### Africa



### Others



ROBUST INFRASTRUCTURE

# Infrastructure for the intelligent age

Our world-class manufacturing facilities combine precision engineering with advanced technology to deliver high-performance flexible flow solutions. Supported by modern processes and a strong focus on sustainability and continuous improvement, our operations are designed to consistently meet the evolving requirements of global industries with reliability and efficiency.

## Manufacturing excellence

Our Taloja facility forms the backbone of our global manufacturing and supply network, serving customers in over 90 countries across industries such as automotive, oil & gas, aerospace and other emerging sectors. To further strengthen our capabilities, we have expanded operations at Lodha Industrial Park near Taloja MIDC, with a dedicated focus on manufacturing bellows and composite hoses, enhancing precision and operational efficiency.

Our subsidiary, Hyd-Air Engineering in Chakan, Pune, has also undergone significant infrastructure upgrades, including enhanced quality laboratories and R&D facilities, strengthening our capabilities in advanced engineering and product development.

Supported by modern technology, rigorous quality standards and a strong focus on sustainable operations, our manufacturing ecosystem enables us to consistently deliver reliable, high-performance solutions while reinforcing our position as a trusted industry leader.

### Production capacity

**17.5 million metres**  
Hoses

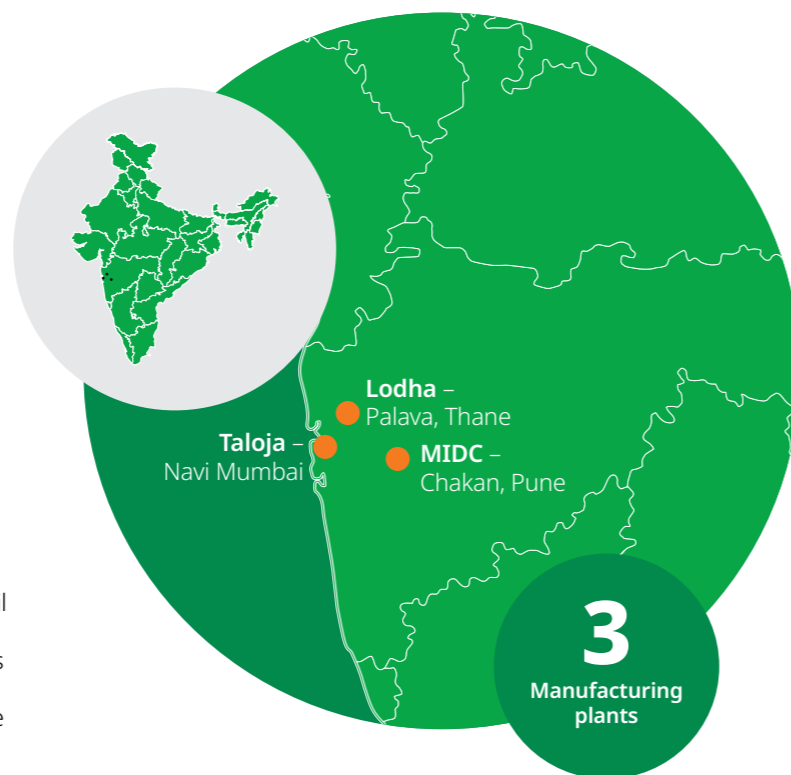
**6,000**  
Liquid Cooling Skid Assemblies

**70%**  
Hoses Capacity Utilisation

**In-house**  
Design and R&D Laboratory

**Strategically located**  
Near JNPT Port

**Critical flow applications**  
Across Diverse Industries



## Certifications



**ISO 9001:2015**  
Quality Management Systems



**ISO 14001:2015**  
Environmental Management Systems



**ISO 45001:2018**  
Occupational Health and Safety Management Systems

## Strategic capacity expansion

### Products

#### SS flexible Hoses

##### Total capacity

Planned capacity increase to

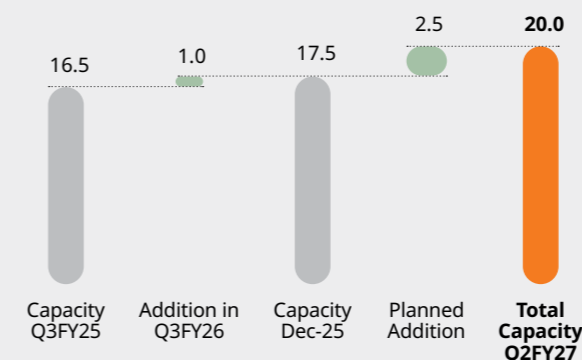
**20 million metres**

##### Timeline

**Q2FY27**

##### Details

Capacity to increase by 2.5 million metres, from 17.5 million metres in Q3FY26 to 20 million metres in Q2FY27



#### Assemblies and Fittings

##### Total capacity

Planned capacity increase to

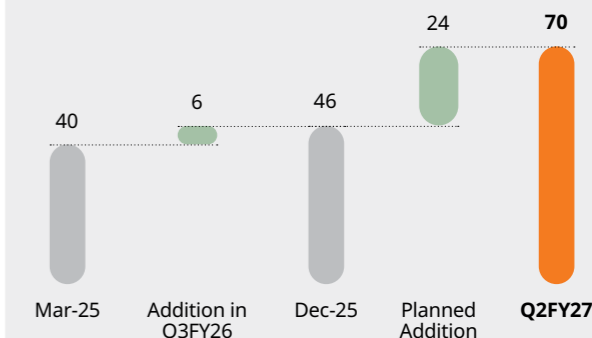
**70 assembly stations**

##### Timeline

**Q2FY27**

##### Details

Capacity to increase by 24 assembly stations, from 46 in Q3FY26 to 70 in Q2FY27



#### Liquid Cooling Skid Assemblies

##### Total capacity

Planned capacity increase to

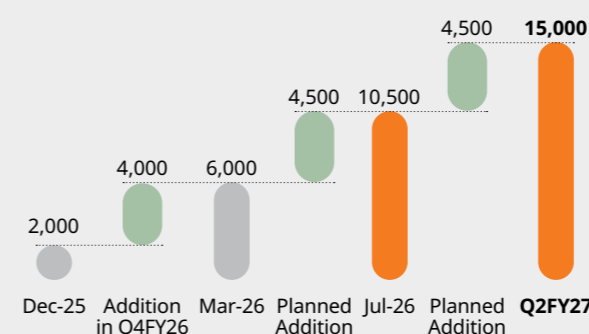
**15,000 pieces**

##### Timeline

**Q2FY27**

##### Details

Capacity to increase by 9,000 pieces over 2 phases, from 6,000 in Q4FY26 to 15,000 in Q2FY27



#### Robotic Welding Lines

##### Total capacity

Planned capacity of

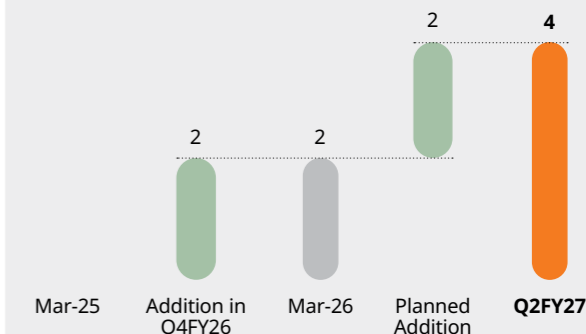
**4 manufacturing lines**

##### Timeline

**Q2FY27**

##### Details

Capacity to increase by 2 manufacturing lines, from 2 lines in Q4FY26 to 4 lines in Q2FY27



AWARDS AND RECOGNITIONS

# Benchmarks of excellence



**Great Place to Work®  
Certification - 2025-26** -  
awarded to Aeroflex Industries



**EEPC India Export Awards (Western  
Region) - Awards for Export Excellence:**  
2023-24 awarded to Aeroflex Industries



**16<sup>th</sup> CII National HR  
Excellence Award  
2025-2026**



**Great Manager  
Certification - 2025-26**



**EEPC India 40<sup>th</sup> Export Awards  
(Western Region) - Awards  
for Export Excellence: 2022-23**  
awarded to Aeroflex Industries



**India Top 50 Managers  
Award - 2025-26**



## FROM THE MD'S DESK

# Leading with vision and purpose



## Dear Shareholders,

“Engineering the Next Intelligence” reflects the evolving role Aeroflex is playing in a world increasingly shaped by artificial intelligence, advanced computing, automation and digital infrastructure. In the age of intelligence, as industries become smarter and more interconnected, the need for high-performance flow, cooling and thermal management solutions is accelerating rapidly. Aeroflex is strategically aligning its engineering capabilities with these next-generation opportunities, enabling the critical infrastructure that powers the future of global industry.

It gives me immense pride to present the Annual Report for FY26, a year that marks another important milestone in our growth journey. Over the years, we have steadily built a resilient organisation anchored in engineering excellence, technical capabilities and a strong commitment to innovation. This year, that foundation enabled us to accelerate our strategic transformation while strengthening our position as a global provider of advanced flexible-flow solutions.

During the year, we continued to expand our leadership in stainless-steel flexible flow solutions while successfully diversifying into next-generation opportunities aligned with the global AI and data-centre infrastructure boom. Our entry into liquid cooling systems for data centres, supported by our partnership with a leading US based technology leader, marks a pivotal step in our evolution from a component manufacturer to a provider of integrated, value-added engineering solutions with increasing participation in high-growth industries such as AI infrastructure, semiconductors, robotics and advanced manufacturing.

At Aeroflex, we firmly believe that adaptability and innovation drive long-term success. Guided by this philosophy, we continue to invest in advanced manufacturing, cutting-edge product development and strategic partnerships that enable us to stay ahead of evolving industry demands. As we expand our capabilities and strengthen our global footprint, our focus remains on delivering sustainable growth, operational excellence and long-term value creation for all stakeholders.

## Delivering strong operational momentum

During FY26, Aeroflex delivered strong operational performance driven by disciplined execution, capacity optimisation and an increasing share of high-margin value-added products. Our strategy of moving up the value chain, from component manufacturing to engineered assemblies and integrated fluid-flow solutions, continues to yield tangible results.

Our continued focus on assemblies and integrated solutions is transforming the quality of our revenue profile. During FY26, assemblies contributed more than 50% of our total revenues, surpassing our internal targets ahead of schedule. We continue to remain firmly aligned with our long-term objective of increasing the contribution of assemblies to nearly 70-75% of revenues other than from liquid cooling solutions business over the next few years. This strategic transition is strengthening margins, improving customer retention and deepening long-term customer engagement.

One of the most important milestones in our operational evolution has been the successful integration of Hyd-Air Engineering, which we acquired in the previous year. Hyd-Air brings German technology-enabled capabilities in hydraulic fittings, fluid connectors, valves and related components, serving industries such as railways, shipbuilding, defence, steel and heavy machinery. The integration has strengthened our vertical integration capabilities while enabling us to deliver more comprehensive and customised fluid control solutions to customers.

## Engineering the future of AI infrastructure: strategic partnership

A defining strategic development during the year was our partnership with a US based technology leader, which is a globally recognised leader in digital infrastructure and critical data-centre technologies. This collaboration marks Aeroflex's formal entry into the rapidly growing liquid cooling ecosystem for data centres. As AI infrastructure scales globally, liquid cooling technologies are becoming increasingly critical for ensuring thermal efficiency and operational reliability in high-density computing environments.

Through this partnership, we are developing and manufacturing advanced liquid cooling skids, flexible assemblies and fluid transfer systems designed specifically for high-density data-centre environments. Our engineering expertise in stainless-steel flexible flow

Our entry into liquid cooling systems for data centres, supported by our partnership with a leading US based technology leader, marks a pivotal step in our evolution from a component manufacturer to a provider of integrated, value-added engineering solutions with increasing participation in high-growth industries such as AI infrastructure, semiconductors, robotics and advanced manufacturing.

solutions positions us as a reliable partner capable of meeting the stringent performance and reliability requirements of hyperscale infrastructure.

During FY26, we successfully commercialised our liquid cooling skid assembly solutions and recorded an initial sale of 617 skid assemblies, generating revenues of ~₹21 crore. To support future demand, we have expanded our skid assembly capacity to 6,000 pieces per annum, with plans to scale this further to 15,000 pieces by Q2FY27.

## Expanding our global footprint

We continue to strengthen our global footprint and remain a trusted supplier to leading OEMs and industrial customers across multiple geographies. Today, our products are exported to more than 90 countries, spanning the Americas, Europe, the Middle East, Africa and Asia-Pacific. Our solutions are deployed across a diverse range of industries, including oil & gas, petrochemicals, power generation, automotive, pharmaceuticals, heavy engineering, and increasingly, advanced digital infrastructure. This diversified market presence helps mitigate cyclical industry risks while providing exposure to multiple high-growth sectors globally.

Exports continue to remain a strong pillar of our business, with international markets contributing nearly 69% of revenues during FY26. At the same time, the domestic market witnessed particularly strong growth driven by project demand across ports, irrigation, oil & gas, petrochemicals and steel sectors. Going forward, we also continue to evaluate opportunities to strengthen our international presence further, including strategic expansion initiatives in the United States, the Middle East and other high-potential global markets.

**FROM THE MD'S DESK (CONTD.)**

**Scaling manufacturing for the next phase of growth**

Rapid capacity expansion remains central to our long-term growth strategy. Over the past several years, we have made consistent investments to scale our manufacturing capabilities while enhancing automation, productivity and product quality. Our stainless-steel hose and braiding capacities have been expanded significantly, supporting rising demand from global markets. The Company continues to optimise its production infrastructure with a focus on efficiency and scalability. In parallel, we have strengthened our assembly capabilities through the commissioning of additional assembly stations and the introduction of automated and robotic manufacturing systems.

During FY26, we also established dedicated facilities for the production of liquid cooling skids and related assemblies. These specialised manufacturing lines are designed to support the emerging demand from the data-centre industry and will play an important role in scaling our new liquid-cooling vertical.

Innovation lies at the core of Aeroflex Industries' long-term strategy. Our research and development teams continue to focus on designing high-performance solutions that address evolving customer requirements across multiple industries.



These investments ensure that Aeroflex remains well positioned to meet both current and future demand while maintaining the highest standards of precision engineering and operational efficiency.

**Engineering innovation for tomorrow's industries**

Innovation lies at the core of Aeroflex's long-term strategy. Our research and development teams continue to focus on designing high-performance solutions that address evolving customer requirements across multiple industries.

Our R&D efforts span advanced materials, including specialised alloys and composite materials that enhance durability, flexibility, and corrosion resistance. We are also developing fire-safe and vacuum-rated hose assemblies, as well as highly customised fluid transfer systems tailored to specific industrial applications. In parallel, we are integrating advanced digital tools into our engineering and manufacturing processes. The adoption of Industry 4.0 technologies, real-time shop-floor monitoring, and integrated SAP ERP systems has significantly improved operational visibility, efficiency, and product development timelines. These initiatives are enabling us to respond faster to customer requirements while maintaining high standards of reliability and performance.

**Driving profitable growth and shareholder value**

FY26 has been a year of record financial performance for Aeroflex. Total income for the year increased to ₹443.3 crore, reflecting a growth of 17% YOY. Subsequently, EBITDA grew by 26% to ₹99.7 crore, while profit after tax stood at ₹55.5 crore. Cash profit for FY26 came in at ₹81.6 crore, registering a growth of 28% YOY. This strong performance was driven by higher operational efficiencies, increasing contribution from value-added products and disciplined execution across the business.

The Board has recommended a final dividend of 20%, equivalent to ₹0.40 per equity share of face value ₹2 each, reflecting our continued commitment to rewarding shareholders while reinvesting in long-term growth.



Our operations are supported by 100% water recycling through in-house treatment facilities, reflecting our commitment to responsible and sustainable growth.

**Advancing responsible and sustainable growth**

Sustainability remains deeply embedded in our operational philosophy. During the year, we continued to strengthen our sustainability roadmap through renewable energy initiatives, water conservation systems, responsible resource management and increasing use of recycled materials in manufacturing. Our operations are supported by 100% water recycling through in-house treatment facilities, reflecting our commitment to responsible and sustainable growth.

Beyond environmental initiatives, we remain committed to the well-being of our employees and communities. Through programmes focused on healthcare, education, skill development and environmental conservation, we aim to create lasting positive impact for society.

**Upholding the highest standards of governance**

Strong corporate governance remains fundamental to our organisation. We operate with a robust governance framework supported by an experienced and independent Board, transparent decision-making processes, and strict adherence to regulatory requirements.

Our governance philosophy emphasises accountability, integrity, and ethical business practices. Robust internal control systems, enterprise-wide risk management frameworks, and continuous compliance monitoring ensure that our operations remain resilient and responsible.

These practices strengthen stakeholder confidence and reinforce our commitment to building a sustainable and trustworthy organisation.

**Looking ahead with confidence**

As we look ahead, Aeroflex is well positioned for the next phase of growth, supported by strong engineering capabilities, vertically integrated manufacturing, increasing participation in high-growth industries and a resilient, cash-generative business model. Our strategic priorities remain focused on expanding the liquid cooling solutions business, increasing the contribution of assemblies and metal bellows, strengthening automation and pursuing growth opportunities across global markets.

With a clear long-term roadmap and strong execution capabilities, we remain confident in our ability to deliver sustainable growth and long-term value creation. As we conclude FY26, I would like to extend my sincere gratitude to our shareholders, customers, partners, suppliers, employees and the Board of Directors for their continued trust and support. Together, we have built a resilient organisation that is ready to embrace the opportunities of the future. With a strong strategic vision, a passionate team and a commitment to innovation, Aeroflex Industries is well positioned to achieve even greater milestones in the years ahead.

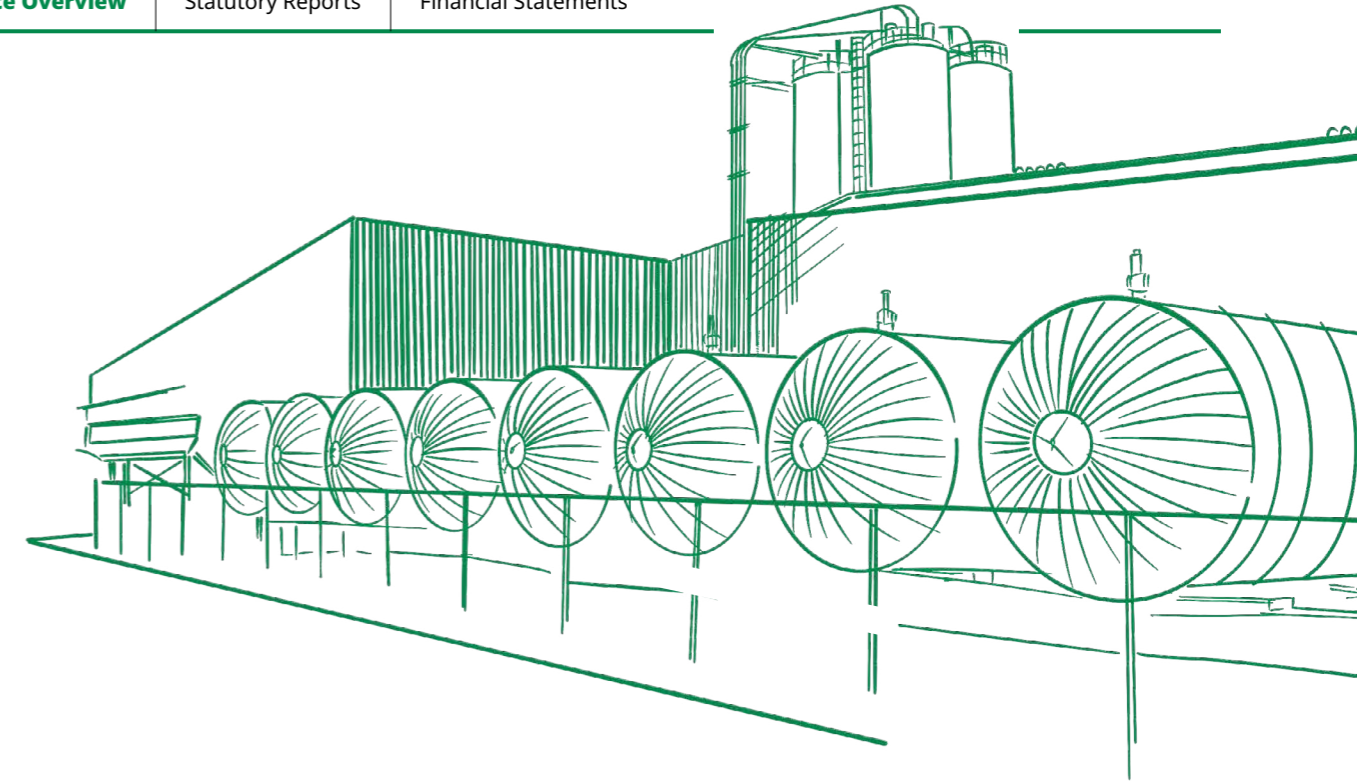
Warm regards,

**Asad Daud**  
Managing Director

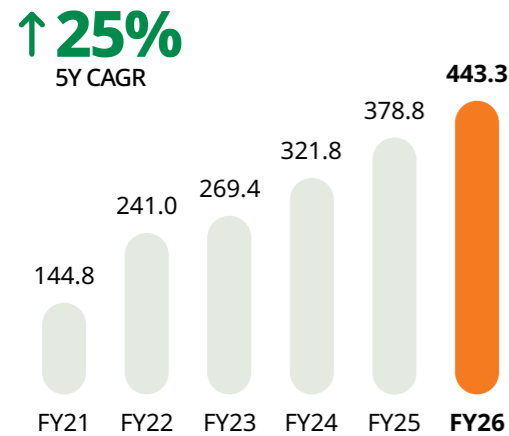
FINANCIAL PERFORMANCE

# Performance backed by resilience

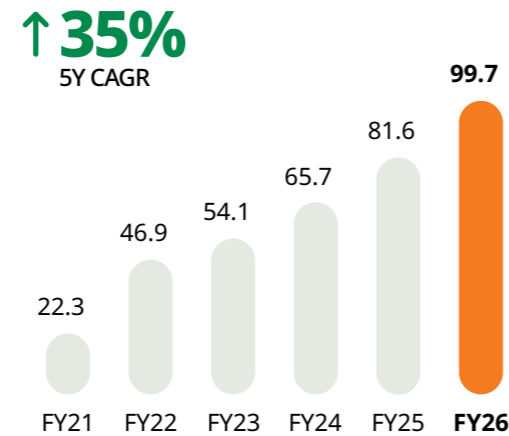
We have delivered a strong and resilient financial performance during the year, supported by our continued focus on value-added products, expanding global customer relationships and entry into high-growth applications. Despite industry headwinds in certain export markets, our diversified end-market presence and strong customer stickiness have enabled us to sustain growth momentum. At the same time, our strategic investments in capacity expansion, advanced manufacturing capabilities and emerging solutions such as liquid-cooling systems for data centres position us to capture the next phase of growth in mission-critical flow applications. Overall, our disciplined execution and evolving product mix continue to strengthen the foundation for scalable and profitable growth.



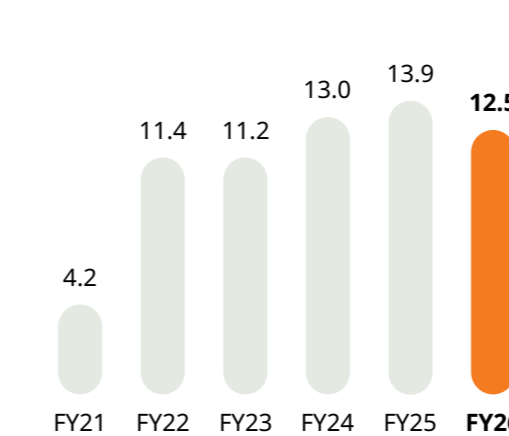
**Total Income**  
(₹ in Cr.)



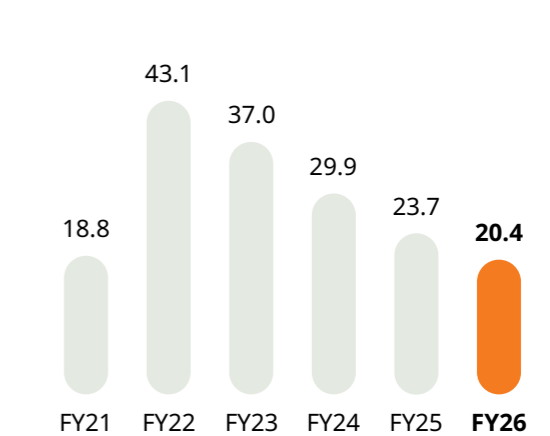
**EBITDA**  
(₹ in Cr.)



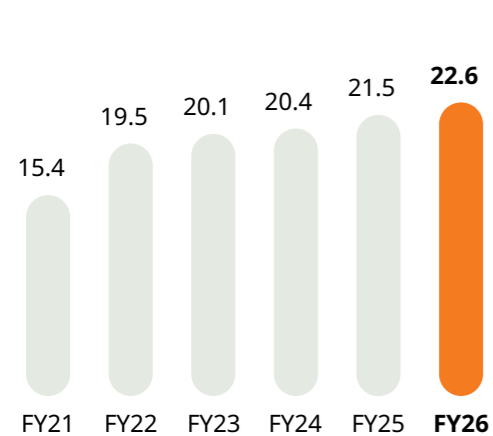
**PAT Margin**  
(in %)



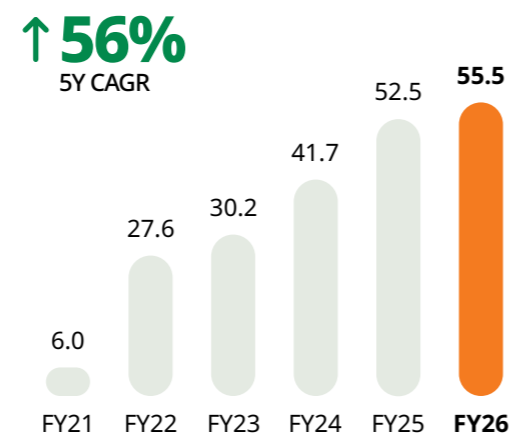
**ROCE**  
(in %)



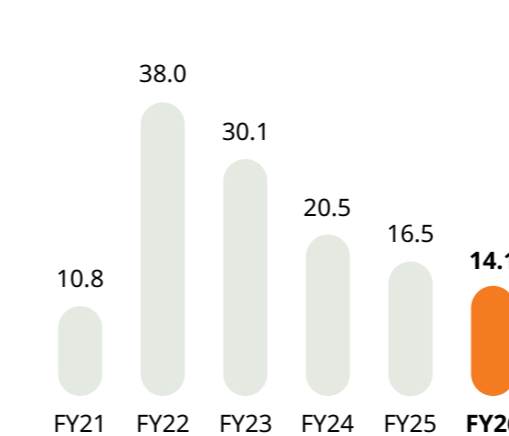
**EBITDA Margin**  
(in %)



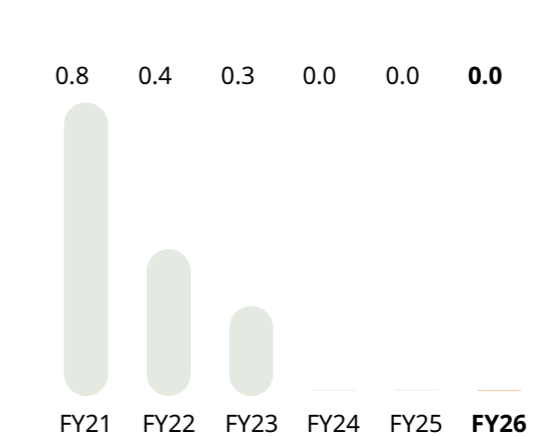
**PAT**  
(₹ in Cr.)



**ROE**  
(in %)

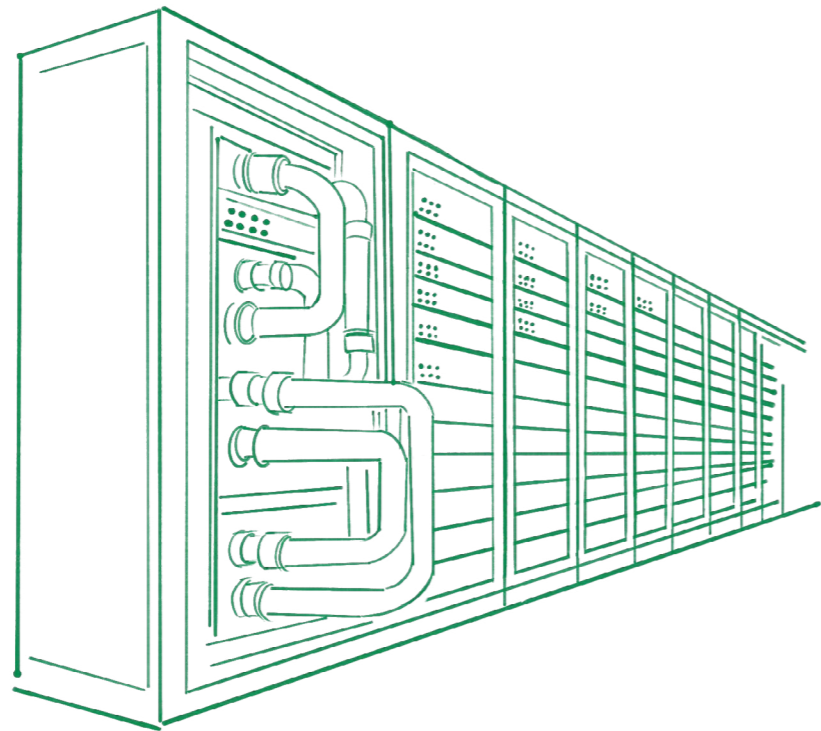


**Net Debt to Equity**  
(times)



LIQUID COOLING SOLUTIONS: GROWTH DRIVERS

# Drivers of the next opportunity



Across the world, and increasingly in India, the rapid expansion of digital infrastructure is transforming the way data centres manage heat and energy. The surge in artificial intelligence workloads, cloud computing and high-density processing has begun to push traditional air-cooling systems to their technical limits. As computing power intensifies, data centre operators are turning toward advanced liquid-cooling architectures that offer superior thermal efficiency, lower power consumption, and a more sustainable footprint for next-generation facilities.

## Entering the next frontier of cooling infrastructure

Against this backdrop, Aeroflex marked a significant milestone by successfully dispatching the first shipment of advanced flow control components for high-performance liquid cooling systems used in data centres. This follows a long-term agreement with a US based company, a global leader in data centre infrastructure solutions, marking our entry into next-generation cooling technologies that support high-density computing and AI-driven workloads.

## Strengthening position in a mission-critical ecosystem

Through this partnership, we are supplying precision-engineered flow control components that form part of mission-critical liquid cooling infrastructure. Continuous orders and dispatches under this agreement reflect the strength of our engineering capabilities and R&D expertise, positioning the Company as a trusted partner in the rapidly evolving global data centre ecosystem while also strengthening its presence in the domestic market.

## Unlocking long-term structural growth

The global market for liquid-cooling technologies is expanding rapidly as data centres transition from traditional air-cooling systems to more efficient liquid-based architectures capable of managing rising computing power, storage demands, and rack densities. Advanced solutions such as direct-to-chip cooling are emerging as critical enablers for hyperscale and AI-driven facilities, delivering superior thermal efficiency while lowering long-term operating costs and supporting increasingly stringent energy and sustainability requirements.

As this structural shift accelerates worldwide, Aeroflex Industries' partnership positions the company at the centre of a high-growth technology transition. Backed by its expertise in precision-engineered metal bellows, advanced manufacturing capabilities, and robust quality standards, the Company is well placed to participate in a multi-decade opportunity linked to the expansion of artificial intelligence, cloud infrastructure and high-performance computing.

## Reinforced by engineering excellence

Further strengthening this positioning, we received certification from the American Society of Mechanical Engineers (ASME) under the Boiler and Pressure Vessel Code. This recognition affirms the Company's capability to design and manufacture expansion joints and metal bellows for high pressure-retaining systems, reinforcing its reputation for engineering excellence in demanding global applications.

## Strategic impact on our growth

This development expands our presence from traditional industrial applications into high-technology infrastructure, diversifies our product portfolio toward higher-value solutions and strengthens long-term revenue visibility through global partnerships. Together, these factors position the Company to capture emerging opportunities in next-generation cooling and mission-critical flow solutions.



STRATEGIC PRIORITIES

# Creating the future advantage

Our growth strategy is centred on building a resilient, future-ready business that can capitalise on evolving global industrial opportunities. We are driving long-term, sustainable growth by diversifying our product portfolio, strengthening our global footprint and expanding into high-value sectors with advanced engineering solutions. By leveraging our core expertise in high-performance flow solutions, deepening our innovation capabilities and strategically broadening our market presence, we aim to enhance our value proposition while positioning the Company to participate in the next wave of industrial and technological growth.

## Driving sustainable, high-value growth

We are focused on building a resilient and future-ready business by expanding our product portfolio, strengthening innovation capabilities, broadening our global footprint and entering high-value industries with advanced engineering solutions.

## Expanding the product portfolio

As a specialist in high-performance flexible flow solutions, we are expanding beyond our core offerings to include bellows manufacturing. This includes metal bellows designed for applications in industries such as aerospace, robotics and semiconductors. This strategic expansion enables us to participate in technologically advanced sectors with strong long-term growth potential.

## Expanding global reach

Despite ongoing geopolitical uncertainties, we achieved an impressive 69% export-mix during the year. To sustain this momentum, we are establishing strategic hubs across the United States, Europe and the Middle East. These hubs will strengthen customer engagement and support growth in critical sectors such as oil and gas, aerospace, defence, electric mobility and robotics.

## Strengthening the domestic market

While exports continue to be a key growth driver, we are equally focused on expanding our presence in the domestic market, which currently contributes 31% of revenue. By leveraging our established capabilities and broadening our product portfolio, we aim to deepen our footprint across key domestic industries while further diversifying our geographic exposure.

## Strengthening design and R&D capabilities

Innovation remains central to our growth strategy. Our NABL-accredited laboratory, supported by a team of qualified R&D professionals, is enhancing our in-house design and engineering capabilities. Research and development efforts are focused on expanding our product portfolio across both existing and advanced materials, including stainless steel (SS), bronze, inconel, monel and PTFE, enabling us to address increasingly demanding industrial applications.

## Strategic inorganic expansion

Our acquisition of Hyd-Air Engineering in 2024 marks a strategic step in expanding our capabilities. The acquisition adds fluid control assemblies to our portfolio, opens new opportunities in sectors such as railways, shipbuilding, and heavy industry, and enables backward integration through in-house fittings manufacturing, driving both cost efficiencies and supply-chain resilience.

## Accelerating digital transformation

We are integrating digital technologies across operations to enhance efficiency and enable data-driven decision-making. The implementation of SAP ERP, digital production monitoring systems and Industry 4.0 technologies, including IoT and machine learning, is supporting lean manufacturing and operational optimisation. Advanced simulation tools have also been deployed to strengthen R&D capabilities and accelerate product innovation.

## Enhancing value through high-margin products

We continue to strengthen our product mix by increasing our focus on value-added offerings and higher-margin solutions. By expanding our assemblies portfolio and advancing into specialised products such as metal bellows, we aim to enhance our value proposition while driving sustainable improvements in profitability.

## Strategic partnership to capture the data centre liquid-cooling opportunity

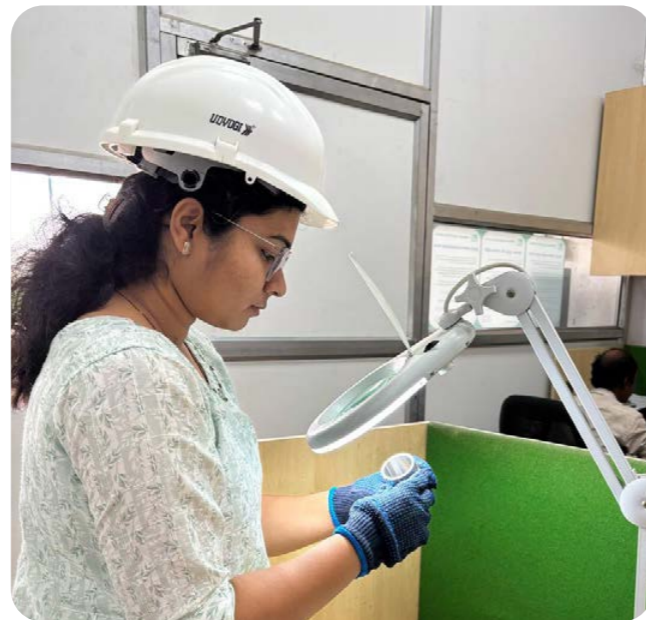
Our strategic partnership positions Aeroflex within the rapidly expanding liquid-cooling ecosystem for next-generation data centres. As AI workloads and high-density computing accelerate the shift from air to liquid cooling, this collaboration enables us to supply precision-engineered components for advanced cooling architectures such as direct-to-chip systems. By combining our manufacturing expertise with global leadership in digital infrastructure solutions, we are well positioned to participate in a high-growth opportunity linked to AI, cloud infrastructure, and high-performance computing.



R&D EXPERTISE

# Engineering what comes next

Research and development remain central to Aeroflex Industries' technological advancement and product innovation. We are strengthening our engineering capabilities through the development of advanced flow control solutions, including high-performance liquid cooling systems designed for next-generation infrastructure such as data centres and AI computing environments. These systems have been engineered in line with global standards, combining design expertise with strong manufacturing capabilities to deliver reliable, deployable solutions.



Our R&D is supported by proprietary engineering tools and simulation capabilities that enable precise modelling of fluid dynamics, helping anticipate operational stresses and optimise system design. Built on decades of experience in flow control technologies, this expertise allows the Company to develop solutions capable of operating reliably in demanding industrial environments.

To further enhance product quality and manufacturing precision, we are investing in advanced process automation, including robotic and automated welding stations and a dedicated annealing facility. These initiatives are aimed at improving production consistency, increasing throughput and supporting the development of solutions for mission-critical applications across global industries.

**58 products**

At various stages of R&D

**14**

Qualified R&D professionals

**16**

Products in R&D related to data centre (liquid cooling)

**NABL-accredited**

R&D laboratory



## Collaboration with institutes for product development



IIT Bombay



IIT Indore



IIT Guwahati



IIT Ropar

## Products under development

Our R&D team continues to expand our innovation pipeline by developing advanced flow solutions using high-performance materials. Designed to meet specialised industry requirements, these products deliver enhanced reliability, durability and performance. At the same time, our research initiatives focus on addressing current challenges while exploring emerging technologies and future markets. Some of the key products recently developed or currently under research and development include:

Product Name	Field of Application	Description
<b>Monel Hose</b>	Marine & Offshore, Chemical Processing, Aerospace & Defence, Hydrogen Applications, Nuclear, Oil & Gas, Automotive, Pharmaceuticals	Deployed as an alternative to stainless steel hose where superior corrosion resistance is required. Monel is compatible with aggressive media including sulphuric acid and seawater, where stainless steel is prone to failure. It also resists hydrogen embrittlement and permeation, and maintains performance at temperatures up to 538°C.
<b>Hastelloy Hose</b>	Marine & Offshore, Chemical Processing, Aerospace & Defence, Hydrogen Applications, Nuclear, Oil & Gas, Automotive, Pharmaceuticals	Designed as a high-performance alternative to stainless steel hose in corrosive chemical environments, including exposure to sulphuric, hydrochloric, and phosphoric acids. Hastelloy retains structural integrity at temperatures up to 1,100°C and is suited for high-pressure and vacuum applications.
<b>Spiral Hose Assembly</b>	Fire Suppression Systems	The continuous helical corrugation design delivers improved flexibility, vibration damping, smooth media flow, and greater resistance to dynamic loading compared to conventional hose assemblies. Enables tighter bending radius without performance loss.
<b>High-Pressure Braided Hose Assembly</b> (Burst Rated at 1,600 Bar)	Aerospace – Space Vehicles, Hydraulic Systems	Engineered for hydraulic systems in space vehicles where operating pressures reach up to 1,600 bar. This pressure rating is a critical structural requirement for aerospace applications and is subject to inspection by ISRO.
<b>Windmill Piping System</b>	Wind Energy Generation	Supplies precision-engineered tubes required in wind energy generation systems. The application demands tight dimensional tolerances and consistent material quality to meet the mechanical and operational requirements of windmill infrastructure.
<b>Hose Assemblies with Customised Bend Pipes</b>	Compressor Applications	Developed in response to evolving compressor designs that alter available space, pressure parameters, and routing configurations. Each assembly is configured to match the specific spatial and pressure requirements of the new compressor layout.

ENVIRONMENTAL STEWARDSHIP



# Committed to responsible growth

Environmental stewardship is integral to our approach to responsible growth. As a leader in fluid management solutions, we are committed to developing technologies that enhance efficiency and performance while reducing environmental impact. By embedding sustainability into our innovation and operations, we ensure that every advancement contributes to a greener and more resilient future.

Across our operations, we focus on minimising resource consumption, waste generation and emissions through the adoption of energy-efficient technologies, water optimisation initiatives and robust waste recycling practices. We also work to reduce our carbon footprint by increasing the use of renewable energy and promoting more sustainable modes of transportation wherever feasible. Through these efforts, we continue to strengthen our commitment to environmentally responsible manufacturing and long-term sustainability.

## Committed to environmental stewardship



### Responsible resource management

- We operate a green manufacturing process with minimal reliance on fossil fuels, enabling cleaner and more energy-efficient production.
- Our in-house water treatment facility enables 100% recycling of water, ensuring responsible water management and conservation across operations.



### Sustainable production and packaging

- Our production technologies are designed to operate with zero emissions, supporting cleaner and more environmentally responsible manufacturing.
- We incorporate reprocessed materials in our packaging, currently accounting for approximately 35%–40% of total packaging usage.
- We are working towards transitioning to 100% recycled packaging materials over the next three years, further strengthening our commitment to circular and sustainable practices.



### Advancing clean energy adoption

We have commissioned a 750 kW rooftop solar power project, a significant step towards integrating renewable energy into our operations. This initiative is expected to meaningfully reduce our dependence on non-renewable power sources, lower electricity costs, and substantially decrease our overall carbon footprint.



### Adoption of green vehicles

We actively deploy electric vehicles for the internal movement of goods and materials across our facilities, reducing dependence on conventional fuels and enabling cleaner, low-emission logistics within our operations.



### Cultivating a greener ecosystem

We actively undertake tree plantation initiatives within our factory premises and in surrounding communities, contributing to improved green cover, environmental restoration and a healthier ecosystem.

SOCIAL COMMITMENT

# Creating impact within and beyond business

At Aeroflex, we recognise that our people are the driving force behind our innovation, operational excellence and long-term growth. We, therefore, place strong emphasis on creating a workplace where employees feel valued, supported and empowered to perform at their best. Our approach to employee well-being extends beyond the workplace, encompassing health, safety, professional development and a culture of mutual respect.

We are committed to fostering an environment where individuals can grow, collaborate and contribute meaningfully while maintaining a healthy work-life balance. Through initiatives focused on workplace safety, continuous learning and employee engagement, we aim to ensure that every member of our workforce feels secure, motivated and inspired to reach their full potential. By investing in the well-being of our employees, we strengthen the foundation that enables Aeroflex to deliver consistent value to customers and communities alike.



## Prioritising employee well-being

We offer comprehensive onsite healthcare and wellness support to our people:

- A fully equipped medical facility staffed with trained and qualified nurses, supported by essential medical equipment to address immediate healthcare needs
- Dedicated beds and infrastructure for medical examination, wound dressing, and physiotherapy to ensure prompt care and recovery
- Periodic health check-ups conducted by specialised doctors to proactively monitor employee health and well-being
- Strategic affiliation with Medcover Hospitals to ensure access to advanced medical treatment and specialised care when required
- Body composition analysis conducted for every employee every 60 days, enabling regular monitoring of key health indicators and encouraging proactive wellness management
- A fully equipped ambulance on standby 24x7 to respond swiftly to any medical emergency
- Regular mental health and well-being sessions conducted by professional psychologists to support emotional resilience and holistic employee wellness
- A dedicated Child Care Centre offering comprehensive crèche and childcare services, thoughtfully designed to provide a safe, nurturing, and engaging environment for the children of employees, enabling working parents to balance their professional and family responsibilities with greater peace of mind

## Employee engagement

Beyond our structured well-being programmes, we nurture a strong sense of community through engagement initiatives that bring employees and management together through the year. These span health and wellness drives, festive and cultural celebrations, sports and safety awareness, strengthening collaboration, morale and a shared sense of belongingness across departments.



### Annual health check-up

A comprehensive annual medical health check-up was conducted for employees through an accredited diagnostic centre, covering health screening, diagnostic tests and physician consultations to support early detection and preventive care.



### Annual cricket tournament

The 2025-26 Annual Cricket Tournament, played for the Aeroflex Cup, brought teams together in a celebration of teamwork, strategy and sportsmanship.



### Wellness rewards

Through the Employee Reward Programme, we recognised employees taking part in the InBody Score Competition, encouraging regular body composition tracking and healthier lifestyles under the theme "Let's Make Our Lives Healthier".



### Safety Week

During the 55<sup>th</sup> National Safety Week, employees took the safety pledge, attended awareness sessions on the year's safety theme, took part in poster competitions and heard from senior leaders, reinforcing a strong culture of workplace safety.



### Festive and cultural celebrations

Employees and management celebrated Ganapati Sthapana and Navratri with traditional rituals, devotional music and Garba and Dandiya, and marked Diwali with Laxmi Puja, Satyanarayan Puja, Havan, Maha Aarti, a festive buffet and gift distribution, fostering togetherness across departments.



SOCIAL COMMITMENT (CONTD.)

### Community impact and development

At Aeroflex, we believe that sustainable growth must be shared with the communities around us. Our progress as an organisation is closely intertwined with the well-being and development of the societies in which we operate. Guided by this belief, we undertake initiatives that aim to create meaningful and lasting impact beyond our business operations.

We undertake our CSR initiatives through SAT Foundation, which serves as the dedicated implementation arm for planning, executing, and monitoring the Company's social responsibility programmes. Through focused efforts in education, healthcare, environmental stewardship, and

community development, we work to improve quality of life and expand opportunities for those around us. By actively engaging with local communities and supporting initiatives that foster social progress, we remain committed to building a more inclusive, resilient and sustainable future.

## ₹112 Lakhs

CSR spend in FY26



### Community empowerment initiatives

- **St. Anthony Home:** Provided groceries and essential toiletries to support underprivileged children and improve their day-to-day well-being
- **Bal Asha Trust Meal Support:** Contributed nutritious meals for abandoned and rescued children, helping ensure consistent care and nourishment
- **Tribal Children Education, Vangao:** Distributed school kits to tribal children to encourage education, learning access and student empowerment
- **Ashadham Reconstruction:** Supporting the reconstruction of an elderly care facility comprising 21 rooms, 3 staff quarters and 3 common halls, with completion targeted in 2026



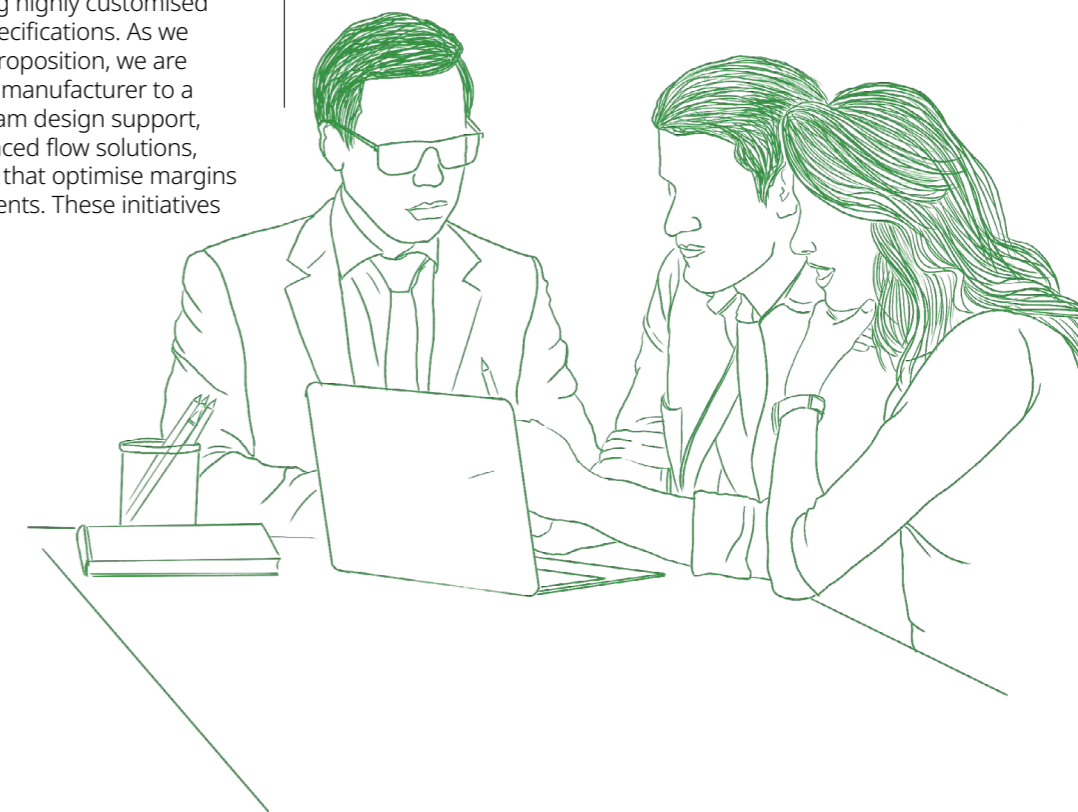
### Engaging with our customers

At Aeroflex, customer engagement is anchored in innovation, reliability and a deep understanding of client requirements. We focus on building enduring partnerships by maintaining open communication, delivering responsive support, and consistently providing solutions that meet precise operational needs. This relationship-driven approach enables us to create value beyond products, reinforcing trust and long-term collaboration with customers across industries.

Our capabilities extend to delivering highly customised solutions aligned with customer specifications. As we continue to strengthen our value proposition, we are expanding our role from a product manufacturer to a solution partner by offering upstream design support, enhancing our capabilities in advanced flow solutions, and driving operational efficiencies that optimise margins while delivering greater value to clients. These initiatives

position us to remain aligned with evolving global industry requirements and technological advancements.

To further strengthen customer engagement, we have implemented the Salesforce CRM platform. This system streamlines the entire customer lifecycle, from lead generation and opportunity management to order fulfilment, enabling a more integrated, transparent and efficient customer experience.



RESPONSIBLE GOVERNANCE

# Built on integrity and trust

Responsible governance forms the foundation of Aeroflex Industries' long-term success. We uphold the principles of transparency, accountability and ethical leadership, recognising that strong governance is essential for sustaining stakeholder trust and enabling responsible growth. Our governance framework emphasises strict compliance, proactive risk management and a culture of integrity embedded across the organisation.

7

Directors

4

Independent Directors



Guided by a distinguished leadership team and supported by independent directors with extensive experience at respected institutions, we maintain sharp oversight and disciplined decision-making. Through well-defined policies and data-driven processes, we strengthen operational resilience, reinforce ethical conduct and create sustainable long-term value for all stakeholders.

## Board of Directors and Board Committees

Our Board of Directors brings together a diverse blend of experience, strategic insight and industry expertise. Comprising seasoned professionals and accomplished leaders, the Board provides strong oversight and thoughtful guidance to support the Company's long-term vision. Their collective experience strengthens governance standards while enabling informed, balanced decision-making that drives sustainable growth.

The Board is supported by four committees in its decision-making – Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and CSR Committee.



### Asad Daud

Managing Director and Chairman 35 years

Asad Daud holds a Bachelor's degree in Accounting and Finance from H.R. College of Commerce and Economics, Mumbai, and a Master's degree in the same discipline from London School of Economics and Political Science. He has further strengthened his leadership and strategic capabilities through executive education programmes at the Indian Institute of Management Bangalore and Indian School of Business Hyderabad, and by completing the Leading in the Digital Era programme at Harvard Business School, Boston.

With more than 15 years of experience in the manufacturing sector, he has played a pivotal role in scaling the Company's domestic and international presence. His forward-looking leadership and focus on innovation have significantly contributed to expanding Aeroflex's product portfolio and strengthening its global market positioning.



### Mustafa Abid Kachwala

Whole-Time Director & Chief Financial Officer 57 years



Mustafa Abid Kachwala holds a Bachelor's degree in Commerce from the University of Mumbai. Associated with the Company since 2010, he brings more than 15 years of professional experience and a deep understanding of the organisation's financial and operational landscape.

In his role, he oversees the Company's financial management and administrative planning. His stewardship has been instrumental in strengthening financial discipline, guiding key financial decisions, and supporting the Company's sustainable growth trajectory.



### Harikant Ganeshlal Turgalia

Non-Executive Director 63 years



Harikant Ganeshlal Turgalia holds a Bachelor's degree in Commerce from Mohanlal Sukhadia University, Udaipur. With over three decades of experience in management and administration, he brings extensive operational and financial insight to the Board. Associated

with the Company's Promoter since 2001, he has played an important role in supporting and overseeing the financial management of Aeroflex Industries' operations.



### Ramesh Chandra Soni

Independent Director 57 years



Ramesh Chandra Soni holds a Bachelor's degree in Commerce from Mohanlal Sukhadia University, Udaipur, and is a Fellow Member of the Institute of Chartered Accountants of India. With more than 37 years of professional experience across accounting, finance, taxation and banking,

he brings deep financial expertise and seasoned judgment to the Board, contributing valuable strategic perspective and oversight to the Company's governance framework.



### Shilpa Bhatia

Independent Director 51 years

Shilpa Bhatia holds a bachelor's degree in Arts from St. Xavier's College, Mumbai, a Diploma in Personnel Management from Xavier Institute of Management, Mumbai, and both Bachelor's and Master's degrees in Law from University of Mumbai.

A practising advocate at the Bombay High Court, she brings more than two decades of legal expertise, contributing valuable legal insight and governance perspective to the Board.

#### Committee memberships

- C Chairman
- A Audit Committee
- S Stakeholders' Relationship Committee
- M Member
- C CSR Committee
- N Nomination and Remuneration Committee

**RESPONSIBLE GOVERNANCE (CONTD.)**



**Parthasarathi Sarkar**

**Independent Director** 74 years

Parthasarathi Sarkar holds a Bachelor of Technology (Honours) from Indian Institute of Technology Delhi and a postgraduate degree in Business Administration from the Indian Institute of Management Ahmedabad. Over the course of his distinguished career, he has

N

held roles across leading organisations, including Unilever and Tata Administrative Services. With extensive experience in strategic advisory and consulting, he brings valuable industry perspective and leadership insight to the Board.



**Arpit Khandelwal**

**Independent Director** 34 years

Arpit Khandelwal is a member of the Institute of Chartered Accountants of India and holds a Bachelor's degree in Commerce from the University of Rajasthan. He has also completed the CFA Program. With over 12 years of

A S C

professional experience, he brings specialised expertise in risk management, corporate law, indirect taxation and international trade regulations, contributing valuable financial and regulatory insight to the Board.

**Committee memberships**

- C Chairman
- A Audit Committee
- S Stakeholders' Relationship Committee
- M Member
- C CSR Committee
- N Nomination and Remuneration Committee



**Policies**

Our policies form the foundation of our governance framework and guide decision-making across the organisation. They ensure that our operations are conducted with integrity, transparency and compliance with applicable laws and regulations. Through these policies, we promote responsible business practices while aligning organisational conduct with our long-term strategic objectives.



Human Rights Policy	Anti-corruption and Anti-bribery Policy	Code of Conduct of Board of Directors And Senior Management Personnel
Vigil Mechanism Policy / Whistleblower Policy	Nomination and Remuneration Policy	Familiarisation Policy for Independent Directors
Corporate Social Responsibility Policy	Archival Policy	Related Party Transaction Policy
Policy and Procedures for Inquiry in case of Leak of UPSI	Policy for Determination of Legitimate Purpose	Policy for Identification of Material Litigations
Policy for Identification of Material Group Companies	Policy for Identification of Material Outstanding Dues to Creditors	Policy for Board Diversity
Risk Management Plan	Succession Policy	Prevention of Sexual Harassment at Workplace Policy
ESOP Policy	Dividend Distribution Policy	Policy on Material Subsidiaries

[Read more about our policies here](#)

MANAGING RISKS

# Navigating uncertainty with agility

At Aeroflex, risk management is embedded at the core of strategic decision-making and operational planning. We adopt a proactive and structured approach to identifying, assessing and mitigating risks across our operations, enabling resilience in a dynamic global business environment. Through strong governance oversight, continuous monitoring and robust internal controls, we strive to anticipate potential challenges while safeguarding sustainable growth and long-term value creation.

**Risks**

**Regulatory risk**



**Impact**

Non-compliance with evolving environmental, trade, antitrust and tax regulations could result in penalties, disruptions and reputational damage.

**Mitigation measures**

A robust compliance framework with regular reviews ensures timely adherence to regulatory changes.

**Market risk**



Market volatility, competition and shifting customer preferences may affect demand and revenue growth.

Continuous market monitoring and a diversified, flexible product portfolio help sustain competitiveness.

**Financial risk**



Interest rate movements and credit market conditions may impact liquidity, borrowing costs and profitability.

Prudent financial management, hedging and adequate liquidity buffers safeguard financial resilience.

**Currency risk**



Significant export revenue exposes the Company to foreign exchange volatility, affecting earnings realisation.

A diversified export market portfolio reduces dependence on any single currency.

**Risks**

**Commodity fluctuation risk**



**Impact**

Performance is linked to stainless steel demand-supply dynamics, affecting input costs and margins.

**Mitigation measures**

A broadened product portfolio and dynamic sourcing strategies support cost management.

**Environmental risk**



Natural disasters and climate-related disruptions may affect operational continuity.

Environmentally responsible practices and risk assessments strengthen preparedness and resilience.

**Supply chain risk**



Geopolitical tensions and partner dependencies may disrupt raw material availability and production schedules.

Supplier diversification, inventory buffers and scenario analysis ensure continuity.

**Operational risk**



Process breakdowns, system failures or human errors may disrupt day-to-day operations.

Robust internal protocols and continuous employee training minimise disruptions.

**Cybersecurity risk**



Growing digital reliance exposes the Company to data breaches and IT infrastructure failures.

A strengthened cybersecurity framework with regular assessments ensures digital resilience.

**Safety risk**



Non-compliance with manufacturing safety standards could lead to disruptions and regulatory consequences.

Regular safety audits, training and equipment maintenance ensure a safe working environment.



# Corporate Information

## Board Members

### Mr. Asad Daud

Chairman & Managing Director

### Mr. Mustafa Abid Kachwala

Whole-Time Director

### Harikant Ganeshlal Turgalia

Non-Executive-Non-Independent Director

## Non-Executive Independent Directors

### Mr. Ramesh Chandra Soni

### Mr. Parthasarathi Sarkar

### Mr. Arpit Khandelwal

### Ms. Shilpa Bhatia

## Key Management

### Mr. Mustafa Abid Kachwala

Chief Financial Officer

### Ms. Ruthu Parampogi

Company Secretary & Compliance Officer

## Audit Committee

### Mr. Ramesh Chandra Soni

Chairman

### Mr. Asad Daud

Member Director

### Mr. Arpit Khandelwal

Member Director

## Nomination, Remuneration & Compensation Committee

### Mr. Ramesh Chandra Soni

Chairman

### Mr. Harikant Ganeshlal Turgalia

Member Director

### Mr. Parthasarathi Sarkar

Member Director

## Stakeholder Relationship Committee

### Mr. Harikant Ganeshlal Turgalia

Chairman

### Mr. Asad Daud

Member Director

### Mr. Arpit Khandelwal

Member Director

## Corporate Social Responsibility Committee

### Mr. Ramesh Chandra Soni

Chairperson

### Mr. Mustafa Abid Kachwala

Member Director

### Mr. Arpit Khandelwal

Member Director

## Auditors

### Statutory Auditors

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

### Internal Auditors

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

### Secretarial Auditors

M/s. T. F. Khatri & Associates, Practicing Company Secretaries

## Registered Office Address

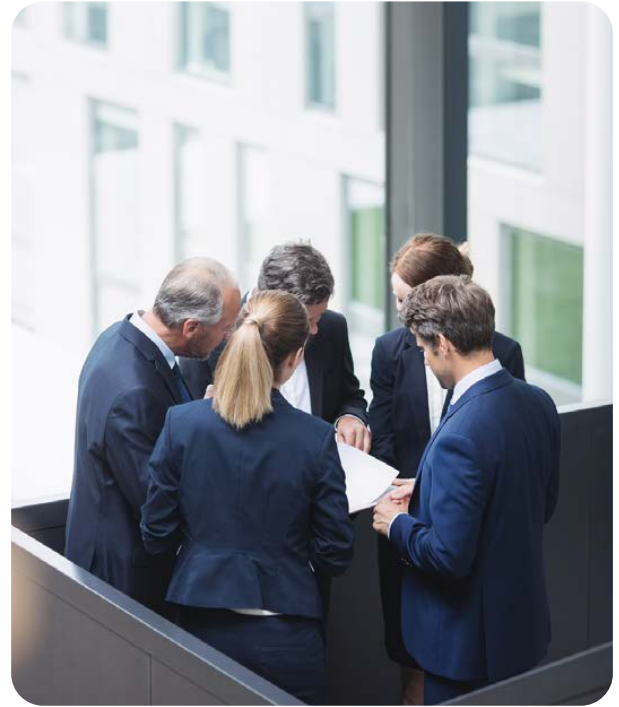
Plot No. 41,42/13,42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai-410208 Maharashtra India.

## Bankers

### Kotak Mahindra Bank Limited

### HDFC Bank Limited

# Management Discussion and Analysis



## Industry structure and developments

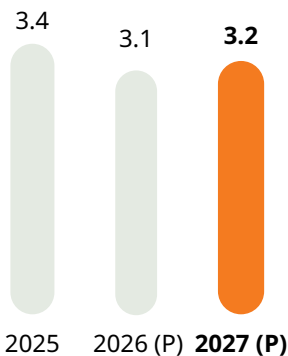
### Global and Indian economic backdrop

The global economy is navigating a period of elevated uncertainty. Growth is projected at 3.1% in 2026 and 3.2% in 2027, which is well under pre-pandemic averages and with the Middle East conflict amplifying the effects of the earlier shift in United States trade policy. Global inflation is expected to rise to 4.4% in 2026, with oil prices averaging approximately USD 82 per barrel under the reference scenario. Advanced economies are projected to grow at just 1.8% in 2026, while emerging markets and developing economies are forecast at 3.9%.

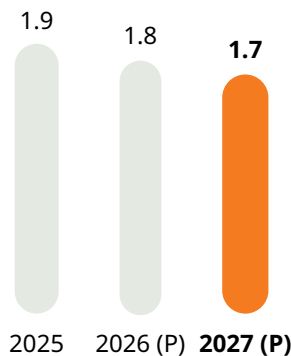
India is a material exception to this subdued global picture. With GDP growth of 7.6% in FY26 rising from 7.1% in the preceding year, India reaffirmed its position as the fastest-growing major economy in the world. The RBI has projected real GDP growth of 6.9% for FY27, with the World Bank and IMF projecting 6.6% and 6.5% respectively. This sustained growth, combined with the Government's continued focus on infrastructure investment, manufacturing expansion and digital transformation, provides a favourable structural backdrop for Aeroflex's businesses.

## Real GDP projections (in %)

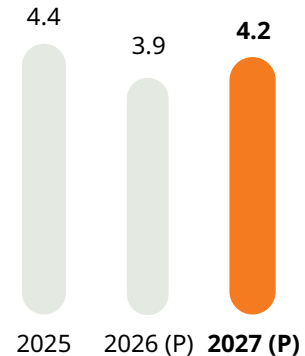
### Global economy



### Advanced economy



### Emerging markets and developing economies



**MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)****Global and Indian stainless steel flexible hose market**

The global market for stainless steel flexible hoses is valued at approximately USD 2,182 million in CY2025 and is projected to reach approximately USD 4,380 million by CY2035, registering a CAGR of 7.2%. This outperformance reflects the ongoing migration toward corrosion-resistant, long-life fluid transfer solutions across industrial end markets. Demand is led by oil and gas (CAGR of 6.9% over CY2020-2024), followed by chemical and petrochemical (6.3%), power generation (6.5%), pharmaceutical (7.3%) and food and beverage (7.0%). In India, the growth is supported by the versatility of stainless-steel hoses across automotive, oil and gas, and chemical processing, as well as the steady shift away from rubber, PTFE and polymer alternatives towards stainless-steel hoses.

**Source:** Report by Future Market Insights

**Global and Indian metal bellows market**

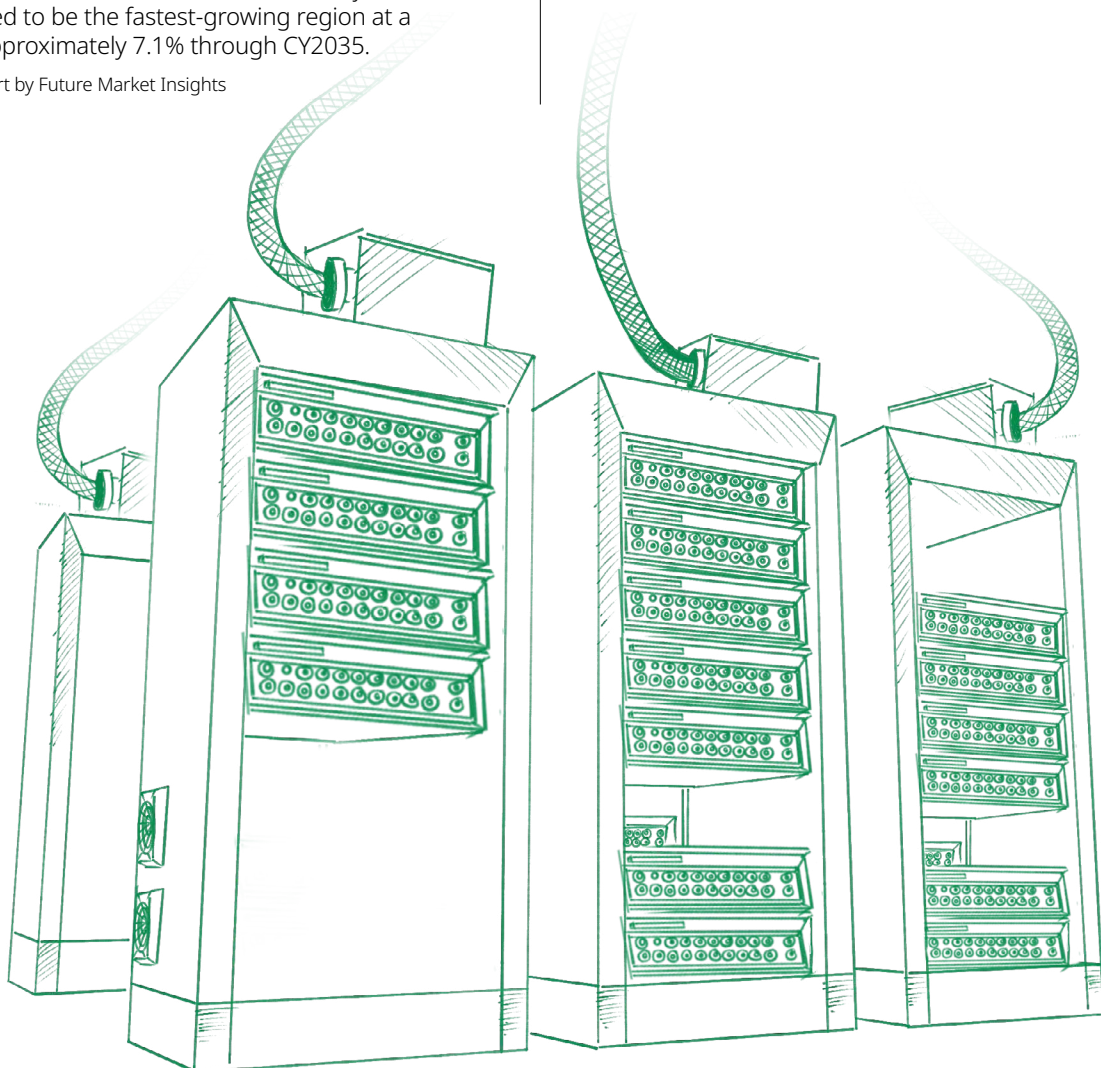
The global metal bellows market is estimated at approximately USD 3,012 million in CY2025 and is projected to reach approximately USD 5,608 million by CY2035, a CAGR of approximately 6.4%. Demand is anchored by the energy, automotive, industrial, aerospace and defence sectors. South Asia Pacific led by India, is forecasted to be the fastest-growing region at a CAGR of approximately 7.1% through CY2035.

**Source:** Report by Future Market Insights

**Global and Indian data centre liquid cooling market**

The global data centre liquid cooling market was valued at approximately USD 5.65 billion in 2024 and is projected to reach USD 48.4 billion by 2034, representing a CAGR of approximately 24%. This expansion is driven by the explosive growth of AI workloads, the proliferation of hyperscale data centre deployments, and the structural inadequacy of conventional air-cooling systems as server rack power densities rise with AI-optimised GPU clusters generating heat loads of 50 to 100 kW per rack and above. Direct-to-chip cooling is the only cooling option for such high computing GPUs. North America currently dominates the global demand; Asia-Pacific is projected to be the fastest-growing region over the forecast period. India's strong internet user base, our government's Digital India programme and active hyperscale operator commitments from global cloud majors are accelerating the build-out of data centre infrastructure across Tier I and Tier II cities. As rack densities and AI workloads intensifies, the transition toward liquid cooling will accelerate rapidly.

**Source:** BIS Research



## Key growth drivers

1



### Expansion of domestic manufacturing capacity

The Make in India initiative and PLI schemes have catalysed a broad-based expansion of domestic manufacturing capability. As OEMs deepen local supply chains across data centres, AI infrastructure, automotive and other industries, demand for precision flow control products will grow rapidly.

2



### Rising defence and aerospace spend

Sustained increases in defence expenditure, combined with the IDDM indigenisation framework, are accelerating domestic production of mission-critical sealing and flow-control products for aerospace and defence platforms. The phasing out of import-dependent supply chains is opening a significant addressable market for certified Indian manufacturers.

3



### Energy transition and clean-energy infrastructure

India's shift towards green hydrogen, solar and clean energy is expanding the application of flow control products in high-purity gas handling, thermal management and process isolation. Government missions in this space are expected to sustain capital investment over the medium term.

4



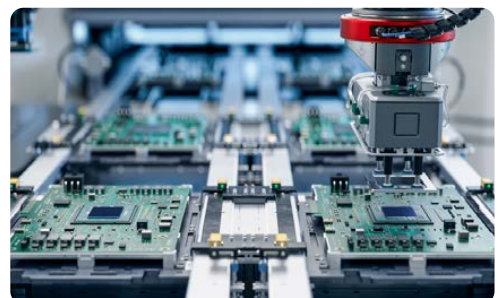
### Electric vehicle growth and automotive electrification

Rapid EV adoption is creating demand for bellows in battery thermal management, battery cooling and fluid-handling systems. The shift from conventional drivetrains introduces tighter engineering requirements that favour quality focused domestic suppliers.

5

### Semiconductor and advanced electronics manufacturing

India's emerging semiconductor fabrication and electronics manufacturing base is creating demand for ultra-precision products used in vacuum systems, wafer handling and cleanroom equipment.



**MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)****Opportunities and threats****Opportunities**

India's sustained industrial capex cycle underpinned by the National Infrastructure Pipeline, PM Gati Shakti, PLI schemes across manufacturing, aerospace, semiconductors and advanced electronics, and rising private investment is expanding addressable demand across virtually every sector that Aeroflex serves. Oil and gas, petrochemicals, refineries, power generation, ports and terminals, firefighting systems and process industries are all in active investment phases, creating pipeline for higher-value customised hose assemblies and engineered flow solutions. The Make in India initiative and defence indigenisation frameworks are opening new addressable markets in aerospace and defence, where Aeroflex's precision engineering and certifications provide a strong platform.

The most significant medium and long-term opportunity before the Company is the structural shift toward liquid cooling in data centre and AI infrastructure. The global data centre liquid cooling market is expected to grow nearly tenfold by 2034, and India's market is projected to grow nearly fourteen-fold over the same period. With our established engineering capabilities, global technology partnership, and early commercial traction, Aeroflex is well positioned to capture a meaningful share of this opportunity. The Company's export presence across 90+ countries additionally provides a platform to address the global market for data centre cooling products.

**Within the data centre cooling landscape, liquid cooling is increasingly being preferred over conventional air-cooling methods on account of its superior efficiency and sustainability profile. Liquid cooling's higher thermal conductivity enables more effective heat transfer, reducing energy consumption by over 27% relative to air-cooling systems, while also allowing for more compact, higher-density rack designs and lower auxiliary capital requirements. Liquid-cooled systems are also quieter, less susceptible to dust and contaminants, and support longer component lifespans with fewer hardware failures.**

**Although capital expenditure for liquid-cooling systems is higher upfront, the payback period is typically short (ranging from less than a year to about three years depending on regional electricity costs). It is supported by operating expenditure savings of up to 31–37% compared to air cooling.**

**Source:** McKinsey & Company, "Keeping Cool in the Data Age"

Adjacent growth vectors including hydrogen infrastructure, electric vehicle thermal management, HVAC, semiconductors, and robotics and automation, each represent nascent but high-value end markets for the Company's precision-engineered hose assemblies and bellows. The Company currently has 16 products under active R&D specifically related to data centre liquid cooling, and 58 products in total across various stages of R&D, reflecting the depth of the innovation pipeline.

**Threats and risks**

Global geopolitical uncertainty including the ongoing Middle East conflict, residual trade policy uncertainty and the risk of further fragmentation of global supply chains may affect export demand, commodity pricing and transportation costs. Foreign exchange volatility poses a risk to export realisations and raw material costs, given the Company's significant international revenue exposure.

In the thermal management business, the principal risk is the pace of adoption of liquid cooling in Indian data centres, which remains at an early-stage relative to North America and Europe. Longer customer qualification cycles, higher initial investment costs for operators and the prevalence of gas-based cooling in India's installed data centre base may moderate the near-term revenue ramp. The Company is managing this risk through phased capacity expansion, active customer engagement and a diversified go-to-market approach that spans domestic and international markets. Competitive intensity in both the core and new businesses is a continuous risk that the Company addresses through engineering differentiation, product quality and customer intimacy.

## Segment-wise/product-wise performance

The Company generates revenue across three principal product categories, and FY26 saw a meaningful evolution in the composition of that mix with Assemblies emerging as the largest contributor at 52% of consolidated revenue from operations, and SFN Skid Assemblies gaining early but rapid commercial traction.

### SS flexible hoses with and without braiding

Stainless steel corrugated flexible hoses accounted for approximately 43% of consolidated revenue from operations in FY26. The core business continued to deliver steady growth during FY26, supported by healthy and broad-based demand across fire suppression, oil and gas, petrochemicals and refining, power generation, steel and metals, ports and terminal handling, chemicals, food and pharmaceutical processing, and solar energy. The business sustained strong engagement with global customers, with export revenue diversified across the Americas (59%), Europe (27%), Asia (11%) of total exports during FY26.

Installed manufacturing capacity for SS flexible hoses stood at 17.5 million metres per annum as at 31 March 2026, with capacity utilisation of approximately 70% during the year. The capacity was augmented by 1.0 million metres during Q3FY26, and a further expansion to 20 million metres per annum is on track for completion by Q2FY27, providing headroom to accommodate growing demand.

### Assemblies and others

Assemblies and other products constituted approximately 52% of consolidated revenue from operations in FY26, making it the Company's largest product category by revenue for the year. This segment carries higher realisations and margins relative to standard hose products and is the primary vehicle through which the Company moves up the value chain.

The assemblies and fittings business continues to deliver steady growth, supported by strong demand from end-user industries and the Company's established relationships with global customers across 90+ countries. The Company operates 46 assembly stations as at 31 March 2026, with two robotic welding lines added in Q4FY26 representing a further step in the Company's programme to integrate automation and advanced manufacturing capabilities into the assembly process. Planned addition for more assembly stations, together with the commissioning of an automatic welding station and annealing plant by December 2026, will substantially strengthen both throughput capacity and product quality in this segment.



Metal bellows are manufactured in sizes ranging from 50 mm to 3,000 mm serving high-precision applications across multiple industries. Installed capacity for metal bellows stands at 1,20,000 pieces per annum.

Hyd-Air, the Company's wholly owned subsidiary focused on manufacturing fittings and fluid connectors, delivered a standout performance during FY26, recording 194% year-on-year revenue growth, a result of improving operational performance, upgrades to its quality laboratory and R&D centre at Chakan, Pune, and growing customer traction. The integration of Hyd-Air continues to deepen the Company's end-to-end fluid flow solutions capability and reinforce its competitive position in the higher-margin assembly segment.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)****SFN skid assemblies: liquid cooling solutions for data centres and AI infrastructure**

The SFN liquid cooling skid assembly is a compact, plug-and-play unit that integrates stainless steel piping systems, precision-engineered metal hoses and metallic expansion joints into a closed-loop coolant distribution system designed to remove heat from high-density AI and compute hardware reliably, efficiently and without leakage. The product is certified as per ASTM standards, and complies with PED and CE requirements, and is engineered for zero leakage, high reliability and continuous operation in mission-critical data centre environments.

SFN Skid Assemblies, commercialised at the end of Q3FY26, contributed approximately 5% of consolidated revenue from operations for the year. Total FY26 volumes stood at 617 units, generating revenue of ₹21.2 crore at an average realisation of approximately ₹3.44 lakh per skid.

To accommodate the rapid scaling of demand, skid assembly manufacturing capacity was expanded from 2,000 units per annum in December 2025 to 6,000 units per annum as at 31 March 2026. Further additions in capacity to 9,000 units in Q2FY27 is on track, targeting total installed capacity of 15,000 units per annum by Q2FY27.

**Outlook**

Aeroflex enters FY27 with a strong outlook, supported by a healthy order pipeline, established customer relationships and a strong balance sheet. Expansion of the core hose-and-assembly business and increased contribution from the liquid-cooling skid assembly segment will fuel the growth for the company in the near future. The Company expects ongoing investments in capacity expansion, automation and product development to support growth across both traditional and emerging applications. Increasing adoption of value-added products, including assemblies, bellows and liquid-cooling solutions, is expected to further strengthen the business mix and enhance profitability. The Company also remains focused on expanding its presence across high-growth sectors such as data centres, semiconductors, robotics and advanced manufacturing, while continuing to evaluate selective opportunities to enhance capabilities and broaden its market reach. With a diversified global customer base and growing engineering capabilities, Aeroflex remains well-positioned to capitalise on evolving industrial and technology-led opportunities.



## Risks and concerns

### Potential impact

### Mitigation framework

#### Regulatory & compliance risk

Changes in environmental regulations, export controls, trade policies, taxation frameworks and industry-specific standards across domestic and international markets may increase compliance costs or affect market access.

Structured compliance framework with periodic reviews, internal controls and proactive monitoring of regulatory developments across key geographies.

#### Market & demand risk

Slowdowns in industrial activity, changes in customer spending patterns, competitive intensity and sector-specific demand fluctuations may impact order inflows, capacity utilisation and revenue growth.

Diversified customer base across industries and geographies; continuous portfolio expansion; focus on value-added applications to reduce dependence on any single market.

#### Export & geopolitical risk

Geopolitical tensions, trade restrictions, tariff measures, sanctions and regional economic disruptions may affect demand, pricing and supply-chain continuity across the Company's 90+ export markets.

Geographically diversified customer portfolio; close monitoring of key export markets; active pursuit of opportunities across multiple regions to reduce concentration risk.

#### Foreign exchange risk

Currency fluctuations may affect export realisations, profitability and the value of foreign-currency-denominated transactions.

Prudent treasury practices, including natural hedges and appropriate risk-management measures, to minimise the impact of currency volatility.

#### Supply chain risk

Disruptions in raw material availability, logistics bottlenecks or supplier concentration may affect production schedules and customer deliveries.

Diversified supplier network; appropriate inventory levels; continuous monitoring of procurement and logistics processes to strengthen supply-chain resilience.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)****Potential impact****Mitigation framework****Operational risk**

Manufacturing interruptions arising from equipment failures, process inefficiencies, utility disruptions or human error may impact productivity, quality and customer commitments.

Investment in automation, preventive maintenance, process standardisation and continuous operational improvement across manufacturing facilities.

**Technology & cybersecurity risk**

Increasing reliance on digital systems exposes the Company to risks related to cyberattacks, data breaches and system failures.

Cybersecurity controls, periodic system assessments, data-protection measures and employee awareness programmes to safeguard critical information and business systems.

**New product adoption risk**

Investments in liquid-cooling solutions and other emerging areas may face longer adoption cycles, execution challenges or slower-than-anticipated market acceptance.

Phased capacity expansion; customer-led product development; technical validation and continuous innovation to align investments with evolving market requirements.

## Internal control systems and their adequacy

The Company maintains a robust internal control framework designed to safeguard assets, ensure the accuracy and reliability of financial and operational information, support efficient business processes and ensure compliance with applicable laws and regulations. The internal control system is supported by established policies, standard operating procedures and periodic reviews across key business functions. The Company uses an integrated SAP ERP platform that provides real-time visibility into operations, procurement, inventory, finance and customer management, and has implemented Salesforce CRM to manage the complete lead-to-order-fulfilment cycle.

The Board of Directors, supported by the Audit Committee, oversees the adequacy and effectiveness of the internal control environment. The Audit Committee reviews the findings of internal audits, assesses the robustness of controls and monitors management's responsiveness to identified gaps. The internal audit function is conducted by qualified professionals with the scope, independence and access required to provide the Board with an objective assessment of control effectiveness.

The Company's controls have been designed to address the risks inherent in a manufacturing business with significant international exposure including inventory management, trade receivables, foreign currency risk and data security. No material weakness in internal financial controls was identified during FY26. The Company continues to invest in strengthening its digital



infrastructure, including real-time production monitoring through tablets installed at each manufacturing line, to enhance process control and management visibility.

In a further demonstration of its commitment to sustainable operations, the Company has commissioned a 750 kilowatt rooftop solar project at its Taloja manufacturing facility, which has led to reduction in electricity costs, dependence on non-renewable energy sources, and the Company's carbon footprint.

## Financial performance

### Income and profitability

In FY26, Aeroflex Industries delivered its strongest financial performance to date. On a consolidated basis, total income increased 17.0% year-on-year to ₹443.29 crore, driven by steady growth in the assemblies segment, addition of new vertical of SFN skid assemblies and continued expansion across domestic and international markets. Revenue from operations grew to ₹441.94 crore in FY26 from ₹376.23 crore in FY25.

EBITDA rose 26.2% to ₹99.74 crore, with EBITDA margin expanding by 156 basis points to 22.6% from 21.0% in the prior year. This margin improvement reflects the benefits of operating leverage, an improving product mix toward higher-value assemblies and SFN products, and continued cost discipline across the organisation. Profit before tax stood at ₹74.08 crore. Profit after tax was ₹55.53 crore, a 5.8% increase over the prior year, moderated by higher depreciation charges arising from significant capital expenditure undertaken during the year. Cash profit, a more accurate reflection of the business's cash earnings capacity, grew 27.9% to ₹81.60 crore, with a cash profit margin of 18.4%.

The Board of Directors has declared a final dividend of 20%, amounting to ₹0.40 per equity share of ₹2 face value each, for FY26. This reflects the Board's confidence in the Company's financial position, the quality of its earnings and its continued cash generation.

### Balance sheet and capital efficiency

The Company maintained a robust, debt-free balance sheet as of 31 March 2026, with total equity of ₹447.27 crore. Cash and bank balances (including fixed deposits) stood at approximately ₹70 crore, providing ample liquidity to fund ongoing capacity expansion and working capital requirements without recourse to external debt. Total assets grew to ₹565.02 crore from ₹426.55 crore in the prior year, reflecting the capital expenditure programme undertaken during FY26.

Net cash from operating activities grew strongly to ₹65.84 crore in FY26 from ₹26.58 crore in FY25, reflecting the operating profit improvement and disciplined working capital management. Net cash outflow from investing activities of ₹119.98 crore reflect the Company's significant investment in capacity expansion across hoses, assemblies and other products. The Company's cashflow from financing activities was ₹46.83 crore during the year.

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)****Key financial ratios (standalone)**

Ratio	Numerator / Denominator	FY26	FY25	Change %	Remarks
Current Ratio	Current Assets / Current Liabilities	2.93	2.89	1.44	-
Debt-Equity Ratio	Total Debt / Total Equity	0.0024	0.0017	40.14	Company remains effectively debt-free
Debt Service Coverage Ratio	EBITDA / (Interest + Principal Repaid)	202.54	283.24	(28.49)	Reflects negligible debt burden
Return on Equity	PAT / Avg. Shareholders' Equity × 100	14.02%	16.34%	(14.19)	-
Inventory Turnover	Sales / Average Inventory	5.95	6.31	(5.64)	-
Trade Receivables Turnover	Net Credit Sales / Avg. Receivables	3.36	3.46	(2.94)	-
Trade Payables Turnover	Net Credit Purchases / Avg. Payables	3.78	3.98	(5.25)	-
Net Capital Turnover*	Revenue from Operations / Avg. Working Capital	2.87	3.18	(9.51)	-
Net Profit Ratio	(PAT / Total Income) × 100	13.35%	13.83%	(3.44)	-
Return on Capital Employed*	EBIT / Avg. (Equity + Long-Term Debt) × 100	20.40%	28.43%	(28.26)	Impacted by deployment of funds in capex and long-term working capital

\*Excludes the impact of unutilised proceeds from the fund raise

**Human resource development and industrial relations**

Our people remain central to our growth journey. We continue to focus on attracting, developing and retaining talent through progressive people practices, capability-building initiatives and a culture that encourages learning, collaboration and innovation. During FY26, the Company strengthened its workforce to support growth across both established and emerging business segments, while investing in employee development through training and skill-enhancement programmes aligned to the technical demands of our expanding product portfolio.

Employee wellbeing, engagement and safety are our key priorities. We promote safe working practices, preventive healthcare initiatives and a positive workplace culture. Our on-premise medical centre staffed by qualified nurses, equipped with dedicated examination and physiotherapy facilities, and supported by affiliations with Medicovert Hospitals ensures that employees have access to quality healthcare. Regular mental health sessions, body composition monitoring, and a 24×7 standby ambulance further reflect the depth of our commitment to employee welfare.

The Company has been recognised as a Great Place to Work by the Great Place to Work Institute during the year, a recognition that affirms the quality of the workplace culture we are building. The Company also operates a Child Care Centre at its manufacturing campus to support employees with childcare and crèche services.

**Corporate social responsibility**

Aeroflex views Corporate Social Responsibility as a core expression of its values as a responsible listed company. The Company administers its CSR activities through the SAT Foundation, the Aeroflex Group's CSR arm.

The Company fully discharged its CSR obligation for FY26 with no amount remaining unspent. Key initiatives undertaken during the year included nutritional support for abandoned and rescued children through Bal Asha Trust, distribution of school kits and educational supplies to tribal children in Vangao, provision of daily essentials to children in need through St. Anthony Home, and continued support for the reconstruction of Ashadham, a care facility for the elderly and differently challenged.

**Cautionary statement**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied due to risks and uncertainties including fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over-runs, government policies and regulations, interest rates, and other fiscal costs. The Company does not undertake any obligation to publicly update or revise any forward-looking statements.

# Board's Report

To,  
 The Members,  
**Aeroflex Industries Limited**

It gives your Directors great pleasure to present the Thirty-Second (32<sup>nd</sup>) Annual Report, highlighting the Company's performance and achievements during the financial year ended March 31, 2026, along with the Audited Standalone and Consolidated Financial Statements.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS

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

(₹ in Lakhs, except EPS data)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Total Revenue	41,402.34	37,529.27	44,329.42	37,876.24
Profit before tax, depreciation, exceptional items and Interest	9,903.94	8,068.36	10,109.77	8,157.96
<b>Less:</b> Interest	93.60	34.97	93.65	35.92
<b>Less:</b> Depreciation	2,412.67	1,100.26	2,607.74	1,127.23
Profit before Tax and Exceptional Items	7,397.67	6,933.13	7,408.38	6,994.81
<b>Less:</b> Exceptional Items				
Diminishing in value of Investment	Nil	19.28	Nil	Nil
Profit before Tax	7,397.67	6,913.85	7,408.38	6,994.81
<b>Less:</b> Provisions for tax:				
Current Tax	1,897.00	1,662.00	1,897.00	1,673.00
Deferred Tax (Assets)/Liability	(63.93)	75.53	(66.70)	84.54
Taxation of Earlier Year	36.38	(13.49)	25.38	(13.49)
<b>Profit after tax</b>	<b>5,528.22</b>	<b>5,189.81</b>	<b>5,552.70</b>	<b>5,250.76</b>
<b>Earnings per equity share</b>	<b>4.26</b>	<b>4.01</b>	<b>4.28</b>	<b>4.06</b>

## 2. STATE OF COMPANY'S AFFAIRS

The Company's core business of hose and assemblies continues to demonstrate steady growth, supported by strong demand across end-user industries and its established global customer relationships. FY26 has been a landmark year, marked by the Company's successful entry into skid assemblies and advanced flow control solutions for high-performance liquid cooling applications which is widely used in the data center and AI infrastructure. To support this growth opportunity, the Company has expanded its skid assembly capacity to 6,000 skids, with plans to scale up to 15,000 skids by Q2FY27. The Company also showcased its comprehensive portfolio of advanced flexible flow solutions at the Data Center World (Washington, USA), reinforcing its strategic focus on next-generation thermal management technologies for global markets.

During the financial year ended March 31, 2026, the Company reported a Standalone Revenue from Operations of ₹ 41,247.20 lakhs, registering a robust growth over the previous year's revenue of ₹ 37,290.45 lakhs. The Standalone Net Profit for the year stood at ₹ 5,528.22 lakhs, as compared to ₹ 5,189.81 lakhs in the previous financial year, reflecting strong operational performance and continued focus on cost efficiencies.

On a consolidated basis, the Company achieved a Revenue from Operations of ₹ 44,193.51 lakhs (previous year: ₹ 37,622.79 lakhs) and a Net Profit of ₹ 5,552.70 lakhs (previous year: ₹ 5,250.76 lakhs), continuing its upward growth trajectory.

Despite a challenging global economic environment, further impacted by ongoing geopolitical tensions, Aeroflex Industries Limited demonstrated resilience



and operational agility. The Company's sustained emphasis on product innovation, stringent quality standards, and customer-centric approach enabled it to reinforce its leadership position and enhance competitiveness across both domestic and international markets.

With a resilient and cash-generative core business, strong engineering capabilities, and a growing presence in new age industries, the Company is well positioned to sustain its growth momentum and well prepared to capture long-term growth opportunities.

### 3. DIVIDEND

Your Directors have pleasure in recommending payment of final dividend ₹ 0.40 (Forty paise Only) being 20% per share on Equity Share of ₹ 2 for the financial year ended 31<sup>st</sup> March 2026. This will absorb total cash outflow of ₹ 5,29,32,307.2. The final dividend, if approved by the members, would be paid within 30 days of AGM to those members whose names appear in the Register of Members or List of Beneficial Owners as on the Record Date.

The dividend payment is based on the parameters outlined in the Dividend Distribution Policy of the Company which is in accordance with Regulation 43A of the SEBI Listing Regulations. The said Policy is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Dividend-Distribution-Policy.pdf>.

### 4. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year to which these financial statements relate and the date of this Report.

### 5. CHANGES IN THE NATURE OF BUSINESS

There was no change in the nature of business of the Company during the Financial Year ended 31<sup>st</sup> March 2026.

### 6. TRANSFER TO RESERVES

During the year no amount was transferred to any Reserves.

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

The information on conservation of energy, technology absorption and foreign exchange

earnings and outgo stipulated under Section 134(3) (m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure – A**.

## 8. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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.

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

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Act have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 10. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on 31<sup>st</sup> March 2026, the Board comprised 7(Seven) Directors including 4 (Four) Independent Directors. The Board has an appropriate mix of Executive, Non-



Executive and One-women Independent Director, which is in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also aligned with the best practices of Corporate Governance.

### I. Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Asad Daud (DIN: 02491539), Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment.

Based on the recommendation of the Nomination Remuneration and Compensation Committee and considering his experience, expertise, and valuable contribution to the affairs of the Company, the Board recommends his re-appointment to the Members for approval at the ensuing AGM.

### II. Re-appointment of Directors

The members of the Company, vide Special resolutions passed at the Annual General Meeting held on August 05, 2025 approved the following re-appointments:

- a) Re-appointment of Mr. Parthasarathi Sarkar (DIN: 00047272) as an Independent Director.

Mr. Parthasarathi Sarkar (DIN: 00047272) was re-appointed as an Independent Director of the Company for a second term of five (5) consecutive years, commencing from September 03, 2025, and ending on September 02, 2030.

The re-appointment was based on the performance evaluation carried out by the Board and the recommendation of the Nomination Remuneration and Compensation Committee. While considering the recommendation, the Board took into account Mr. Sarkar's expertise, experience, contribution to the Board's deliberations and his continued fulfilment of the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Board recommended his re-appointment, which was subsequently approved by the Members.

- b) Re-appointment of Mr. Mustafa Abid Kachwala (DIN: 03124453) as Whole-Time Director of the Company.

Mr. Mustafa Abid Kachwala (DIN: 03124453) was re-appointed as Whole-Time Director of the Company for a further period of three (3) years with effect from April 01, 2026 up to March 31, 2029.

The Board of Directors places on record its sincere appreciation for the valuable contributions, leadership and dedicated efforts made by him towards the growth and operations of the Company during his tenure. Based on the performance evaluation carried out by the Board and on the recommendation of the Nomination Remuneration and Compensation Committee, and having regard to his experience and continued contribution to the Company, the Board recommended his re-appointment as Whole-Time Director, which was subsequently approved by the Members.

### III. Cessation

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

### IV. Key Managerial Personnel ("KMP")

During the financial year ended March 31, 2026 the following persons were acting as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

Sr. No.	Name of the KMP	Designation
1.	Mr. Asad Daud	Managing Director
2.	Mr. Mustafa Abid Kachwala	Whole Time Director & Chief Financial Officer
3.	Ms. Ruthu Parampogi <i>(appointed with effect from July 28, 2025)</i>	Company Secretary & Compliance officer

**During the year under review, the following changes took place in the Key Managerial Personnel ("KMP") of the Company:**

#### 1. Resignation:

Ms. Kinjal Kamlesh Shah (Membership No.: A58678) resigned from the position of Company Secretary & Compliance Officer of the Company with effect from July 15, 2025.

## 2. Appointment:

Based on the recommendation of the Nomination Remuneration and Compensation Committee, the Board of Directors appointed Ms. Ruthu Parampogi (Membership No. A60982) as the Company Secretary & Compliance Officer of the Company with effect from July 28, 2025.

## V. Declaration from Independent Directors

All Independent Directors of the Company have submitted declarations confirming that they meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 ("the Act") and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed compliance with the provisions of Regulation 25(8) of the SEBI Listing Regulations and have affirmed that they are not aware of any circumstance or situation that exists or may reasonably be anticipated to impair or impact their ability to discharge their duties with an objective and independent judgment.

The Independent Directors have complied with the requirements relating to registration in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on the declarations received from the Independent Directors and after undertaking due assessment of the veracity of the same, the Board is of the opinion, that all the Independent Directors possess the requisite qualifications, expertise, experience, proficiency and integrity and fulfil the conditions specified under the Act and the Rules made thereunder as well as the SEBI Listing Regulations. The Board is satisfied that the Independent Directors are independent of the management.

The Company has obtained a certificate from M/s. T. F. Khatri & Associates, Practicing Company Secretaries, Secretarial Auditor of the Company, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority.

## VI. Annual performance evaluation by the Board

Pursuant to the provisions of Section 134(3) (p) of the Companies Act, 2013, the applicable Rules made thereunder and the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, the Nomination Remuneration and Compensation Committee has laid down the criteria and framework for carrying out the annual performance evaluation of the Board of Directors, its Committees, Individual Directors, Independent Directors and the Chairman & Managing Director.

The annual performance evaluation was conducted through a structured questionnaire covering various aspects of the functioning of the Board and its Committees, including the composition of the Board, diversity of skills and experience, effectiveness of Board processes, quality and timeliness of information flow, strategic oversight, governance practices, participation in discussions, decision-making processes and overall Board effectiveness. The evaluation framework also included specific criteria for assessing the performance and contribution of Individual Directors.

All the Directors participated in the evaluation process and provided their feedback through the prescribed evaluation mechanism. The performance of the Board, its Committees, Individual Directors and the Chairman & Managing Director was evaluated based on the responses received.

In accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 25, 2026, wherein the performance of the Chairman & Managing Director, Non-Independent Directors and the Board as a whole was reviewed. The Independent Directors also assessed the quality, quantity and timeliness of the flow of information between the management and the Board, which is necessary for the Board to effectively and reasonably perform its duties.

The performance of each Independent Director was evaluated by the entire Board, excluding the Director being evaluated, taking into account factors such as attendance, participation and contribution at Board and Committee meetings, exercise of independent judgment, safeguarding the interests of stakeholders and contribution towards strengthening corporate governance practices within the Company.

The Nomination Remuneration and Compensation Committee reviewed the evaluation process and its outcomes and was satisfied that the evaluation framework remained objective, comprehensive and effective.

The Board reviewed the outcome of the evaluation process and noted with satisfaction the overall effectiveness of the Board, its Committees and Individual Directors. No



material concerns or adverse observations were identified during the evaluation process. The suggestions and feedback received, wherever applicable, were discussed by the Board and will be considered for further strengthening the governance framework and enhancing Board effectiveness.

## VII. Familiarization Program for Independent Directors

Pursuant to the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Schedule IV of the Companies Act, 2013 ("the Act"), the Company has adopted a Familiarization Programme for its Independent Directors with the objective of familiarizing them with the Company, its business operations, industry environment, regulatory framework, roles, rights, responsibilities and duties as Independent Directors.

The Familiarization Programme is designed to assist the Independent Directors in gaining a comprehensive understanding of the Company's business model, operational and functional aspects, strategic initiatives, industry dynamics, governance practices and risk management framework. The programme also aims to keep the Independent Directors updated on significant developments in the business and regulatory environment on an ongoing basis, thereby enabling them to effectively discharge their duties and contribute meaningfully to the deliberations of the Board and its Committees.

During the year under review, a familiarization programme was conducted by M/s. G H V & Co., Practicing Company Secretaries. The programme covered, inter alia, holistic business understanding and strategic value creation, corporate governance and regulatory developments, Board governance, risk oversight and fiduciary responsibilities, ethical leadership, accountability and measures for enhancing Board effectiveness.

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

## 11. SUBSIDIARY & ASSOCIATE COMPANIES

### Subsidiary Company

As on March 31, 2026, the Company had one Wholly Owned Subsidiary, namely Hyd-Air Engineering Private Limited.

During the year under review, Hyd-Air Engineering Private Limited undertook significant infrastructure enhancements, including upgrades to its Quality Laboratory and Research & Development Centre. The subsidiary recorded an encouraging year-on-year revenue growth of approximately 50%, reflecting improved operational performance, enhanced capabilities and continued business expansion.

There were no material changes in the nature of the relationship between the Company and its subsidiary during the year under review.

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

### Holding Company

Your Company is a subsidiary of Aeroflex Enterprises Limited (*Formerly known as SAT Industries Limited*), which holds 59.84% of the paid-up equity share capital of the Company.

### Joint Ventures and Associates

During the financial year ended March 31, 2026, the Company did not have any Associate Company or Joint Venture within the meaning of the Companies Act, 2013.

Accordingly, the disclosure requirements relating to Associate Companies and Joint Ventures are not applicable to the Company for the year under review.

## 12. CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The audited Consolidated Financial Statements, together with the Independent Auditors' Report thereon, form an integral part of this Annual Report and are presented along with the Standalone Financial Statements of the Company.

The Board of Directors confirms that the Consolidated Financial Statements present a true and fair view of the consolidated financial position, performance and cash flows of the Company and its subsidiary for the financial year ended March 31, 2026.



### 13. DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder. Accordingly, no amount of principal or interest was outstanding as on the Balance Sheet date, and there were no deposits which were not in compliance with the requirements of Chapter V of the Companies Act, 2013.

### 14. MEETINGS OF THE BOARD

During the Financial Year 2025-26, Seven (7) meetings of the Board of Directors were held in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The intervening gap between any two consecutive Board Meetings did not exceed the period prescribed under the applicable laws.

The details regarding the number of Board Meetings held during the year, attendance of the Directors thereat and other related information are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

### 15. INDEPENDENT DIRECTORS MEETING

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was convened on March 25, 2026, without the attendance of Non-Independent Directors and members of Management.

At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors and the Board as a whole, evaluated the performance of the Chairperson of the Company, and assessed the adequacy, quality, quantity, and timeliness of the flow of information between the Company's management and the Board.

### 16. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, the Company granted a loan to its wholly owned subsidiary, i.e. Hyd-Air Engineering Private Limited amounting to ₹ 525 Lakhs. The loan was granted in compliance with the applicable provisions of the Companies Act, 2013 and on arm's length terms.

The Company did not provide any guarantees or securities under Section 186 of the Companies Act, 2013 during the financial year ended March 31, 2026.

Details of the investments made by the Company are disclosed in the Standalone Financial Statements. Members are requested to refer to Note No. 5 to the Standalone Financial Statements for further details.

The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans granted and investments made during the year under review.

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

All contracts, arrangements and transactions entered into by the Company with related parties during the financial year under review were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee reviews the Related Party Transactions on a periodic basis.

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

Details of all transactions with related parties are disclosed in the accompanying Standalone Financial Statements. Members may refer to Note No. 37, which provides the related party disclosures in accordance with Ind AS 24.

Since all Related Party Transactions entered into by the Company during the year were in the ordinary course of business and on an arm's length basis, the disclosure of particulars of contracts or arrangements with related parties in Form AOC-2, as prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is not applicable to the Company.

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination Remuneration and Compensation Committee, the Board of Directors has adopted a policy on selection and appointment of Directors, Key Managerial Personnel ("KMPs") and Senior Management Personnel ("SMPs"), and their remuneration. The policy also lays down the criteria for determining qualifications, positive attributes, independence of a director and other related matters.

The Nomination Remuneration and Compensation Committee identifies and evaluates individuals proposed to be appointed as Directors, KMPs or



SMPs, having regard to their integrity, qualifications, expertise and experience, and recommends their appointment to the Board.

Further, the proposed appointee is required to possess the requisite qualifications, expertise and experience commensurate with the position. The Committee exercises discretion in determining whether such qualifications, expertise and experience are adequate for the role.

The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager beyond the age of seventy years, unless approved by the shareholders through a special resolution with justification. Further, in accordance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, the appointment or continuation of a Non-Executive Director beyond the age of seventy-five years shall also require approval of the shareholders by way of a special resolution, along with justification in the explanatory statement.

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

## 19. CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The Annual Report on CSR activities for the year under review is set out in **Annexure - D** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Corporate-SocialResponsibility.pdf>.

For details regarding the composition, meetings and other particulars of the CSR Committee, Members are requested to refer to the Corporate Governance Report, which forms part of this Annual Report.

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

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## 21. THE WEB ADDRESS, WHERE ANNUAL RETURN REFERRED TO IN SUB-SECTION (3) OF SECTION 92 HAS BEEN PLACED

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2026 is available on the Company's website at <https://www.aeroflexindia.com/>.

## 22. AUDITORS

### Statutory Auditors

In accordance with the provisions of Section 139(1) of the Companies Act, 2013, M/s. Shweta Jain & Co LLP., Chartered Accountants (FRN: 127673W/W101149), were appointed as the Statutory Auditors of the Company for a first term of five (5) consecutive years and shall complete their term at the conclusion of the ensuing Annual General Meeting of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has recommended the re-appointment of M/s. Shweta Jain & Co LLP., Chartered Accountants (FRN: 127673W/W101149), as Statutory Auditors of the Company for a second term of five (5) consecutive years, subject to the approval of the members at the ensuing Annual General Meeting. The proposed re-appointment shall be effective from the conclusion of the 32<sup>nd</sup> Annual General Meeting and shall continue until the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2031.

The Company has received written consent and a certificate from M/s. Shweta Jain & Co LLP confirming that their re-appointment, if approved by the Members, would be in accordance with the provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and that they satisfy the criteria prescribed thereunder.

### Secretarial Auditors

During the year under review, the Members of the Company, at the Annual General Meeting held on August 05, 2025, approved the appointment of M/s. T. F. Khatri & Associates, Practicing Company Secretaries (FCS: 9093), as the Secretarial Auditors of the Company for a term of five (5) consecutive years commencing from the financial year 2025-26 and continuing up to the financial year 2029-30.

### Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013, a Secretarial Audit Report issued by the Secretarial Auditor in Form No. MR-3 is annexed with this Report as **Annexure - E**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

### Annual Secretarial Compliance Report:

A Secretarial Compliance Report for the financial year ended March 31, 2026, on compliance with all applicable SEBI Regulations and circulars/guidelines issued thereunder, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been obtained from M/s. T.F. Khatri & Associates (FCS: 9093), Practicing Company Secretaries, Secretarial Auditor of the Company.

### Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board, based on the recommendation of the

Audit Committee, appointed M/s. D M Jain & Co., Chartered Accountants, as the Internal Auditors of the Company for Financial Year 2025-26.

The Internal Auditors undertake periodic review of the Company's internal control systems, processes, risk management framework and compliance mechanisms. The quarterly reports submitted by the Internal Auditors are placed before the Audit Committee for its review, deliberation and necessary guidance/action.

### Cost Auditors

During the financial year 2025-26, the provisions relating to maintenance of cost records and appointment of Cost Auditor under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 were not applicable to the Company.

Subsequent to the close of the financial year, the said provisions have become applicable to the Company. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Rampurawala Mohammed A & Co. (Firm No.:003011), Cost Accountants, as the Cost Auditor for the financial year 2026-27.

The remuneration payable to the Cost Auditors, as approved by the Board of Directors based on the recommendation of the Audit Committee, shall be placed before the Members for ratification at the ensuing Annual General Meeting.

### Disclosure on maintenance of Cost Records:

The Company is required to maintain cost records pursuant to the provisions of Section 148(1) of the Companies Act, 2013. Accordingly, the Company has maintained the prescribed cost records and accounts in accordance with the applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

## 23. REMARKS ON QUALIFICATIONS BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS

The Reports issued by the Statutory Auditors and the Secretarial Auditors of the Company for the financial year ended March 31, 2026, do not contain any qualifications, reservations, adverse remarks, observations or disclaimers.

Further, pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Company have not reported any instance of fraud committed against the Company by its officers or employees during the financial year under review.

## 24. CORPORATE GOVERNANCE

The report on Corporate Governance along with certificate from a Practising Company Secretary certifying compliance with conditions on Corporate Governance as stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report as Corporate Governance Report.

## 25. COMPOSITION OF AUDIT COMMITTEE

As of March 31, 2026, the Audit Committee of the Board of Directors of the Company comprised 3 (Three) Members, namely Mr. Ramesh Chandra Soni, Mr. Arpit Khandelwal, Independent Directors and Mr. Asad Daud, Managing Director of the Company.

Mr. Ramesh Chandra Soni is the Chairman of Audit Committee of the Company. The Company Secretary and Compliance Officer of the Company acts as Secretary of the Audit Committee.

During the financial year under review, all recommendations made by the Audit Committee were duly considered and accepted by the Board of Directors.

The Audit Committee, inter alia, reviews matters relating to financial reporting, auditing, accounting policies, internal financial controls, risk management and compliance. The Committee also reviews the reports submitted by the Internal Auditors, oversees the internal audit function and monitors the vigil mechanism of the Company.

Further details regarding the composition, terms of reference, meetings and attendance of the Audit Committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

## 26. COMMITTEES OF THE BOARD

In accordance with the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the following Five committees of the Board, namely:

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

The details of the above-mentioned committee along with their composition, terms of reference, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report which forms an integral part of this Annual Report.



The Committees of the Board are constituted with an appropriate balance of Executive, Non-Executive and Independent Directors, wherever applicable, to ensure effective oversight, independent judgment and good governance practices. The Committees deliberate on matters within their respective areas of responsibility and make recommendations to the Board, wherever required. The decisions and recommendations of the Committees are placed before the Board for its consideration and noting/approval in accordance with the applicable provisions.

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review, as required under Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section, forming part of the Annual Report.

## 28. CEO/CFO CERTIFICATE:

The Certifications required as stipulated under Regulation 17(8) and in terms of Part B, Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, from Mr. Asad Daud, Managing Director and Mr. Mustafa Abid Kachwala, Whole-time Director & Chief Financial Officer of the Company for the Financial Year 2025-2026 is annexed as **Annexure - F**.

## 29. SHARE CAPITAL

As at March 31, 2026, the authorised share capital of the Company stood at ₹ 56,00,00,000 (Rupees Fifty-Six Crores only), comprising 17,50,00,000 (Seventeen Crore Fifty Lakhs) equity shares of ₹ 2/- each, 10,00,000 (Ten Lakhs) Series "A" Compulsorily Convertible Preference Shares of ₹ 10/- each, and 10,00,000 (Ten Lakhs) Series "A" Compulsorily Convertible Preference Shares of ₹ 200/- each.

During the financial year under review, the Company allotted equity shares on a preferential basis. The said allotment was made in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, after obtaining the necessary approvals, including approval of the Members of the Company and in-principle approvals from BSE Limited and National Stock Exchange of India Limited.

The Board of Directors, at its meeting held on February 03, 2026, approved the allotment of 30,10,398 (Thirty Lakhs Ten Thousand Three Hundred and Ninety-Eight) fully paid-up equity shares of face value of ₹ 2/- (Rupees Two only) each at an issue

price of ₹ 182.70 (Rupees One Hundred Eighty-Two and Seventy Paise only) per equity share, including a premium of ₹ 180.70 (Rupees One Hundred Eighty and Seventy Paise only) per share, aggregating to ₹ 54,99,99,714.60 (Rupees Fifty-Four Crore Ninety-Nine Lakh Ninety-Nine Thousand Seven Hundred Fourteen and Sixty Paise only).

Consequent to the aforesaid allotment, the issued, subscribed and paid-up equity share capital of the Company as at March 31, 2026 stood at ₹ 26,46,61,536 (Rupees Twenty-Six Crore Forty-Six Lakh Sixty-One Thousand Five Hundred and Thirty-Six only), comprising 13,23,30,768 (Thirteen Crore Twenty-Three Lakhs Thirty Thousand Seven Hundred and Sixty-Eight) equity shares of face value of ₹ 2/- (Rupees Two only) each.

## 30. RISK MANAGEMENT

The Company has established a comprehensive Risk Management framework supported by a well-defined Risk Management Policy, which provides an approach for identification, assessment, monitoring and mitigation of various risks associated with the Company's operations.

The Risk Management framework encompasses risk identification, risk mapping, trend analysis, assessment of risk exposure, evaluation of potential impact and implementation of appropriate risk mitigation measures. The Company undertakes periodic review of key risks and mitigation strategies to ensure effective management of business and operational risks.

As on March 31, 2026, the Company is not required to constitute a Risk Management Committee in terms of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 31. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal financial controls with reference to the financial statements in place and such controls are commensurate with the size, scale and complexity of its operations.

The internal financial controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with applicable accounting principles. The Company has documented policies and procedures for ensuring orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

The Company believes that the existing internal financial controls are adequate and operating effectively as intended.

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

During the financial year under review, no company has become or ceased to be a subsidiary, joint venture or associate company of the Company.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and has in place a policy for prevention, prohibition and redressal of sexual harassment at the workplace.

During the financial year 2025-26, no complaint of sexual harassment was received by the Internal Complaints Committee.

The details of complaints received and disposed of during the financial year under review are as follows:

- a) No. of complaints of sexual harassment received in the year: **Nil**
- b) No. of complaints disposed off during the year: **Nil**
- c) No. of cases pending for more than ninety days: **Nil**

### 34. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961:

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961, including the amendments made thereunder and the rules framed thereto. The Company is committed to providing a safe, inclusive and supportive workplace and ensuring that eligible employees are provided maternity benefits in accordance with the applicable statutory requirements.

### 35. GENDER-WISE COMPOSITION OF EMPLOYEES:

The Company believes in promoting diversity, equity and inclusion and providing equal opportunities to all employees. The gender-wise composition of employees as on March 31, 2026, is as follows:

Sr. No.	Particulars	No. of Employees during the year under review
1.	Male Employees	553
2.	Female Employees	54
3.	Transgender Employees	NIL

The Company continues to foster an inclusive workplace environment based on equal opportunity and merit.

### 36. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism/ Whistle Blower Policy in accordance with the provisions of Section 177(9) and (10) of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Policy provides a formal mechanism for Directors and employees to report genuine concerns, including unethical behaviour, actual or suspected fraud, and violations of the Company's Code of Conduct and Business Ethics. It ensures direct access to the Chairperson of the Audit Committee and safeguards against victimisation of the whistle blower.

The Policy is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Vigil-Mechanism-policy.pdf>.

### 37. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of Board of Directors (SS-1) and General Meetings (SS-2). under Section 118(10) of the Companies Act, 2013, during the financial year under review.



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

The Members of the Company had approved the "Aeroflex Industries Limited - Employee Stock Option Plan, 2024" ("ESOP 2024") at the 30<sup>th</sup> Annual General Meeting of the Company held in the year 2024. During the financial year under review, no employee stock options were granted under ESOP 2024.

### 39. GENERAL

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

- (a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (b) Issue of sweat equity shares or shares under any scheme to employees of the Company.

- (c) None of the Whole-time Director or Managing director of the Company received any remuneration or commission from any of its holding or subsidiary.
- (d) No application was filed under the Insolvency and Bankruptcy Code, 2016.
- (e) No instance of one-time settlement with any Bank or Financial Institution.

### 40. ACKNOWLEDGEMENTS

The Board of Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

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

**Place:** Mumbai  
**Dated:** June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539



# Annexure -A

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

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided below:

### A. CONSERVATION OF ENERGY

#### i. Steps taken or impact on conservation of energy

The Company continues to focus on improving energy efficiency and adopting sustainable manufacturing practices across its operations. Various initiatives have been undertaken to optimise energy consumption, improve operational efficiency and minimise environmental impact.

The Company has continued to derive benefits from its **750 KW rooftop solar power project installed at its Taloja manufacturing facility in the previous financial year**, which has contributed towards reduction in dependence on conventional sources of energy, optimisation of electricity costs and reduction in the Company's carbon footprint.

The Company has also implemented operational measures including process optimisation, efficient utilisation of resources, automation initiatives and waste reduction practices to improve overall energy efficiency across manufacturing operations.

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

The Company continues to evaluate and adopt renewable and alternate energy solutions wherever commercially and technically feasible.

The rooftop solar power installation at the Taloja facility continues to support the Company's objective of increasing the utilisation of renewable energy and reducing dependence on conventional sources.

The Company remains committed to progressively increasing the adoption of sustainable energy practices across its operations.

#### iii. Capital investment in energy conservation equipment

During the year under review, the Company did not undertake any specific capital investment in energy conservation equipment.

The Company continues to focus on improving energy efficiency through operational initiatives, process optimisation, automation and adoption of sustainable manufacturing practices across its facilities.

### B. TECHNOLOGY ABSORPTION

#### i. Effort made toward technology absorption

The Company continues to strengthen its technological capabilities through continuous innovation, research and development and process automation.

During the year, the Company undertook various technology initiatives including:

- Expansion of automation capabilities through installation of robotic welding lines and advanced manufacturing equipment;
- Digital integration of production processes through real-time monitoring systems and deployment of tablets across manufacturing lines for improved process visibility and control;
- Enhancement of in-house design, testing and validation capabilities through the Company's NABL-accredited Research and Development Laboratory;
- Development of advanced products including liquid cooling solutions for data centres and AI infrastructure;
- Continuous improvement in manufacturing processes, product quality and engineering capabilities through innovation and collaboration with academic institutions.

#### ii. The benefits derived like product improvement, cost reduction, product development or import substitution;

The technology initiatives undertaken by the Company have resulted in:

- Improved operational efficiency and productivity;



- Enhanced product quality, reliability and consistency;
- Increased automation and reduction in process variability;
- Improved monitoring and control through real-time production data;
- Development of new value-added products and solutions;
- Faster product development and innovation;
- Strengthening of the Company's ability to cater to emerging sectors including data centres, semiconductor applications, aerospace, defence and advanced manufacturing.

### iii. Information regarding imported technology

The Company continues to evaluate and adopt advanced technologies, including imported machinery, equipment and process solutions wherever required to enhance manufacturing capabilities, product quality and operational efficiency.

Such technologies have been successfully integrated into the Company's manufacturing

ecosystem and have supported capacity expansion, automation, product diversification and process improvement initiatives.

### iv. Expenditure incurred on research and development

During the year under review, the Company incurred an expenditure of ₹ **395.50 lakhs** towards Research and Development activities.

The Company's R&D initiatives were focused on:

- Development of new products and solutions aligned with evolving customer requirements;
- Enhancement of existing product designs to improve performance, reliability and durability;
- Development of liquid cooling solutions for data centre and AI infrastructure applications;
- Process optimisation, quality enhancement and manufacturing improvements through technology-driven initiatives.

The Company continues to strengthen its innovation pipeline with multiple products under development across its core and emerging business segments.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	(₹ in lakhs)	
	FY 2025-2026	FY 2024-2025
Foreign Exchange inflow	31,450.30	27,381.45
Value of direct imports (C.I.F. Value)	6,628.90	5,891.28
Foreign Exchange Outflow	351.42	271.40

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

Place: Mumbai  
Dated: June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539

# Annexure-B

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

- i. Ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2025-26 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2025-26.

Sr. No.	Name and Designation of the Director/Key Managerial Personnel (KMP)	Ratio of remuneration of each director to median remuneration of employees	Percentage increase in remuneration
1.	Mr. Asad Daud – Chairman & Managing Director	1:32	15%
2.	Mr. Mustafa Abid Kachwala – Whole Time Director & CFO	1:3	8.45%
3.	Ms. Kinjal Kamlesh Shah - Company Secretary and Compliance Officer (Resigned with effect from July 15, 2025)	-	-
4.	Ms. Ruthu Parampogi- Company Secretary and Compliance Officer (Appointed with effect from July 28, 2025)	1:3	-

- ii. The percentage increase in the median remuneration of employees in the financial year 2025-26: **3.5%**
- iii. The number of permanent employees on the rolls of the Company: **607**
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- a. Average increase in remuneration of employees: **15%**
- b. Average increase in remuneration of managerial personnel: **17%**

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

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

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

**Place:** Mumbai  
**Dated:** June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539

# Annexure - C

## FORM AOC-1

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

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

### Part "A": Subsidiaries

(₹ in Lakhs)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Hyd – Air Engineering Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
3.	The date since when subsidiary was acquired	04.04.2024
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5.	Share capital	4.72
6.	Reserves & surplus	2,722.48
7.	Total assets	3,785.60
8.	Total Liabilities	1,058.39
9.	Investments	0.11
10.	Turnover	3,162.04
11.	Profit before taxation	10.70
12.	Provision for taxation	0
13.	Deferred Tax	(2.77)
14.	Taxation of earlier year	(11.00)
15.	Profit after taxation	24.48
16.	Proposed Dividend	Nil
17.	% of shareholding	100%

### Part "B": Associates and Joint Ventures

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

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

Place: Mumbai  
Dated: June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539

# Annexure - D

## Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2025-26

### 1. Brief outline of CSR Policy of the Company:

The Company believes that sustainable business growth must be accompanied by meaningful social development and community welfare. The Corporate Social Responsibility ("CSR") Policy of the Company aims to create a positive and lasting impact on society through initiatives that promote inclusive growth, social well-being and environmental sustainability.

The Company's CSR initiatives are undertaken in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and are primarily implemented through SAT Foundation, the CSR arm of the Aeroflex Group, and/or other eligible implementing agencies, as approved by the CSR Committee and the Board of Directors.

The Policy focuses on the following key areas:

1. Eradicating hunger, poverty and malnutrition and promoting healthcare, sanitation and safe drinking water.
2. Promoting education, skill development, livelihood enhancement and empowerment of underprivileged sections of society.
3. Promoting gender equality, women empowerment and welfare measures for senior citizens and other vulnerable groups.
4. Ensuring environmental sustainability, ecological balance and conservation of natural resources.
5. Supporting rural development, community welfare initiatives and other activities as specified under Schedule VII of the Companies Act, 2013.

The CSR activities are undertaken in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

During the financial year 2025-26, the Company continued its commitment towards social development through initiatives focused on nutrition, education, healthcare and community welfare. Key CSR interventions undertaken during the year included nutritional support for abandoned and rescued children through Bal Asha Trust, distribution of educational kits and learning materials to tribal children in Vangao, support for children through St. Anthony Home and continued assistance towards the reconstruction of Ashadham, a care facility for elderly and differently abled individuals.

The Company remains committed to undertaking CSR initiatives that create sustainable social value and contribute towards the overall development of communities.

### 2. Composition of CSR Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee of the Board to formulate, recommend, monitor and review the CSR initiatives and activities of the Company. During the financial year under review, the CSR Committee was duly constituted and comprised the following members:

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

#### Note:

1. \*Mr. Asad Daud ceased to be a Member of the Corporate Social Responsibility Committee upon his resignation from the Committee with effect from January 28, 2026.

2. \*\*Consequent to the above, Mr. Ramesh Chandra Soni, who was serving as a Member of the Corporate Social Responsibility Committee, was appointed as the Chairman of the Committee with effect from January 28, 2026.

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

Composition of CSR committee	<a href="https://www.aeroflexindia.com/investor-relation/">https://www.aeroflexindia.com/investor-relation/</a>
CSR Policy	<a href="https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf">https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Corporate-Social-Responsibility.pdf</a>
CSR projects	<a href="https://www.aeroflexindia.com/wp-content/uploads/CSR-Annual-Action-Plan-for-FY-2025-26.pdf">https://www.aeroflexindia.com/wp-content/uploads/CSR-Annual-Action-Plan-for-FY-2025-26.pdf</a>

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

5. a. Average net profit of the company as per Section 135(5): ₹ **55,98,81,740**  
 b. Two percent of average net profit of the company as per Section 135(5): ₹ **1,11,97,635**  
 c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**  
 d. Amount required to be set off for the financial year, if any: ₹ **1,996**  
 e. Total CSR obligation for the financial year (b+c-d): ₹ **1,11,95,639**
6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ **1,12,00,000/-**  
 b. Amount spent in Administrative overheads: **Nil**  
 c. Amount spent on Impact Assessment, if applicable: **Nil**  
 d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **1,12,00,000**  
 e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)					
	Total Amount transferred to Unspent CSR Account as per Section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer	
1,12,00,000/-	Nil	-	-	Nil	-	-

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

The details of excess CSR expenditure available for set-off against the CSR obligation of succeeding financial years are as follows:

Sr. No.	Particulars	Amount (in ₹)
1.	CSR obligation for the Financial Year as per Section 135(5) of the Companies Act, 2013 (Two percent of average net profit)	1,11,97,635/-
2.	Total CSR expenditure incurred during the Financial Year	1,12,00,000/-
3.	Excess CSR expenditure incurred during the Financial Year [(2)-(1)]	2,365/-
4.	Amount available for set-off from previous Financial Year(s), if eligible under applicable CSR provisions	1,996/-
5.	<b>Total amount available for set-off against CSR obligation of succeeding Financial Year(s)</b>	<b>4,361/-</b>

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any		Deficiency, if any
					Amount (in ₹)	Date of Transfer	
1	2023-24						
2	2024-25				Nil		
3	2025-26						

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/No: No****9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: Not Applicable**

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

**Place:** Mumbai  
**Dated:** June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539



# Annexure E

## FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

#### **AEROFLEX INDUSTRIES LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *The Company has adopted the Employee Stock Option Plan, 2024 and obtained the requisite approvals; however, no options were granted, vested, exercised or allotted during the financial year under review.*
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable, since there is no non-convertible securities of the company listed).
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable, since there is no delisting of equity shares during the year).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable, since there is no buyback of equity shares during the year).
- (vi) Considering the nature of the business activities of the Company, there is no specific sectoral regulator or industry-specific law governing its operations requiring separate reporting under this Report. I have relied on the representations, confirmations and information provided by the Management and officers of the Company regarding the systems and mechanisms established for ensuring compliance with other applicable laws relevant to its operations.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and



(b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and I have no material observation of instances of non-compliance in respect of the same.

**I further report that:**

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

I further report that adequate notice was given to all Directors to schedule the Board Meetings. The agenda and detailed notes on agenda were sent at least seven days in advance, and where meetings were convened at shorter notice, the same were held in compliance with the applicable provisions of the Companies Act, 2013 and Secretarial Standards. A reasonable system exists for Board Members to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Based on the records and information made available to me, decisions of the Board were carried through the requisite majority and a proper system exists for capturing and recording the views of the Directors, including dissenting views, if any, in the minutes of the meetings.

I further report that, based on the information, explanations and representations provided by the Management and officers of the Company regarding the systems and processes established for ensuring compliance with applicable laws, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the financial year under review, the following events/actions had a significant bearing on the Company's affairs in pursuance of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards and other applicable laws:

1. During the year under review, the Company allotted 30,10,398 Equity Shares of face value ₹2/- each on 3 February 2026 on a preferential basis to identified non-promoter investors at an issue price of ₹182.70 per share, aggregating to ₹54,99,99,714.60, pursuant to the Special Resolution passed by the shareholders at the Extraordinary General Meeting held on 15 January 2026.
2. During the year under review, the Members of the Company approved the re-appointment of Mr. Parthasarathi Sarkar (DIN: 00047272) as an Independent Director of the Company for a second term of five consecutive years commencing from 3 September 2025 to 2 September 2030 and also approved his continuation as a Non-Executive Independent Director beyond the age of 75 years pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Members of the Company, at the Annual General Meeting held on 5 August 2025, approved the re-appointment of Mr. Mustafa Abid Kachwala (DIN: 03124453) as Whole-Time Director of the Company for a period of three years commencing from 1 April 2026 to 31 March 2029.
4. The Members of the Company, at the Annual General Meeting held on 5 August 2025, declared a final dividend of ₹0.30 per equity share (15%) of face value ₹2/- each for the financial year ended 31 March 2025, as recommended by the Board of Directors.
5. The Members of the Company, at the Annual General Meeting held on 5 August 2025, approved the alteration of the Main Objects Clause of the Memorandum of Association of the Company by way of a Special Resolution to, inter alia, expand the scope of its business activities and include technology-enabled products, software, information technology hardware and software, and AI-driven products and services.

For **T. F. Khatri & Associates**

**Place:** Mumbai  
**Date:** June 18, 2026  
UDIN: F009093H000648811

**Tehseen Fatima Khatri**  
(Proprietor)  
FCS No. 9093  
CP No. 10417

**Note:** This Report is to be read with my letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.



## ANNEXURE - A

To,

The Members,

**AEROFLEX INDUSTRIES LIMITED**

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

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

For **T. F. Khatri & Associates**

**Place:** Mumbai  
**Date:** June 18, 2026

**Tehseen Fatima Khatri**  
(Proprietor)  
FCS No. 9093  
CP No. 10417



# Annexure F

## CERTIFICATION BY CEO/CFO

To,  
The Board of Directors  
**Aeroflex Industries Limited**

### **Compliance Certificate as required under Regulation 17(8) read with Part B of Schedule II and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We hereby certify that:

1. We, Mr. Mustafa Abid Kachwala, Whole-time Director & Chief Financial Officer, and Mr. Asad Daud, Managing Director of Aeroflex Industries Limited ("the Company"), have reviewed the financial statements and the cash flow statements (standalone and consolidated) of the Company for the year ended March 31, 2026 and, to the best of our knowledge and belief, state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across, nor are we aware of, any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR **AEROFLEX INDUSTRIES LIMITED**

**Place:** Mumbai  
**Dated:** June 18, 2026

**Asad Daud**  
Chairman & Managing Director  
DIN: 02491539

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



# Corporate Governance Report

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

## 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company views corporate governance as a fundamental pillar of its corporate identity and long-term sustainability. It extends beyond mere regulatory compliance and embodies the Company's enduring commitment to ethical leadership, transparency in decision-making, and accountability across all its operations. The Company strives to foster a culture of integrity and responsible corporate citizenship, ensuring that its governance practices consistently strengthen stakeholder trust and support sustainable value creation.

The Company's governance philosophy is anchored in the core principles of integrity, accountability, fairness, and transparency. Aeroflex believes that adherence to these principles is essential to building and sustaining stakeholder confidence, while also fostering innovation, driving operational excellence, and creating long-term sustainable value.

The governance framework of the Company is driven by:

- A balanced and effective Board structure;
- Transparency in disclosures and financial reporting;
- Strong internal controls;
- Accountability and ethical conduct across all levels of the organization;
- Protection of stakeholders' interests; and

- Sustainable growth through responsible business practices.

In all its operations, Aeroflex Industries Limited is committed to upholding the highest standards of corporate governance not merely as a compliance obligation, but as an integral part of its organizational culture that promotes trust, reinforces accountability, and drives the Company towards its vision of responsible and sustained growth.

The Company confirms compliance with the applicable provisions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which are detailed in the following report.

## 2. BOARD OF DIRECTORS

### a. Composition and category of director

The Board of Directors ("the Board") is the apex governing body of the Company, entrusted with the responsibility of providing strategic direction, leadership and oversight to the Management. The Board ensures effective governance and monitors the Company's performance with the objective of creating sustainable long-term value for all stakeholders.

During the year under review, the composition of the Board was in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the applicable provisions of Sections 149 and 152 of the Companies Act, 2013 and the rules framed thereunder.

As of March 31, 2026, the Board comprised seven (7) Directors, categorized as follows:

Sr. No.	Name of the Director	Promoter/ Non-Promoter	Category
1.	Mr. Asad Daud	Non-Promoter	Executive Director
2.	*Mr. Mustafa Abid Kachwala	Non-Promoter	Executive Director
3.	Mr. Harikant Ganeshlal Turgalia	Non-Promoter	Non-Executive Director
4.	Mr. Ramesh Chandra Soni	Non-Promoter	Non-Executive Independent Director
5.	**Mr. Parthasarathi Sarkar	Non-Promoter	Non-Executive Independent Director
6.	Mr. Arpit Khandelwal	Non-Promoter	Non-Executive Independent Director
7.	Ms. Shilpa Bhatia	Non-Promoter	Non-Executive Independent Women Director

- \* Mr. Mustafa Abid Kachwala (DIN: 03124453) was re-appointed as Whole-Time Director of the Company for a further period of three (3) years from April 1, 2026 to March 31, 2029, as approved by the Members at the Annual General Meeting ("AGM") held on August 5, 2025.
- \*\*Mr. Parthasarathi Sarkar (DIN: 00047272) was re-appointed as a Non-Executive Independent Director of the Company for a second term of three (3) consecutive years with effect from September 3, 2025 to September 2, 2030. The said re-appointment was duly approved by the Members at the Annual General Meeting ("AGM") held on August 5, 2025.

All Directors have complied with the applicable provisions relating to the number of directorships and committee memberships:

- None of the Directors holds directorships in more than twenty (20) companies, including ten (10) public companies, in accordance with Section 165 and disclosures made under Section 184 of the Companies Act, 2013.
- None of the Independent Directors serves as an Independent Director in more than seven (7) listed entities.
- In compliance with Regulation 26 of the SEBI Listing Regulations, none of the

Directors is a member in more than ten (10) committees or acts as Chairperson of more than five (5) committees (Audit Committee and Stakeholders' Relationship Committee) across all public companies in which they are Directors.

**Further:**

- None of the Directors are related to each other.
- None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, Directors or Senior Management, which could affect their independence.

**b. Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting:**

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended	Whether attended last AGM
1.	Mr. Asad Daud	7	7	Yes
2.	Mr. Mustafa Abid Kachwala	7	7	Yes
3.	Mr. Harikant Ganeshlal Turgalia	7	7	Yes
4.	Mr. Ramesh Chandra Soni	7	6	Yes
5.	Mr. Parthasarathi Sarkar	7	7	Yes
6.	Mr. Arpit Khandelwal	7	6	Yes
7.	Ms. Shilpa Bhatia	7	7	Yes

**c. Number of Committees in which a Director is a Member or Chairperson:**

Name of the Director	Directorships in Other Public Companies *	Memberships of Committees of Other Companies **	Chairpersonships of Committees of Other Companies**	Names of the other listed entities where the person is a director and the category of directorship
Mr. Asad Daud	2	2	-	1. Aeroflex Neu Limited (Formerly known as Sah Polymers Limited)- Non-Executive Non-Independent Director 2. Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited)- Non-Executive Non-Independent Director
Mr. Mustafa Abid Kachwala	-	-	-	-
Mr. Ramesh Chandra Soni	-	-	-	-
Mr. Parthasarathi Sarkar	1	1	1	Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited)- Non-Executive Independent Director

**c. Number of Committees in which a Director is a Member or Chairperson: (Contd.)**

Name of the Director	Directorships in Other Public Companies *	Memberships of Committees of Other Companies **	Chairpersonships of Committees of Other Companies**	Directorships in other listed entities (Category of Directorship)
***Mr. Arpit Khandelwal	2	2	1	Aeroflex Enterprises Limited (Formerly known as SAT Industries Limited)- Non-Executive Independent Director
Ms. Shilpa Bhatia	2	3	-	1. Bliss GVS Pharma Limited- Non-Executive Independent Director 2. AMJ Land Holdings Limited- Non-Executive Independent Director

**Note:**

- \* The directorship and number of Committee positions held by directors as mentioned above does not include directorships and committee positions in private companies/high value debt listed entities/companies incorporated under Section 8 of the Act/foreign companies as on March 31, 2026.
- \*\* Membership/Chairpersonship of only the Audit Committee and Stakeholders' Relationship Committee of all public companies/subsidiary of public companies, as provided under Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 have been considered.
- \*\*\* Subsequent to the close of the financial year 2025-26 and prior to the signing of this report, Mr. Arpit Khandelwal has resigned from one public company, namely M.R. Organisation Limited, with effect from April 30, 2026.

**d. Meetings of the Board of Directors held and dates on which held:**

The Board of Directors met seven (7) times during the financial year 2025-26, i.e., on April 30, 2025; July 8, 2025; July 28, 2025; October 28, 2025; December 18, 2025; January 28, 2026; and February 3, 2026. The maximum interval between any two consecutive Meetings did not exceed one hundred and twenty (120) days.

The agenda for each Meeting is prepared well in advance and circulated to all Directors, along with detailed notes and relevant information necessary for informed deliberations and decision-making.

**e. Disclosure of relationships between Directors inter-se:**

None of the Directors on the Board are related to each other.

**f. Number of shares and convertible instruments held by Non-Executive Directors:**

None of the Non-Executive Directors of the Company holds any shares in the Company, except Mr. Harikant Ganeshlal Turgalia who holds 500 equity shares in the Company.

The Company has not issued any convertible instruments.

**g. Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:**

The Independent Directors are, from time to time, familiarised with the Company, their roles, rights and responsibilities within the Company, the nature of the industry in which the Company operates, its business model, and other relevant aspects.

The details of the familiarisation programmes imparted to the Independent Directors, pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available on the website of the Company at <https://www.aeroflexindia.com/investor-relation/>

**h. Matrix of Core Skills/Experience/Competencies of the Board of Directors**

The matrix setting out the skills, expertise and competencies of the Board, as identified by the Board of Directors in the context of the Company's businesses, is presented below. In accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that the Board collectively possesses the requisite skills and competencies as set out in the matrix.

The Directors appointed to the Board of the Company bring with them diverse professional backgrounds and extensive experience. They possess specialised skills, competencies and domain expertise across various industries and functional areas in which they are engaged, enabling them to contribute meaningfully to the strategic direction and governance of the Company.

Sr. No.	Experience/Expertise/Attribute	Comments
1	Leadership	Possesses strong leadership capabilities with the ability to define a clear vision and long-term strategy for the organisation. Drives growth by developing robust business models and aligning teams towards common objectives. Inspires and mentors leadership teams, while promoting high standards of corporate governance, ethics, and shareholder value.
2	Industry Knowledge & Experience	Has strong domain knowledge across sectors such as Infrastructure, Power, Engineering, Defence, IT, and Financial Services. Effectively leverages technology and innovation to drive growth, improve operational efficiency, and enhance overall business performance.
3	Experience and Exposure in policy shaping and industry advocacy	Demonstrates the ability to build and maintain relationships with regulators and government authorities. Actively contributes to policy development and has a strong understanding of the regulatory environment, ensuring alignment of business strategy with applicable laws and frameworks.
4	Governance & Legal Compliance	Strongly committed to corporate governance and legal compliance. Designs and oversees effective compliance systems and frameworks, ensuring adherence to laws and policies while fostering transparency, accountability, and ethical conduct across the organisation.
5	Expertise/Experience in Finance & Accounts/Audit/Risk Management areas	Possesses sound financial and accounting knowledge, with the ability to evaluate financial statements and disclosures. Contributes to risk management and financial decision-making, ensuring financial integrity and strengthening governance across operations.
6	Global Experience/International Exposure	Has a solid understanding of global business trends and international markets, with the ability to adapt insights to local contexts. Demonstrates awareness of geopolitical factors impacting business and maintains strong global networks to support strategic opportunities.

The mapping of the Skill Matrix for the Directors is as follows:

Sr. No.	Name of the Director	Leadership	Industry knowledge and experience	Experience and Exposure in policy shaping and industry advocacy	Governance including legal compliance	Expertise/ Experience in Finance & Accounts/Audit/ Risk Management areas	Global Experience/ International Exposure
1	Mr. Asad Daud	√	√	√	×	√	√
2	Mr. Harikant Ganeshlal Turgalia	√	√	√	×	√	√
3	Mr. Mustafa Abid Kachwala	√	√	√	×	√	√
4	Mr. Ramesh Chandra Soni	√	√	√	√	√	√

The mapping of the Skill Matrix for the Directors is as follows: (Contd.)

Sr. No.	Name of the Director	Leadership	Industry knowledge and experience	Experience and Exposure in policy shaping and industry advocacy	Governance including legal compliance	Expertise/ Experience in Finance & Accounts/Audit/ Risk Management areas	Global Experience/ International Exposure
5	Mr. Arpit Khandelwal	√	×	√	√	√	√
6	Mr. Parthasarathi Sarkar	√	×	√	√	√	√
7	Ms. Shilpa Bhatia	√	×	×	√	√	√

**Note:** Absence of any skill does not necessarily mean that the Director does not possess the skill but may not form his/her core skill.

**i. Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management**

In the opinion of the Board, all the Independent Directors on the Board fulfil the conditions of independence as specified under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Independent Directors have submitted the requisite declarations and disclosures confirming their independence in accordance with Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations.

The Board is of the opinion that the Independent Directors are persons of integrity and possess the relevant expertise and experience. All Independent Directors are independent of the Management and are not related to any other Director on the Board.

**j. Detailed reasons for the resignation of the independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided**

During the year under review, none of the Independent Directors resigned from the Board of the Company before the expiry of their respective tenure.

**k. Separate Meeting of the Independent Directors**

During the reporting Financial Year, a separate Meeting of the Independent Directors of the Company, was held on March 25, 2026, where the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 were discussed:

- Review of performance of Non-Independent Directors and the Board as a whole.
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- To view the unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- To discuss about familiarisation programmes conducted by the company for the independent directors, the programme was conducted by G H V & Co., Practicing Company Secretary, Mumbai on the following topics:
  - Holistic Business Understanding & Strategic Value Creation.
  - Board Governance, Risk Oversight & Fiduciary Excellence.
  - Ethical Leadership, Accountability & Continuous Board Effectiveness.

**l. Company's Policy on Prohibition of Insider Trading**

The Company has formulated a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Code of Conduct for prevention of insider trading lays down detailed guidelines for Promoters, Directors, Key Managerial Personnel, Designated Persons and other Connected Persons, specifying the procedures to be followed and disclosures to be made



while dealing in the securities of the Company. The Code also sensitises such persons about the consequences of any non-compliance or violation. Further, the Code provides for a structured process to be followed in case of any inquiry relating to the leak or suspected leak of UPSI.

The Code of Practices and Procedures for Fair Disclosure of UPSI outlines the framework adopted by the Company for ensuring timely, adequate and fair disclosure of unpublished price sensitive information, in accordance with the principles of transparency and equitable dissemination of information to all stakeholders.

The trading window was closed during the time of declaration of results and occurrence of any material events as per the applicable regulations. The Company Secretary has been appointed as Compliance Officer of the Company and is responsible for adherence to the Code.

### m. Subsidiary Companies

As on March 31, 2026, the Company has one subsidiary, namely Hyd-Air Engineering Private Limited, which does not meet the thresholds prescribed under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for classification as a material subsidiary.

Please refer to the Directors' Report for further details regarding subsidiary.

The Company has formulated a Policy for determining material subsidiaries in accordance with the applicable provisions of the SEBI Listing Regulations. The said Policy is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Material-Subsidiaries.pdf>.

## 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 177 of the Companies Act, 2013.

### (a) Brief description of terms of reference

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The role of the Audit Committee, inter alia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the

financial statements are correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of the statutory auditors of the Company and approval of payment for any other services rendered by them;
3. Review of the annual and quarterly financial statements and auditor's report thereon, before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement;
  - changes in accounting policies and practices and reasons thereof;
  - major accounting entries involving estimates based on management judgement;
  - significant adjustments arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of related party transactions; and
  - qualifications in the draft audit report, if any;
4. Review of utilisation of funds raised through public issues, rights issues, preferential issues or other means, including statements of deviation(s) or variation(s), and related monitoring agency reports, if any;
5. Monitoring the end use of funds raised through public offers and related matters;
6. Review and monitoring of the independence and performance of auditors and effectiveness of the audit process;
7. Approval or subsequent modification of related party transactions;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Review of performance of statutory and internal auditors and adequacy of internal control systems;

12. Review of the adequacy and effectiveness of the internal audit function, including its structure, staffing, reporting lines and frequency;
13. Discussion with internal auditors on significant findings and follow-up thereon;
14. Review of findings of internal investigations in cases of suspected fraud or irregularity or failure of internal control systems of a material nature, and reporting the matter to the Board;
15. Discussion with statutory auditors before commencement of audit and post-audit discussions to ascertain any area of concern;
16. Examination of reasons for substantial defaults, if any, in payment to depositors, debenture holders, shareholders and creditors;
17. Review of the functioning of the whistle blower mechanism;
18. Approval of appointment of the Chief Financial Officer after assessing qualifications, experience and background;
19. Review of utilisation of loans and/or advances from or investments by the Company in its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, where applicable; and
20. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
21. Carrying out such other functions as may be assigned by the Board from time to time or as prescribed under applicable laws and regulations.

The Audit Committee is vested with powers, inter alia, to investigate any activity within its terms of reference, seek information from any employee, obtain external legal or professional advice, and secure attendance of outsiders with relevant expertise, as it may consider necessary.

The Committee also mandatorily reviews the information as specified under the SEBI Listing Regulations, including management discussion and analysis of financial condition and results of operations, internal audit reports, management letters issued by statutory auditors, appointment and remuneration of the Chief Internal Auditor, and statements of deviations, if any.

## (b) Composition, Name of Members and Chairperson

The Audit Committee comprises one Executive Director and two Non-Executive Directors. All members of the Committee are financially literate and possess the requisite expertise in accounting, finance, and audit matters.

The Statutory Auditors and Internal Auditors of the Company, or their authorised representatives, are invited to attend the meetings of the Committee, as and when required. The Company Secretary and Compliance Officer acts as the Secretary to the Audit Committee.

The composition of the Audit Committee as on March 31, 2026 is set out below:

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

## (c) Meetings and attendance

The Audit Committee met five (5) times during the financial year 2025-26, i.e., on April 30, 2025; July 8, 2025; July 28, 2025; October 28, 2025; and January 28, 2026. The intervening gap between any two consecutive meetings did not exceed one hundred and twenty (120) days.

The requisite quorum was present at all the meetings of the Committee. The details of attendance of each member are provided below:

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

## 4. NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE

The Nomination, Remuneration and Compensation Committee ("NRC") of the Company has been constituted in accordance with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 178 of the Companies Act, 2013.

**(a) Brief description of terms of reference**

- a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) identifying persons who are qualified to become directors and who may be appointed in senior management in

accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- e) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- f) recommend to the board, all remuneration, in whatever form, payable to senior management
- g) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

**(b) Composition, Name of members and Chairperson**

As on March 31, 2026, the Nomination, Remuneration and Compensation Committee comprised of Non – Executive Directors. The Company Secretary and Compliance Officer of the Company acts as Secretary to the Committee. The Composition of Nomination, Remuneration and Compensation Committee as on March 31, 2026 is given below:

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

**(c) Meetings and attendance**

The Nomination, Remuneration and Compensation Committee met two (2) times during the financial year 2025–26, i.e., on July 8, 2025 and July 28, 2025.

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

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	2	2
Mr. Parthasarathi Sarkar	2	2
Mr. Harikant Ganeshlal Turgalia	2	2

**(d) Performance evaluation criteria for Independent Directors**

The Nomination, Remuneration and Compensation Committee of the Board has laid down the criteria for the performance evaluation of the Board, its Committees, and individual Directors, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and in accordance with the criteria laid down by the Nomination, Remuneration and Compensation Committee, the Board of Directors carried out an annual

performance evaluation for the financial year 2025–26 of its own performance, that of its Committees, and of individual Directors. The evaluation was conducted internally through structured questionnaires designed to facilitate a comprehensive and objective assessment.

**5. STAKEHOLDER'S RELATIONSHIP COMMITTEE**

The terms of reference and scope of powers of the Stakeholders' Relationship Committee are aligned with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Company is committed to ensuring prompt and effective resolution of shareholder correspondence, queries, and grievances through its Secretarial Department. The status of investor complaints is periodically placed before the Stakeholders' Relationship Committee for review and oversight, enabling continuous monitoring and enhancement of investor service standards.

**(a) Brief description of terms of reference**

The role of the committee shall *inter-alia* include the following:

- a) Review of measures taken for effective exercise of voting rights by shareholders.

- b) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar to an Issue and Share Transfer Agent.

- c) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**(b) Composition, Name of members and Chairperson**

As on March 31, 2026, the Stakeholder's Relationship Committee comprised of three members (including one Independent Director). The Chairperson of the Committee is a Non-Executive Director.

The Committee consists of the following:

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

**(c) Meetings and attendance**

The Stakeholders' Relationship Committee met Four (4) times during the financial year, on April 30, 2025, July 28, 2025, October 28, 2025 and January 28, 2026.

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

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

**(d) Name and designation of Compliance Officer**

Ms. Ruthu Parampogi, Company Secretary and Compliance Officer, acts as the Compliance Officer of the Company.

*During the year under review, Ms. Kinjal Shah resigned from the position of Company Secretary and Compliance Officer with effect from July 15, 2025. Subsequently, Ms. Ruthu Parampogi was appointed as Company Secretary and Compliance Officer of the Company with effect from July 28, 2025.*

**(e) Number of shareholders' complaints received during the financial year**

During the financial year 2025-26, no shareholder complaints were received by the Company.

**(f) Number of complaints not solved to the satisfaction of shareholders: Nil**

**(g) Number of pending complaints: Nil**

### 5(A). RISK MANAGEMENT COMMITTEE

The provisions relating to the constitution of a Risk Management Committee pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company during the financial year under review.

### 5(B). KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The particulars of the Key Managerial Personnel and Senior Management of the Company, including changes therein since the close of the previous financial year, are detailed below:

Name of the Key Managerial Personnel	Designation
Mr. Asad Daud	Chairman & Managing Director
Mr. Mustafa Abid Kachwala	Whole-time Director & Chief Financial Officer
Ms. Kinjal Kamlesh Shah <i>(ceased to hold office with effect from July 15, 2025)</i>	Company Secretary & Compliance Officer
Ms. Ruthu Parampogi <i>(appointed with effect from July 28, 2025)</i>	Company Secretary & Compliance Officer
Name of the Senior Management Personnel	Designation
Mr. Kiran C. Kagalkar <i>(Resigned with effect from May 20, 2025)</i>	Chief Operating Officer
Mr. Harish Khatter	Vice President- Production & Planning
Mr. Pervez Akhter	Senior Vice President- Sales & Marketing- Export
Ms. Drashti Chetanbhai Bhil	Deputy CFO- Accounts & Finance

### 5(C). CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee of the Company has been duly constituted in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the rules framed thereunder.

#### (a) Terms of reference

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

The Company is committed to conducting and growing its business in a socially responsible manner, while continuously striving to minimise the environmental impact of its operations and enhance its positive contribution to society. The Company endeavours to achieve sustainable growth by promoting responsible practices and encouraging individuals to adopt small, meaningful actions that collectively create a significant impact.

The Corporate Social Responsibility ("CSR") Policy of the Company is guided by the following vision:

- The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
- The Company is committed towards improving the quality of lives of people in the communities in which it operates because society is an essential stakeholder and the purpose of its existence. The Company believes that giving it back to society through CSR activities is its moral duty.
- The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

### (b) Composition, Name of members and Chairperson

As on March 31, 2026, the Corporate Social Responsibility Committee comprised three (3) members, including two (2) Independent Directors. The Committee was chaired by Mr. Ramesh Chandra Soni, Non-Executive Independent Director.

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

### (c) Meetings and attendance

The Corporate Social Responsibility Committee met once during the financial year 2025-26, i.e., on July 8, 2025. The gap between meetings was in compliance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

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

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

\* Mr. Asad Daud ceased to be a member of the Committee with effect from January 28, 2026, pursuant to his resignation.

\*\* Mr. Ramesh Chandra Soni, who was a Member of the Corporate Social Responsibility Committee, was redesignated as the Chairperson of the Committee with effect from January 28, 2026, pursuant to the reconstitution of the Committee.

## 5(D). BANKING, FINANCE AND INVESTMENT COMMITTEE

### (a) Terms of reference

The Banking, Finance and Investment Committee has been constituted to facilitate efficient dealing with banks and financial institutions and to ensure that the Company's financial operations are conducted in a smooth, efficient and prudent manner, in alignment with its overall business objectives.

The broad terms of reference of the Banking, Finance and Investment Committee, inter alia, include the following:

#### A. Banking & Operational Finance Matters

- Review and approve all documents pertaining to bank guarantees, including issuance, renewal, amendment, and invocation, with execution as authorised.
- Evaluate and select banking partners and financial institutions that best meet the Company's needs.

- Review and approve credit facilities, including working capital limits, overdraft facilities, and other short-term borrowings within limits approved by the Board.
- Approve routine banking arrangements in respect of all types of bank accounts, including their operation, maintenance, and modification, along with the authorisation and changes in signatories.
- Review and approve routine banking agreements entered into during normal business operations.
- Monitor utilisation of sanctioned credit facilities and ensure compliance with terms and covenants stipulated by lenders.
- Review bank charges and interest rates regularly and negotiate and approve favourable terms with banks and financial institutions.

- ▶ Monitor the Company's cash flow and ensure approval of proper planning of funds from time to time.
  - ▶ Review foreign exchange risks and approve suitable hedging strategies as per the Board's guidelines.
- B. Investment Functions**
- ▶ Review and approve deployment of surplus funds, including strategic and financial investments (such as fixed deposits, mutual funds, government securities, bonds, debentures, and investments in startups), in line with the Company's investment objectives and within limits approved by the Board.
  - ▶ Formulate and recommend the Company's investment policy, if any, including risk appetite, asset allocation, and exposure limits.
  - ▶ Evaluate and approve investment opportunities, including startups, joint ventures, and other strategic investments, based on financial, commercial, and risk considerations.
- ▶ Undertake or review due diligence for proposed investments, particularly in startups and unlisted entities.
  - ▶ Monitor performance of investments on a periodic basis and take appropriate actions, including exit, restructuring, or additional funding.
  - ▶ Review valuation of investments, especially in startups and unquoted instruments, and ensure appropriate reporting in financial statements.
  - ▶ Review and approve non-treasury investments, including investments in startups, up to ₹5 crore.
- C. Compliance & Monitoring**
- ▶ Ensure compliance with banking covenants, financing agreements, and applicable regulatory requirements.
  - ▶ Review periodic reports on borrowings, investments, and financial exposure.
  - ▶ Oversee implementation of internal controls related to banking operations.

### (b) Composition

As on March 31, 2026, the Committee comprised three (3) members. The Committee is chaired by an Executive Director.

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

### (c) Meetings and attendance

The Banking, Finance and Investment Committee met Six (6) times during the financial year 2025-26, i.e., on July 9, 2025; July 16, 2025; September 3, 2025; November 25, 2025; January 5, 2026 and March 20, 2026. The meetings were held at regular intervals in accordance with the Company's operational requirements.

## 6. REMUNERATION OF DIRECTORS

### a. All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2025-26.

### b. Criteria of making payments to non-executive directors:

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in Board Meetings. A Non-Executive Director is entitled to receive sitting fees for attending each meeting of the Board, as may be approved by the Board of Directors from time to time, within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Details of remuneration/sitting fees paid to the Directors during the financial year 2025-26, along with their shareholding in the Company as on March 31, 2026, are provided below:

(₹ in lakhs, except no of shares)

Name of the Director	Designation	Salary & Perquisites	Performance/ Incentive/ Bonus/Stock option/Bonus/	Sitting Fees	Total	No. of Shares held
Mr. Asad Daud	Executive Director- Chairman & Managing Director	126.51	0	0	126.51	500
Mr. Mustafa Abid Kachwala	Executive Director- Whole-time Director & CFO	13.62	0	0	13.62	500
Mr. Harikant Ganeshlal Turgalia	Non-Executive - Non-Independent Director	0	0	0	0	500
Mr. Ramesh Chandra Soni	Non-Executive - Independent Director	0	0	1.50	1.50	-
Mr. Parthasarathi Sarkar	Non-Executive - Independent Director	0	0	1.75	1.75	-
Mr. Arpit Khandelwal	Non-Executive - Independent Director	0	0	0	0	-
Ms. Shilpa Bhatia	Non-Executive - Independent Director	0	0	1.75	1.75	-

- The above details of remuneration or fees paid include all elements of remuneration package of individual directors summarized under major heads.
- Apart from the above-mentioned remuneration or fees paid, there are no other fixed component and performance-linked incentives based on the performance criteria.
- No remuneration/compensation is paid to Non-Executive Directors, except sitting fees for attending board meetings.
- The Company has entered into service contracts with Whole-time Director and Managing Director. The tenure of office of the Managing Director is for five years and for Whole-time Directors is for three years from their respective dates of appointment and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

The Remuneration Policy of the Company is available on the website of the Company at [Nomination-and-Remuneration-Policy.pdf](#).

## 7. GENERAL BODY MEETINGS

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

Financial Year/ Type of Meeting	Date & Time	Venue/Mode	Special Resolution(s) passed
2025-2026 Annual General Meeting	August 05, 2025, at 11:00 a.m.	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208	I. Re-appointment of Mr. Parthasarathi Sarkar (DIN: 00047272) as an Independent Director of the Company.  II. Re-appointment of Mr. Mustafa Kachwala (DIN: 03124453) as a Whole-Time Director of the Company.

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

Financial Year/ Type of Meeting	Date & Time	Venue/Mode	Special Resolution(s) passed
2024-2025 Annual General Meeting	July 05, 2024, at 11: 00 a.m.	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208	I. To re-appoint Mr. Ramesh Chandra Soni (DIN: 00049497) as an Independent Director of the Company  II. Approval of Aeroflex Industries Limited Employee Stock Options Plan 2024 ("ESOP 2024") for employees of the Company  III. Aeroflex Industries Limited Employee Stock Options Plan 2024 (ESOP 2024) for the Employees of existing and future Subsidiary Company/ies
2023-2024 Annual General Meeting	July 08, 2023 at 11: 00 a.m.	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208	Re-Appointment of Ms. Shilpa Bhatia (DIN: 08695595) as an Independent Women Director

**b. Extra-ordinary General Meeting**

Details in respect of the last three Extra-Ordinary General Meeting (EGM) held and special resolutions passed there at:

Financial Year/ Type of Meeting	Date & Time	Venue/Mode	Special Resolution(s) passed
2025-2026 Extra-ordinary General Meeting	January 15, 2026, at 11:00 a.m.	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208	Issuance of Equity Shares To Non-Promoters on a Preferential Allotment Basis.
	January 01, 2025, at 11: 00 a.m.	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208	To approve raising of funds by way of issuance of equity shares and/or equity linked securities by way of Qualified Institutions Placement ("QIP").

**c. Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof**

During the Financial Year 2025-26, no Special Resolution was passed through postal ballot.

**d. Person who conducted the postal ballot exercise**

Not Applicable.

**e. Special Resolution proposed to be conducted through postal ballot**

No special Resolution is proposed to be conducted through postal ballot process.

**8. MEANS OF COMMUNICATION**

Timely disclosure of consistent, comparable, relevant and reliable information relating to the Company's financial performance is fundamental to good corporate governance and reinforces transparency, accountability and stakeholder confidence.

**(a) Quarterly Results**

The Company publishes limited reviewed unaudited standalone and consolidated financial results on a quarterly basis. For the fourth quarter, the Company publishes audited standalone and consolidated financial results for the entire financial year.

**(b) Newspapers wherein results normally published**

The quarterly, half-yearly and annual financial results of the Company are published in The Free Press Journal (English) and Navshakti (Marathi).

The results are published in accordance with the requirements of Regulations 33 and 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in widely circulated newspapers. The same are also submitted to the Stock Exchanges and displayed on the Company's website.

**(c) Website, where displayed/official news releases**

The financial results and the official news releases are also placed on the Company's website [www.aeroflexindia.com](http://www.aeroflexindia.com) in the investor relations section and can be accessed from <https://www.aeroflexindia.com/investor-relation/corporate/investors/financials>.

**(d) Presentations made to institutional investors or to the analysts**

The Company conducts analyst calls on a quarterly basis to provide updates on its operational and financial performance and to share its outlook with investors and analysts.

Presentations made to investors and analysts, along with audio/video recordings and transcripts of the earnings calls for quarterly, half-yearly and annual results, are submitted to the Stock Exchanges through their respective portals and are also made available on the Company's website at [www.aeroflexindia.com](http://www.aeroflexindia.com).

**(e) Framework for handling and monitoring investor complaints**

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

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

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

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

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

**(f) Other Information**

The Company ensures timely disclosure to the Stock Exchanges of all information required under Regulation 30 read with Part A and Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This includes disclosure of all material events and information having a bearing on the performance or operations of the Company, as well as other price sensitive information.

## 9. GENERAL INFORMATION FOR SHAREHOLDER

### a. 32<sup>nd</sup> Annual General Meeting:

Day	Tuesday
Date	21 <sup>st</sup> July, 2026
Time	11:00 AM IST
Venue	<b>Mode of Meeting:</b> Through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") or as permitted by the applicable statutory authorities.  <b>Deemed Venue:</b> Registered Office of the Company situated at Plot No. 41, 42/13, 42/14 & 42/18, Near Talaja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai - 410208

### b. Financial Year

The financial year of the Company commences on April 1 and ends on March 31 of the following year.

- **ISIN of Equity Shares:** INE024001021

- **Listing Fees:** The Company has duly paid the annual listing fees for the financial year 2025-26 to both the Stock Exchanges.

### c. Dates of Book Closure/Record Date

As mentioned in the Notice of the Annual General Meeting.

### f. In case the securities are suspended from trading, the Directors' Report shall explain the reason thereof

The Company confirms that its equity shares were not suspended from trading on any Stock Exchange during the financial year under review.

### d. Dividend Payment Date

The Board of Directors of the Company has recommended a final dividend of ₹0.40 (Forty Paise) per equity share of ₹2/- each (i.e., 20%) for the financial year 2025-26. The dividend, if approved by the Members at the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration.

### g. Registrar to an issue and Share Transfer Agents

**M/s. MUFG Intime India Private Limited**

*(Formerly known as Link Intime India Private Limited)*

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

**Phone: +91 81081 16767**

**Fax: +91-22- 49186060**

**E-mail:** [investor.helpdesk@in.mpms.mufg.com](mailto:investor.helpdesk@in.mpms.mufg.com)

**Website:** [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

### e. Listing on Stock Exchanges

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

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

### h. Share transfer system

Transfer of shares in electronic form are processed and approved by NSDL/CDSL through their Depository Participant(s), without involvement of the Company.

**i. Distribution of Shareholding as on March 31, 2026:**

Sr. No.	Categories (Shares)	No. of shareholders	% of total shareholders	No. of shares	% of total shares
1	1 to 500	90,078	91.41%	79,75,697	6.03%
2	501 to 1000	4,076	4.14%	31,62,060	2.39%
3	1001 to 2000	2,279	2.31%	34,71,559	2.62%
4	2001 to 3000	820	0.83%	20,64,190	1.56%
5	3001 to 4000	329	0.33%	11,76,961	0.89%
6	4001 to 5000	266	0.27%	12,48,202	0.94%
7	5001 to 10000	386	0.40%	28,72,056	2.17%
8	10001 & above	304	0.31%	1,10,60,043	83.40%
<b>Total</b>		<b>98,538</b>	<b>100%</b>	<b>13,23,30,768</b>	<b>100%</b>

**Categories of equity shareholding:**

Sr. No.	Categories	Number of equity shares held	Percentage of holding
1	Promoter & Promoter Group	8,66,36,663	65.47%
2	<b>Non-Promoters:</b>		
	<b>Institutional Investors (Domestic):</b>		
	Mutual Fund	28,01,288	2.12%
	Alternate Investment Fund	19,45,915	1.47%
	Insurance Companies	2,78,604	0.21%
3	<b>Institutional Investors (Foreign):</b>		
	Foreign portfolio Investors Category I	10,11,496	0.77%
	Foreign portfolio Investors Category II	9,66,330	0.73%
4	Directors & their Relatives (excluding independent directors & nominee directors)	1,500	0.00%
5	Resident Individuals	2,95,67,237	22.34%
6	Non-Resident Indians (NRIs)	14,07,268	1.06%
7	Foreign Companies	1,000	0.00%
8	Bodies Corporates	53,59,920	4.05%
9	Others	23,53,547	1.78%
<b>Total</b>		<b>13,23,30,768</b>	<b>100%</b>

**j. Dematerialization of shares and liquidity**

As on March 31, 2026, 100% of the Company's equity shares were held in dematerialized form. The equity shares of the Company are actively traded and listed on BSE Limited and the National Stock Exchange of India Limited.

**k. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs, ADRs, warrants or any convertible instruments in the past and, accordingly, as on March 31, 2026, there are no outstanding GDRs, ADRs, warrants or any convertible instruments.



## I. Commodity price risk or foreign exchange risk and hedging activities

The Company is not engaged in activities involving commodities and, therefore, is not exposed to commodity price risk.

The Company is exposed to foreign exchange risk arising from transactions denominated in currencies other than its functional and reporting currency. Such exposures are monitored on an ongoing basis and managed in the normal course of business to support financial stability and operational efficiency.

The Company has not undertaken any hedging activities in respect of its foreign exchange exposures during the year under review.

### PLANT LOCATIONS

#### Unit 1:

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

#### Unit 2:

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

#### Unit 3:

Land bearing Survey/Gat Nos. 169/1, 169/2,  
169/3, 169/4, 169/5, 169/6, 169/7(P),  
169/9(P) and 180(P), situated at  
Village Shinde, Sub-District Taluka Khed,  
District Pune, 410501, Maharashtra.

## m. Address for Correspondence

### i. Address for Correspondence with the Registrar and Transfer Agents

#### M/s. MUFG Intime India Private Limited

*(Formerly known as Link Intime India Private Limited)*

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

**Phone:** +91 81081 16767

**Fax:** +91-22- 49186060

**E-mail:** [investor.helpdesk@in.mpms.mufg.com](mailto:investor.helpdesk@in.mpms.mufg.com)

**Website:** [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

## ii. Investor Relation Department of the Company

### Ms. Ruthu Parampogi

Company Secretary and Compliance Officer

**Address:** Plot No. 41,42/13,42/14 & 42/18  
Near Talaja MIDC, Village Chal, Behind IGPL,  
Panvel, Navi Mumbai - 410208

**Telephone No:** +91 22 6146 7100

**Fax No:** 022-61467136

**Email:** [corporate@aeroflexindia.com](mailto:corporate@aeroflexindia.com)

**Website:** [www.aeroflexindia.com](http://www.aeroflexindia.com)

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

During the financial year under review, the Company has not obtained any credit rating from any credit rating agency.

## 10. OTHER DISCLOSURES

### a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

The Company has not entered into any materially significant related party transactions which may have a potential conflict with the interests of the Company at large.

Transactions with related parties, as required under Indian Accounting Standard (Ind AS) 24, are disclosed in the Notes to Accounts forming part of the Annual Financial Statements. The policy on dealing with related party transactions is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Related-Party-Transaction-Policy.pdf>.

### b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The Company has consistently complied with all applicable requirements under the securities laws. During the last three financial years, there has been no instance of non-compliance, nor has any penalty, stricture or adverse action been imposed on the Company by the Stock Exchanges, the Securities and Exchange Board of India or any other statutory authority in respect of any matter relating to the capital markets.



### c. Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel has been denied access to the Audit Committee

- The Company's Whistleblower Policy meets the requirement of the vigil mechanism framework prescribed under the Act and the SEBI Listing Regulations. The Whistleblower Policy is hosted on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Vigil-Mechanism-policy.pdf>.
- The Policy aims to provide an appropriate platform and protection to whistleblowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including without limitation the Integrity Code and/or Securities Dealing Code.
- The Policy also provides for adequate safeguards against victimization of the whistleblower. The Company investigates complaints speedily, confidentially and in an impartial manner, and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are maintained. All Employees and Directors have access to Chairperson of the Audit Committee.
- The Audit Committee reviews on a quarterly basis, the complaints received under the vigil mechanism and the closure actions taken for complaints where allegations are substantiated.

During the financial year 2025-26, no director or employee was denied access to the Audit Committee, and the Company affirms that effective access to the Audit Committee was available to all.

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

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

In addition, the Company has adopted the following non-mandatory requirements as specified under Regulation 27 and Part E of Schedule II of the aforesaid Regulations:

- Un-Modified Opinion(s) in Audit Report:** During the year under review, the Auditors' Report on the Company's financial statements did not contain any modified opinion, and the Company continues

to follow best practices to ensure the issuance of unmodified audit opinions.

- Reporting of Internal Auditor:** The Internal Auditor reports functionally to the Audit Committee of the Company, thereby ensuring the independence and objectivity of the internal audit function.
- Shareholder Rights:** The annual financial performance of the Company is disseminated to all Members whose e-mail addresses are registered with the Company or the Depositories. The said results are also hosted on the Company's website at [www.aeroflexindia.com](http://www.aeroflexindia.com).

### e. Web link where policy for determining 'material' subsidiaries is disclosed

During the financial year under review, the Company has one subsidiary, namely Hyd-Air Engineering Private Limited, which does not fall within the criteria prescribed under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a material subsidiary.

The Company has formulated a Policy for determining 'Material Subsidiaries', which is available on the Company's website at <https://www.aeroflexindia.com/wp-content/uploads/Policy-on-Material-Subsidiaries.pdf>.

### f. Web link where policy on dealing with related party transactions is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under 'Corporate Governance' in the 'Investor relation' section and can be accessed at <https://satgroup.in/wp-content/uploads/2023/03/Policy-on-materiality-of-and-dealing-with-Related-PartyTransactions.pdf>.

### g. Disclosure of commodity price risks and commodity hedging activities

The Company is not engaged in activities involving commodities and, therefore, is not exposed to commodity price risk.

The Company is exposed to foreign exchange risk arising from transactions denominated in currencies other than its functional and reporting currency. Such exposures are monitored on an ongoing basis and managed in the normal course of business to support financial stability and operational efficiency.

The Company has not undertaken any hedging activities in respect of its foreign exchange exposures during the year under review.

## h. Details of utilization of funds raised through preferential allotment or qualified institutions placement

During the year under review, the Company made a preferential allotment of equity shares. The Board of Directors, at its meeting held on February 03, 2026, inter alia, approved the allotment of 30,10,398 fully paid-up equity shares of face value of ₹2/- each at an issue price of ₹182.70 per equity share (including a premium of ₹180.70 per share), aggregating to ₹54,99,99,714.60.

Out of the total proceeds raised, part of the funds has been utilised during the year. The utilisation is in accordance with the approved objects of the issue, as detailed below:

(Amount in ₹)		
Object	Original Allocation	Funds Utilised
Long-term working capital	41,52,49,783.60	9,50,00,000.00
General Corporate Purpose	12,02,49,931.00	1,64,00,806.00
<b>Preferential Issue:</b>		
a. Advisory Fees	1,41,60,000.00	1,41,60,000.00
b. Board Meetings, Extra-Ordinary General Meetings and Miscellaneous expenses	3,40,000.00	3,40,000.00
<b>Total</b>	<b>54,99,99,714.60</b>	<b>12,59,00,806.00</b>

The Notice of the Extra-Ordinary General Meeting dated December 18, 2025 and the Corrigendum thereto were duly submitted to the stock exchanges, circulated to the shareholders and are available on the website of the Company at [www.aeroflexindia.com](http://www.aeroflexindia.com).

Further, there has been no deviation or variation in the utilisation of the said proceeds from the objects approved by the shareholders, and requisite disclosures have been duly submitted to the Stock Exchanges in compliance with Regulation 32 of the SEBI (LODR) Regulations, 2015.

## i. Certificate from a Company Secretary in Practice about disqualification of Director/s by SEBI/MCA/any other statutory body

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs, or any other statutory authority.

A certificate to this effect has been received from T.F. Khatri & Associates, Practicing Company Secretaries & Secretarial Auditor of the Company is annexed as "Annexure - I" to this Report.

## j. Where the Board had not accepted any recommendation of any Committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

During the financial year 2025-26, all recommendations made by the Committees of the Board were duly accepted by the Board, and there were no instances of non-acceptance.

## k. The total audit and taxation fees paid by the Company and its subsidiaries, on a consolidated basis, for the financial year 2025-26 is as follows:

(₹ In Lakhs)	
Particulars	Amount
Statutory Audit Fee	3.00
Tax Audit Fee	3.00
Reimbursement Expenses	-
<b>Total</b>	<b>6.00</b>

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

The Company is committed to providing a safe and healthy work environment, where every employee is treated with dignity and respect and is able to work without fear of discrimination, prejudice, gender bias or any form of harassment at the workplace. The Company has in place a Prevention of Sexual Harassment ('POSH') Policy in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The Policy is gender-neutral, and its principles are communicated to employees on a regular basis through awareness and sensitisation programmes.



Details of complaints handled under the aforesaid Policy during the financial year are as follows:

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

### m. Loans and Advances

During the financial year under review, the Company has provided a loan to its wholly owned subsidiary, i.e. Hyd-Air Engineering Private Limited amounting to ₹ 525 Lakhs, in the ordinary course of business and on an arm's length basis.

### n. Details of material subsidiaries of the Company

The Company does not have any material subsidiary within the meaning of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 11. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT, WITH REASONS THEREOF SHALL BE DISCLOSED

There is no instance of non-compliance of any requirement of Corporate Governance report of sub-paras (2) to (10) of para C of Schedule-V of SEBI Listing Regulations.

## 12. DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II.

### a. The Board of Directors

The Chairperson of the Company is an Executive Chairperson. Accordingly, the provision relating to maintenance of a Chairperson's office at the listed entity's expense is not applicable to the Company.

Further, the Company has one Woman Independent Director on its Board as on March 31, 2026, in compliance with the applicable requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### b. Shareholder Rights

As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's Website

<https://www.aeroflexindia.com/investor-relation/> hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.

### c. Audit Qualifications

The Auditors have raised no qualification on the financial statements for the year ended March 31, 2026.

### d. Separate posts of Chairperson and the Managing Director or the CEO

Mr. Asad Daud serves as both the Chairperson and Managing Director of the Company. The Board believes that the current leadership structure provides unified direction, facilitates effective decision-making, and supports the efficient execution of the Company's strategic objectives.

### e. Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

### f. Independent Directors

During the financial year 2025-26, the meeting of Independent Directors was held without the presence of Non-Independent Directors and Members of Management.

### g. Risk Management Committee

The constitution of Risk Management Committee is not applicable to the Company.

## 13. DISCLOSURE OF COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB REGULATION (2) OF REGULATION 46.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



#### 14. DECLARATION SIGNED BY THE CHIEF EXECUTIVE OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT.

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics.

The Board has adopted a Code of conduct for Directors and Senior Management of the Company

The Code is available on the website of the Company under 'Corporate Governance' in the 'Investor relation' section and can be accessed at <https://www.aeroflexindia.com/wp-content/uploads/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf>

##### DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

As per Regulation 17 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Mustafa Abid Kachwala, CFO and Whole-Time Director of the Company do hereby confirm and declare that all the Board Members and the Senior Management Personnel of the Company has affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year ended March 31, 2026.

For **Aeroflex Industries Limited**

**Mustafa Abid Kachwala**  
CFO and Whole-time Director  
DIN: 03124453

**Place:** Mumbai  
**Dated:** June 18, 2026

#### 15. CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from M/s. T.F. Khatri & Associates, Practicing Company Secretaries, Secretarial Auditor of the Company, certifying compliance with the conditions of Corporate Governance is annexed "**Annexure -II**" and forms an integral part of this Report.

#### 16. DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

During the entire financial year under review and as at March 31, 2026, there were no shares held in the Unclaimed Suspense Account of the Company. Consequently, the disclosure requirements under Regulation 34(3) read with Part F of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

In view of the absence of any such shares, the provisions relating to freezing of voting rights are also not applicable.

#### 17. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

During the financial year under review, the Company has not entered into any agreements falling within the scope of Clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or its holding, subsidiary or associate company, whether among themselves, with the Company, or with any third party, either solely or jointly, which, directly or indirectly or potentially, have the purpose or effect of impacting the management or control of the Company or impose any restriction or create any liability upon the Company.

#### 18. OTHER USEFUL INFORMATION FOR SHAREHOLDERS

##### a. Update E-mails for receiving notice/ documents in e-mode:

- The Ministry of Corporate Affairs (MCA), vide its circulars issued in 2011, has permitted service of documents by companies,



including notices of general meetings and annual reports, to shareholders through electronic mode as part of its 'Green Initiative' aimed at reducing paper consumption and promoting environmental sustainability. The Company, being a responsible corporate citizen, fully supports this initiative.

- Accordingly, the Company has adopted the practice of sending notices of general meetings, annual reports and other communications to its shareholders in electronic mode at their registered e-mail addresses. Shareholders who wish to receive such documents in physical form are requested to inform the Company accordingly.
- The Annual Report along with the Notice of the Meeting is being sent to the shareholders in electronic mode at their registered e-mail addresses. Shareholders who have not yet registered their e-mail addresses are requested to do so. Members holding shares in dematerialised form may register their e-mail address with their respective Depository Participants.

#### **b. Nomination Facility**

Shareholders holding shares in dematerialised form are requested to register their nominations with their respective Depository Participants in accordance with the applicable provisions.

#### **c. Update your Correspondence Address/ Bank Mandate/Email Id**

Shareholders holding shares in dematerialised form are requested to intimate any change in their bank details, address or e-mail address directly to their respective Depository Participants.

#### **d. Quote Folio No./DP ID No.**

Shareholders/Beneficial Owners are requested to quote their Folio Number or DP ID and Client ID, as applicable, in all correspondence with the Company. They are also requested to furnish their e-mail address, contact details and fax number, if any, to facilitate prompt response to their communications.

#### **e. SWAYAM developed by Registrar and Share Transfer Agents**

Security holders may register on 'SWAYAM', the Registrar and Transfer Agent's (RTA) online investor self-service portal, which enables them to conveniently access information through a dashboard and avail various services in digital mode- SWAYAM Portal - <https://swayam.in.mpms.mufg.com/>.

Also, you can raise your request directly through service request [https://web.in.mpms.mufg.com/helpdesk/Service\\_Request.html](https://web.in.mpms.mufg.com/helpdesk/Service_Request.html).

#### **f. Unpaid Dividend and KYC Updation**

Shareholders are requested to claim their unpaid/unclaimed dividends, if any, from the Company or from the Investor Education and Protection Fund (IEPF), as applicable, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

Shareholders are further advised to update their KYC details, including PAN, bank account particulars, address, contact details and nomination, with the Company or its Registrar and Share Transfer Agent, to enable smooth processing of dividend payments and claims relating to unpaid dividends, in line with the requirements prescribed by SEBI.

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

**Place:** Mumbai  
**Dated:** June 18, 2026

**Asad Daud**  
Chairman  
DIN: 02491539

**ANNEXURE-I****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

The Members of

**AEROFLEX INDUSTRIES LIMITED**

Plot No. 41,42/13,42/14 & 42/18 Near Talaja MIDC,  
Village Chal, Behind IGPL,  
Panvel, Navi Mumbai-410208,  
Maharashtra, India

I have examined the relevant registers, records, forms, returns and declarations/disclosures received from the Directors and taken on record by the Board of Directors of Aeroflex Industries Limited, having CIN L27509MH1993PLC074576 and having registered office situated at Plot No. 41,42/13,42/14 & 42/18 Near Talaja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai-410208, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March 2026 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

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

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

For **T.F Khatri & Associates**,  
Practicing Company Secretary

**Tehseen Fatima Khatri**

(Proprietor)

FCS: 9093

COP No: 10417

UDIN: F009093H000648842

**Place:** Mumbai

**Date:** June 18, 2026

**ANNEXURE-II****PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of,

**AEROFLEX INDUSTRIES LIMITED**

I have examined the compliance of the conditions of Corporate Governance by AEROFLEX INDUSTRIES LIMITED ('the Company') for the financial year ended March 31, 2026 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations for the financial year ended March 31, 2026.

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

For **T.F Khatri & Associates**,  
Practicing Company Secretary

**Tehseen Fatima Khatri**

(Proprietor)

FCS: 9093

COP No: 10417

UDIN: F009093H000648864

**Place:** Mumbai

**Date:** June 18, 2026



# Independent Auditor's Report

To,

The Members of

**AEROFLEX INDUSTRIES LIMITED**

Mumbai

**Report on the Audit of the Consolidated Financial Statements:**

## OPINION

We have audited the accompanying Consolidated Financial Statements of **AEROFLEX INDUSTRIES LIMITED** (hereinafter referred to as "**the Holding Company**") which includes the financial statements of its subsidiary (Indian Subsidiary **Hyd-air Engineering Pvt Ltd (The Holding company and its subsidiary together referred as the "the company/Group")**), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2026, the consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements and a summary of material accounting policies and other explanatory information (**hereinafter referred to as "Consolidated Financial Statements"**).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors of the subsidiary company, the aforesaid Consolidated financial statements, give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2026, its consolidated profits including consolidated other comprehensive income, its consolidated cash flows and consolidated changes in the equity for the year ended on that date.

## BASIS OF OPINION

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

We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in the "Other Matters" section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March 2026. 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 the key audit matters to be communicated in our report. Our audit procedures, amongst others, include the following:

- A. Accuracy, completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress:** The carrying value of property, plant and equipment includes the assets capitalised/transferred from capital work in progress during the year. The group has capital work in progress at the year ended as on 31<sup>st</sup> March 2026 of ₹ 2,310.04 lakhs. Cost recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The group has incurred various expenses and purchases of machinery & equipment's related to the expansion of its production facilities and products manufacturing capacity for the company. The asset capitalisation is the outcome of various procurements, approvals from operational experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 3: Property, Plant and Equipment in Notes to the consolidated financial statements.

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

- Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.
- We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including



Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.

- c) We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.
- d) We have verified the capitalisation of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23. The company has made the capitalisation from the accumulated funds and the internal accruals.
- e) Ensuring adequacy of disclosures in the consolidated financial statements.

**B. Disclosure with regards to certain legal and tax matters including uncertain tax positions and presentation of contingent liabilities & other litigations:**

Assessment of litigations and related disclosure of contingent liabilities (Refer Note 2(C) & 2 (Q) to the consolidated financial statements - "Significant Accounting Judgments, Estimates and Assumptions - Provisions and Contingent Liabilities" and Note 43 to the consolidated financial statements "Contingent liabilities") as at 31<sup>st</sup> March 2026. The Company, in the normal course of business, is contesting various claims and proceedings including matters relating to direct and indirect taxes that arise from time to time. The Company assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each such litigation or dispute. This assessment is significant to our audit, to assess adequacy of disclosure or provision in the books of account. The accounting and disclosure for contingent liabilities is complex & involves judgment in assessing the outcome of the matter and estimating the potential impact if the outcomes are unfavorable, and the amounts involved are, or can be, material to the consolidated financial statements. Considering the amounts, which can be material and involves significant management judgments and estimation, we have identified this as a key audit matter.

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

As at 31<sup>st</sup> March, 2026, the Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters under the detailed note given under contingent liabilities.

These are key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those

leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognising provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements. Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following:

- We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the consolidated financial statements;
- Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;
- Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss as well as testing related to provisions and disclosures in the financial statements through inquiries with the management and legal counsel;
- Assessing on test basis on the underlying calculation supporting the disclosure of litigation in the consolidated financial statements;
- Reviewing orders and other communication from tax and regulatory authorities and management responses thereto;
- Assessing the management expert's legal advice and opinion, as applicable, obtained by the Group's management to corroborate management assessment and evaluating competence and capabilities of the experts; and
- Based on the above procedures performed, evaluated appropriateness and adequacy of the disclosures of the contingent liability made in the Consolidated financial statements in accordance with the requirements of Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Asset' and Ind AS 12 - 'Income Taxes'.

**C. Right-of-Use Assets and Lease Liabilities:**

The Company has recognised Right-of-Use assets and corresponding lease liabilities in accordance with Ind AS 116 - Leases. As at the balance sheet



date, the carrying value of ROU assets amounts to ₹ 740.54 lakhs.

The recognition and measurement of ROU assets involve significant management judgment, including determination of lease term, discount rate, and identification of lease contracts.

Our audit procedures included, among others:

- Evaluating the Company's lease accounting policy for compliance with Ind AS 116
- Verifying sample lease agreements and assessing lease classification
- Testing the assumptions used in determining discount rates and lease terms
- Recomputing the lease liability and corresponding ROU asset on a sample basis

Based on our audit procedures, we found the recognition and measurement of ROU assets to be appropriate.

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

The holding Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the integrated annual report, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The integrated annual report of the holding company including the Director's report, Chairman's statement, Management Discussion and Analysis and report on corporate governance is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's Responsibilities relating to Other Information' and describe actions under the relevant laws and regulations.

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

The Holding Company's Management & Board of Director's are 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, consolidated state of affairs, consolidated profit & loss including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the Indian Accounting Standards and accounting principles generally accepted in India including the accounting Standards specified under Section 133 of the Act.

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

In preparing the Consolidated financial statements, the respective Management and Board of Directors included in the group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the group 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.

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

1. Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting in preparation of Consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March 2026 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

- (a) We did not audit the financial statements of Indian subsidiary Hyd-Air Engineering Pvt Ltd whose financial statements reflect total assets of ₹ 3,785.60 lakhs as at 31<sup>st</sup> March, 2026 total revenues of ₹ 3,162.04 lakhs and net cash inflows amounting to ₹ (86.07) lakhs for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on



the work done and the reports of the other auditors and the financial information certified by the Management.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 and the reports of the other auditors.
  - c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including consolidated other Comprehensive Income, Consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors of the holding company as on 31<sup>st</sup> March 2026, and taken on record by the Board of Directors, of the holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies are disqualified as on 31<sup>st</sup> March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the group with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls with reference to consolidated financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. As per the informations given to us, the group does not have any other material pending litigation which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in **Notes 43** of the consolidated financial statements.
    - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31<sup>st</sup> March 2026.
    - iii. There were no amounts which are required to be transferred to the Investors Education and Protection Fund by the Group companies incorporated in India during the year ended 31<sup>st</sup> March 2026.
    - iv. a. The Management of Holding Company which is the company incorporated in India in the group whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



- b. The Management of Holding Company which is the company incorporated in India in the group whose financial statements have been audited under the Act, has represented us, that, to the best of its knowledge and belief, no funds have been received by the group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regards, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.

Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act.

- v. Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary company incorporated in India whose financial statements have been audited under the Act and in respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 we here with report that the Group have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.
- vi. During the year, the holding companies in the group which is incorporated in India has complied with Section 123 of the Act, wherever applicable, with regard to dividend declared and paid.

The Board of Directors of the holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. (Refer note 48 to the consolidated financial statements).

**FOR SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351



## **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 31<sup>st</sup> March, 2026)

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

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

**FOR SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351



## ANNEXURE “ B ”

### TO THE INDEPENDENT AUDITOR'S REPORT:

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

We have audited the internal financial controls over financial reporting of the holding company **AEROFLEX INDUSTRIES LIMITED** (“hereinafter referred to as “the Holding Company”) which is the company incorporated in India in conjunction with our audit of the consolidated financial statements of the group as of and for the year ended 31<sup>st</sup> March, 2026.

### MANAGEMENT’S AND BOARD OF DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS:

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

### AUDITORS' RESPONSIBILITY:

Our responsibility is to express an opinion on the holding Company's internal financial controls which is company incorporated in India with reference to the consolidated financial statement based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statement were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS.:

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

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS:

Because of the inherent limitations of internal financial controls with Reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to fraud may occur and not be detected. Also, projections of any evaluation of the



internal financial controls with Reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with Reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

**OPINION:**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below with respect to the companies in group which are companies incorporated in India, in all material respects, an adequate internal financial controls with reference to the consolidated financial statement and such internal financial controls over financial reporting were operating effectively as at

31<sup>st</sup> March, 2026, based on the internal financial control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**OTHER MATTERS:**

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

FOR **SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351

# Consolidated Balance Sheet

As at 31<sup>st</sup> March, 2026

(₹ in lakhs)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
a) Property, plant and equipment	3	20,384.77	16,966.10
b) Property, plant and equipment - WIP	3.1	2,310.04	984.22
c) Right-of-use asset	3.2	740.54	-
d) Investment property			
e) Goodwill		126.75	126.75
f) Intangible assets	4	85.68	88.26
g) Intangible assets - WIP	4.1	-	-
h) Biological assets other than bearer plants			
i) Financial assets			
i) Investments	5	0.55	-
ii) Trade receivables			
iii) Loans			
iv) Other financial assets	6	308.83	272.62
j) Deferred tax assets net	7	-	-
k) Other non-current assets	8	273.25	305.01
<b>Total non-current assets</b>		<b>24,230.41</b>	<b>18,742.95</b>
<b>CURRENT ASSETS</b>			
a) Inventories	9	8,372.46	6,668.28
b) Financial assets			
i) Investments			
ii) Trade receivables	10	12,981.61	11,651.79
iii) Cash and cash equivalents	11	1,898.82	2,630.19
iv) Bank balances other than cash and cash equivalent	12	5,066.14	44.85
v) Loans			
vi) Other financial assets			
c) Current tax assets net			
d) Other current assets	13	3,952.13	2,917.04
<b>Total current assets</b>		<b>32,271.17</b>	<b>23,912.15</b>
<b>TOTAL ASSETS</b>		<b>56,501.58</b>	<b>42,655.11</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	14	2,646.62	2,586.41
b) Other equity	15	42,080.73	31,655.22
<b>Total equity</b>		<b>44,727.35</b>	<b>34,241.62</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>a) Financial liabilities</b>			
i) Borrowings	16	61.82	32.64
(A) Lease liabilities	3.3	551.61	-
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (b) to be specified)			
b) Provisions			
c) Other non current liabilities			
d) Deferred tax liability (Net)	7	89.79	156.49
<b>Total non-current liabilities</b>		<b>703.22</b>	<b>189.13</b>
<b>Current Liabilities</b>			
<b>a) Financial liabilities</b>			
i) Borrowings	17	44.96	25.71
(A) Lease liabilities	3.3	230.97	-
ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18	725.32	425.69
(B) Total outstanding dues of creditors other than micro & small enterprises	18	7,345.74	5,257.35
(iii) Other financial liabilities (other than those specified in item (c))			
b) Other current liabilities	19	2,149.85	1,976.87
c) Provisions			
d) Current tax liabilities (Net)	20	574.18	538.75
<b>Total current liabilities</b>		<b>11,071.01</b>	<b>8,224.36</b>
<b>Total liabilities</b>		<b>11,774.23</b>	<b>8,413.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>56,501.58</b>	<b>42,655.11</b>

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 49")

As per our Report of even date

For and on behalf of the Board

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND COMPLIANCE  
OFFICER  
(M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351



# Statement of Consolidated Profit and Loss

For the year ended 31<sup>st</sup> March, 2026

(₹ in lakhs)

Particulars	Note	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>REVENUES:</b>			
I Revenue from operations	21	44,193.51	37,622.79
II Other income	22	135.91	253.45
<b>TOTAL INCOME</b>		<b>44,329.42</b>	<b>37,876.24</b>
<b>EXPENSES:</b>			
III Cost of material consumed	23	25,959.80	21,585.71
IV. Changes in inventories	24	(867.23)	373.35
V. Employee benefit expenses	25	4,131.33	3,379.01
VI. Finance costs	26	93.65	35.92
VII Depreciation and amortisation expense	27	2,607.74	1,127.23
VIII Other expenses	28	4,995.76	4,380.22
<b>TOTAL EXPENSES</b>		<b>36,921.04</b>	<b>30,881.43</b>
<b>Profit/(loss) before exceptional item and tax</b>		<b>7,408.38</b>	<b>6,994.81</b>
IX Exceptional item		-	-
<b>Profit/(loss) before tax</b>		<b>7,408.38</b>	<b>6,994.81</b>
Tax expense:			
X (1) Current tax		1,897.00	1,673.00
XI (2) Deferred tax liability/(assets)		(66.70)	84.54
XII (3) Taxation of earlier year		25.38	(13.49)
<b>Profit/(loss) for the year from continuing operation</b>		<b>5,552.70</b>	<b>5,250.76</b>
XIII Profit/(loss) from discontinued operations.		-	-
XIV Tax expense of discontinued operations		-	-
XV Profit/(loss) from discontinued operation		-	-
<b>Profit/(loss) for the year</b>		<b>5,552.70</b>	<b>5,250.76</b>
Other comprehensive income/(loss)			
XVI a) Item that will not be reclassified subsequently to profit or loss			
i) Net change in fair values of investments in equity shares carried at fair value through OCI		-	-
XVII b) Income tax relating to item that will not be reclassified subsequently to profit or loss		-	-
XVIII c) Item that will be reclassified subsequently to profit or loss		-	-
i) Exchange differences on translation of financial statements of foreign operations		-	0.22
XIX d) Income tax relating to item that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income/(loss)</b>		<b>-</b>	<b>0.22</b>
<b>Total comprehensive income for the year</b>		<b>5,552.70</b>	<b>5,250.99</b>
XX Earnings per equity share: (for continuing operations) in ₹	29		
(1) Basic		4.28	4.06
(2) Diluted		4.28	4.06
XXI Earnings per equity share: (for discontinued operations) in ₹			
(1) Basic		-	-
(2) Diluted		-	-
XXII Earnings per equity share: (for discontinued & continuing operations) in ₹	29		
(1) Basic		4.28	4.06
(2) Diluted		4.28	4.06

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 49")

As per our Report of even date

For and on behalf of the Board

FOR SHWETA JAIN & CO LLP  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149PRIYANKA JAJU  
(Partner)  
Membership No.: 416197ASAD DAUD  
MANAGING DIRECTOR  
(DIN-02491539)MUSTAFA A KACHWALA  
WHOLETIME DIRECTOR & CFO  
(DIN-03124453)RUTHU PARAMPOGI  
COMPANY SECRETARY AND  
COMPLIANCE OFFICER  
(M.No: A60982)Place: Mumbai  
Date: 5<sup>th</sup> May 2026  
UDIN: 26416197NACKRE6351



# Consolidated Cash Flow Statement

For the year ended 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit (loss) before tax	7,408.38	6,994.81
<b>Add:</b> Other comprehensive income/(loss)	-	0.22
<b>Add:</b> Depreciation	2,607.74	1,127.23
<b>Add:</b> Interest paid	93.65	35.92
<b>Add:</b> Loss on sale, disposal, discard of property, plant and equipment (net)	2.35	19.00
<b>Less:</b> Realised exchange gain on impairment of investment	-	(1.04)
<b>Less:</b> Interest received	(128.99)	(230.37)
<b>Operating profit before working capital changes</b>	<b>9,983.13</b>	<b>7,945.77</b>
<b>Adjustments for:</b>		
(Increase)/decrease in non current other financial assets	(36.22)	73.22
(Increase)/decrease in other non current assets	31.76	35.82
(Increase)/decrease in change in inventories	(1,704.18)	(774.05)
(Increase)/decrease in current trade receivables	(1,329.82)	(2,179.51)
(Increase)/decrease in other current assets	(1,035.09)	(884.10)
Increase/(decrease) in current trade payables	2,388.02	168.78
Increase/(decrease) in other current liabilities	208.41	(68.03)
Cash generated from operations before tax	8,506.02	4,317.90
Income tax paid	(1,922.38)	(1,659.51)
<b>Net cash flow from operating activities</b>	<b>6,583.64</b>	<b>2,658.39</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipments & intangibles including CWIP	(7,108.55)	(10,346.28)
Proceed from sale of property, plant & equipments & intangibles including CWIP	3.39	-
Goodwill in subsidiary	-	(126.75)
Investment in quoted equity shares	(0.55)	
Movement in other bank balances (net)	(5,021.28)	2,877.43
Interest received	128.99	230.37
<b>Net cash flow from investing activities</b>	<b>(11,998.01)</b>	<b>(7,365.24)</b>
<b>C. CASH FLOW FROM FINANCEING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	60.21	-
Proceeds from borrowings	81.00	64.00
Repayment of borrowings	(32.57)	(17.77)
Repayment of Lease liability	(204.81)	-
Interest paid	(93.65)	(35.92)
Dividend paid	(387.96)	(323.30)
Preferential issue expenses	(179.01)	-
Proceeds from issue of equity share capital (including securities premium)	5,439.79	-
<b>Net cash flow from financing activities</b>	<b>4,683.01</b>	<b>(312.99)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>(731.36)</b>	<b>(5,019.84)</b>
Cash and cash equivalents at the beginning of the period	2,630.19	7,650.03
Cash and cash equivalents at the end of the period	1,898.82	2,630.19
<b>Net increase in cash &amp; cash equivalents as at 31.03.2026</b>	<b>(731.36)</b>	<b>(5,019.84)</b>

# Consolidated Cash Flow Statement (Contd.)

 For the year ended 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>Reconciliation of cash and cash equivalents at end of the year with balance sheet:</b>		
<b>Cash and cash equivalents as per balance sheet (as per note 11)</b>		
Cash on hand	1.38	1.20
In rupees	4.43	5.25
In foreign currency	-	-
Balances with banks:	1,586.04	1,076.21
- On current accounts	306.97	1,547.54
Fixed deposits with maturity of less than 3 months *		
<b>TOTAL</b>	<b>1,898.82</b>	<b>2,630.19</b>

The accompanying notes are an integral part of these Consolidated Financial Statements (Note No. "1 to 49")

As per our Report of even date

**For and on behalf of the Board**
**FOR SHWETA JAIN & CO LLP**  
 CHARTERED ACCOUNTANTS  
 F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
 (Partner)  
 Membership No.: 416197

**ASAD DAUD**  
 MANAGING DIRECTOR  
 (DIN-02491539)

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

**RUTHU PARAMPOGI**  
 COMPANY SECRETARY AND  
 COMPLIANCE OFFICER  
 (M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351

**Notes:**

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 12 & 13)



# Consolidated Statement of Changes in Equity

For the year ended 31<sup>st</sup> March, 2026

## A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Balance at the beginning of the reporting Year	Changes in equity share capital due to Prior Year Errors	Restated Balance at the beginning of the current reporting Year	Changes in equity share capital during the year	Balance at the end of the reporting Year
For the year ended on 31/03/2026	2,586.41	-	-	60.21	2,646.62
For the year ended on 31/03/2025	2,586.41	-	-	-	2,586.41

## B. PROMOTORS HOLDING

Particulars	Shares held at the end of the year 31/03/2026		Shares held at the end of the year 31/03/2025		% of change during the year
	No. of shares held	% of total shares	No. of shares held	% of total shares	
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	7,91,81,833	59.84%	7,91,81,833	61.23%	-1.39%



# Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31<sup>st</sup> March, 2026

## C. OTHER EQUITY

Particulars	Share Application Money pending allotment	Equity component of compound financial instrument	Reserves & Surplus			Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities premium	General Reserve								
<b>Balance at the beginning of the reporting year- 01.04.2025</b>	-	-	16,080.08	-	15,575.13	-	-	-	-	-	-	-	<b>31,655.22</b>
Changes in accounting policy/prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	5,552.70	-	-	-	-	-	-	-	5,552.70
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(387.96)	-	-	-	-	-	-	-	(387.96)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on Issue of New Share	-	-	5,439.79	-	-	-	-	-	-	-	-	-	5,439.79
Preferential Expense	-	-	(179.01)	-	-	-	-	-	-	-	-	-	(179.01)
<b>Balance at the end of the reporting year -31.03.2026</b>	-	-	<b>21,340.86</b>	-	<b>20,739.87</b>	-	-	-	-	-	-	-	<b>42,080.73</b>

(₹ in lakhs)



# Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31<sup>st</sup> March, 2026

Particulars	Share Application Money pending allotment	Equity component of compound financial instrument	Reserves & Surplus			Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities premium	General Reserve								
<b>Balance at the beginning of the reporting year - 01.04.2024</b>	-	-	-	16,080.08	-	10,648.49	-	-	-	-	-	-	26,728.57
Changes in accounting policy/prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	5,250.76	-	-	-	-	-	-	5,250.76
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	(0.82)	-	-	-	-	-	-	(0.82)
Dividends	-	-	-	-	-	(323.30)	-	-	-	-	-	-	(323.30)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on Issue of New Share	-	-	-	-	-	-	-	-	-	-	-	-	-
IPO Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting year -31.03.2025</b>	-	-	-	16,080.08	-	15,575.13	-	-	-	-	-	-	31,655.22

As per our Report of even date

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W/101149

**PRYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKR6351

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No: A60982)

For and on behalf of the Board



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 1: GROUP CORPORATE INFORMATION:

The Consolidated Financial Statements comprise financial statements of **AEROFLEX INDUSTRIES LIMITED** ("The Company" or "the Parent") bearing Corporate Identity Number (CIN) L27509MH1993PLC074576 and subsidiaries (collectively referred to as "the Group") for the year ended 31<sup>st</sup> March 2026.

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

The holding Company is subsidiary company of Aeroflex Enterprises Limited (Formerly Sat Industries Limited), a listed company, which holds 59.84% (PY: 61.23%) of the equity shares of the company at the year ended.

### Subsidiaries:

1. The company has its wholly owned Subsidiary company named Hyd-Air Engineering Pvt Ltd ("The Subsidiary") which is also operating in the same segment. The subsidiary company has principal place of Business in India and engaged in manufacturing of engineering goods.

The consolidated financial statements ("the financial statements") have been approved for issue by the Board of Directors of the Company in their meeting held on 5<sup>th</sup> May 2026, presents the financial position of the Group.

## NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION:

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

### A. Basis of Preparation, Presentation & Measurement of Financial Statements:

The Consolidated financial statements of the group have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (referred as Ind AS) as prescribed under Section 133 of the

Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules 2015, as amended and relevant provisions of the Companies Act, 2013 including presentation and disclosure requirements of Division II of Schedule III of the Act as amended from time to time.

The Consolidated financial statements comprises the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2026, the Statement of Consolidated Profit and Loss for the year ended 31<sup>st</sup> March 2026, the Statement of Consolidated Cash Flows for the year ended 31<sup>st</sup> March 2026 and the Statement of Changes in Equity for the year ended as on that date, and material accounting policies, and notes & other explanatory information (together hereinafter referred to as '**Consolidated Financial Statements**').

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

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

The Consolidated financial statements are presented in Indian Rupee (INR), which is the group's functional currency and all amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakhs Rupees with two decimals, unless otherwise stated.

### B. Basis of Consolidation:

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



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

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

- (i) The Consolidated Financial Statements are prepared using the Financial Statements of the Parent Company and Subsidiary Company drawn up to the same reporting date i.e 31<sup>st</sup> March 2026.
- (ii) The financial statements of the Group companies are consolidated on a line-by-line basis and all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions including unrealised gain/loss from such transactions between the Group are eliminated in full on consolidation. These financial statements are prepared by applying uniform accounting policies in use in the Group. Assets and liabilities with the functional currency other than the functional currency of the holding company have been translated using the exchange rates prevailing on the date of the balance sheet.
- (iii) The consolidated financial statements has been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements by the companies under the group.

## C. Significant accounting estimates, judgments and assumptions:

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

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

The following are the areas involving critical estimates and judgments:

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

### a. Useful lifes of property, plant and equipment, right-of-use assets and intangible assets:

The Group reviews the useful life of property, plant and equipment, right-of-use assets and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## b. 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.

## c. Provision for litigations and contingencies:

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

## d. Recognition of Deferred Tax:

The extent to which deferred tax assets and liabilities can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax provisions can be utilized.

Managements Judgments related to the provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of and are further areas involving critical estimates and judgments for which detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

## D. Current or Non-current classification:

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

An asset is classified as current when it is:

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

A liability is classified current when:

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

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

Further the management of the group provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as noncurrent. Auditor has classified the same based on the prudence of the same as given by the management.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## E. Property, plant and equipment and intangible assets and depreciation/amortisation:

### a) Property, plant and equipment (PPE)

Property, plant and equipment represent a significant proportion of the asset base of the 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 or any other reason.

#### Recognition and measurement:

Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the consolidated Balance Sheet at cost less accumulated depreciation and impairment, if any.

The cost of property, plant and equipment comprises its purchase price (including the costs of materials/components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance related to such assets which are in recurring nature and has no certainty of the useful life are charged to Statement of Profit and Loss during the year.

The Group based on the technical assessment made by the technical expert/management estimate, depreciates certain items of building, plant and equipments over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

#### Capital work-in-progress:

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialised and put to use. The same is carried at cost which is determined in the same manner as for any property, plant and equipment. The capital work in progress is transferred to the respective assets head once the same is ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.

Repairs and maintenance costs related to property; plant & equipment are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## b) Depreciation methods, estimated useful lives of PPE:

Depreciation is provided (other than free hold land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:

Assets class	Period of useful life of assets
Factory building	30 Years
Addition to factory building	3 - 10 Years
Server and networks	6 Years
Plant & machinery	25 Years
Solar panels	15 Years
Computer	3 Years
Vehicles	6 Years
Workshop tools & equipment	8 Years
Testing equipment	5 Years
Office equipment	5 Years
Electrical installation	5 Years
Furniture & fixtures	10 Years

Fixed assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter. No depreciation has been provided for the land.

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

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, 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 derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit or Loss.

## c) Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

## d) Intangible Assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

Intangible assets are stated at acquisition cost, net of accumulated amortisation. The Group amortised intangible assets over their estimated useful lives using the Written Down method as per Companies Act, 2013. The Management of group has estimated the useful lives of intangible assets are as follows:

Computer software	6 year
-------------------	--------

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

All intangible assets are tested for impairment. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and/or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are

recognised in the Statement of Profit and Loss when the asset is derecognised.

## e) Goodwill:

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## Critical accounting judgement and key sources of estimation uncertainty

The recoverable amount is determined based on value in use or fair value less cost to sell calculations which require the use of assumptions as directly observable market prices generally do not exist for the Group's assets. However, fair value may be estimated based on recent transactions on comparable assets, internal models used by the Group for transactions involving the same type of assets or other relevant information. Calculation of value in use is a discounted cash flow calculation based on continued use of the assets in its present condition, excluding potential exploitation of improvement or expansion potential.

## F. Intangible Assets Under Development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at the consolidated balance sheet date has been disclosed under intangible assets under development -WIP.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## G. Leases - The Group as a lessee:

The holding Company's lease asset classes primarily consist of leases for long-term period. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the holding Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the holding Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the holding Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives Receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the holding Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## H. Investments:

The group has investments in the equity shares of the listed companies during the year. Such investment has been shown at historical cost only, in case there is no significant change in the market value of such investment at the year ended.

## I. Foreign Currency Transactions:

### a) Functional and presentation currency:

The consolidated financial statements are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The Consolidated financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the group and the same is rounded off to the nearest Lakhs Rupees with two decimals.

### b) Transactions and balances:

For the preparation of the consolidated financial statements all the assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end and income and expense items are translated at the weighted average exchange rates prevailing during the period.

All foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction on initial recognition. Gains/ losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Foreign exchange fluctuation for the outstanding amount towards the capital goods, has been attributed to the cost of the fixed assets.

## J. Revenue Recognition:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

### i) Sales of Goods:

The group recognises revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The group identifies contracts with customers and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

The majority of the group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are either dispatched or delivered to the customer, depending on the terms of the contract. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on

the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods.

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The revenue from sale is recognised when significant risk and reward of ownership/control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.

### ii) Sale of services & Other Operating Revenue:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognised in the accounting year in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.

### iii) Foreign Exchange Fluctuation in Export & Imports Import:

As the group has been mainly engaged in export & import of goods therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the group.

### iv) Export benefits:

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## v) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group 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.

## K. Inventories:

Inventories are valued at lower of 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 cost basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net 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.

## L. Segment Reporting:

The group operates in a single business segment and there are no separate reportable segments as per the requirements of Ind AS 108. The Chief Operating Decision Maker (CODM) reviews the group's financial performance on an overall basis for the purpose of resource allocation and performance assessment. Accordingly, the group has only one reportable segment. Further, the

group operates predominantly from India and does not have significant production operations in other geographical segments.

## M. Cash and cash equivalents:

For the purpose of presentation in the consolidated Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

## N. Taxation:

Income tax expense comprises current Tax Expenses and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### Current Tax:

The Current Tax are measured at the amount expected to be payable based on the taxable profit for the year as per Income Tax Act 1961 based on applicable rate of taxes to which the group entities belongs. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates tax laws that have been enacted or substantially enacted by the end of the reporting year. Provisions for current income taxes are presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

### Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

## O. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the year in which they are accrued or incurred.

## P. Provisions:

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the

present value of those cash flows (when the effect of time value of money is material). When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognised as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## Q. Contingent Liabilities:

### Contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.

**Contingent assets** are not accounted in the consolidated financial statements unless an inflow of economic benefits is probable.

## R. Dividend:

The dividend declared by the holding company during the year but not distributed at the end of the reporting period than the same is recognised as liability at the year ended when the dividend distribution is authorized and the distribution is no longer at the discretion of the holding Company on or before the end of the reporting period. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. Such amount of dividend is recognised directly in equity. Claims against the group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## S. Financial instruments:

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

## Classification and Subsequent Measurement of Financial Assets:

The Management classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

### (a) Financial Assets measured at Amortised Cost:

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

### (b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

### (c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

## Impairment:

The group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. The 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the group always measures the loss allowance at an amount equal to lifetime expected credit losses. The group has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

## De-recognition of Financial Assets:

The financial asset are derecognises when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and the transfer qualifies for de-recognition under Ind AS 109. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of the transferred financial asset, the group continues to recognize the financial asset and also recognises 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



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

had been recognised in other comprehensive income, if any, is recognised in the Statement of Profit or Loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of the financial asset.

## CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES:

### (a) Financial liabilities measured at Fair Value through Profit or Loss:

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

### (b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Debt and Equity Instruments:

#### Classification

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received net of direct issue costs.

### Subsequent measurement

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

### Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realise the asset and settle the liability simultaneously.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## Fair Value of Financial Instruments:

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Financial Assets and liabilities denominated in a foreign currency and are measured at amortised cost at the end of each reporting year; the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the Statement of Profit or Loss.

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets where the amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has to uniformly followed the practice.

## De-recognition of Financial Liability:

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## T. Employee Benefits:

The group has its subsidiary at different geographical location therefore under the consolidated financial statement, the employee benefits has been considered as per the applicable provisions of that geographical location of the entities as provided in the relevant standalone balance sheet has been covered under the consolidated financial statement.

### Short-term Employee Benefits:

All employee Benefits such as Salaries, wages and short term compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

### Post-employment benefits

#### a) Defined contribution plans

The group makes defined contributions to Employee Provident Fund, Employee Pension Fund, Employees State Insurance which are defined contribution schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

**Provident fund:** The employees of the group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the group 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. Such benefits are

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

## b) Defined benefit plans

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

**Gratuity:** The Group has an obligation towards gratuity. The gratuity liability of the holding company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The holding Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The group recognises the net obligation of a defined benefit plan in its Balance Sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. In case of subsidiary in the group, the gratuity provision is identified by the respective management and provided accordingly and has been considered as liability under the group.

## U. Earnings Per Share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding at the year ended. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

## V. New Standards, Interpretations and Amendments Adopted by the Group:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31<sup>st</sup>, 2026, The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, in August 2025, bringing key changes effective for the FY 2025-2026. Major amendments concern Ind AS 1 (liability classification), Ind AS 7 and 107 (supplier finance disclosures), and Ind AS 12 (international tax reforms). The Ministry of Corporate Affairs has further notified amendments to Ind AS 21 via the Companies (Indian Accounting Standards) Amendment Rules, 2025, issued on 07 May 2025. The amendments introduce guidance on assessing currency exchangeability and estimating spot rates when exchangeability is lacking, applicable for annual periods beginning on or after 01 April 2025. The Group has assessed that there is no significant impact on its financial statements.

For the financial year 2026-2027, the MCA has introduced significant amendments to Ind AS, effective from April 1, 2026. Key changes include mandatory disclosures for Supplier Finance Arrangements (Ind AS 7 & 107), stricter debt classification based on covenants (Ind AS 1), and integration of OECD Pillar Two global minimum tax rules (Ind AS 12). The amendments are effective for annual periods beginning on or after 01 April 2026. The Group is currently assessing the probable impact of these amendments on its standalone financial statements.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Particulars	(₹ in lakhs)										TOTAL		
	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment's	Air Conditioner	Computer	Electrical Installation	Testing Equipment's		Workshop Tool & Equipment's	Water Cooler
<b>Year Ended as on 31<sup>st</sup> March 2026</b>													
<b>Opening Gross Carrying Amount</b>	3,344.46	4,811.86	15,088.39	609.85	132.39	310.64	44.10	303.42	570.07	131.70	532.32	26.70	25,905.90
Additions	-	300.89	4,473.85	72.02	114.36	79.09	7.51	154.18	30.13	28.13	489.01	-	5,749.16
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(19.00)	-	(7.08)	-	-	-	-	-	-	-	(26.08)
<b>Closing Gross Carrying Amount</b>	<b>3,344.46</b>	<b>5,112.75</b>	<b>19,543.24</b>	<b>681.87</b>	<b>239.67</b>	<b>389.73</b>	<b>51.62</b>	<b>457.59</b>	<b>600.21</b>	<b>159.82</b>	<b>1,021.33</b>	<b>26.70</b>	<b>31,628.99</b>
<b>Accumulated Depreciation</b>	-	2,365.24	4,680.74	365.13	65.39	204.77	31.41	273.74	517.02	89.52	323.94	22.91	8,939.80
Depreciation charge during the year	-	575.02	1,395.18	67.78	36.53	61.24	7.84	32.23	25.78	25.49	96.07	1.61	2,324.76
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(16.29)	-	(4.05)	-	-	-	-	-	-	-	(20.34)
<b>Closing Accumulated Depreciation</b>	-	<b>2,940.25</b>	<b>6,059.63</b>	<b>432.90</b>	<b>97.88</b>	<b>266.00</b>	<b>39.25</b>	<b>305.97</b>	<b>542.81</b>	<b>115.01</b>	<b>420.00</b>	<b>24.52</b>	<b>11,244.22</b>
<b>NET CARRYING AMOUNT</b>	<b>3,344.46</b>	<b>2,172.50</b>	<b>13,483.61</b>	<b>248.97</b>	<b>141.79</b>	<b>123.72</b>	<b>12.37</b>	<b>151.62</b>	<b>57.40</b>	<b>44.82</b>	<b>601.33</b>	<b>2.19</b>	<b>20,384.77</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS (Contd.)

Particulars	(₹ in lakhs)										TOTAL		
	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment's	Air Conditioner	Computer	Electrical Installation	Testing Equipment's		Workshop Tool & Equipment's	Water Cooler
<b>Year Ended as on 31<sup>st</sup> March 2025</b>													
<b>Opening Gross Carrying Amount</b>	2,168.46	2,943.81	8,742.70	449.44	61.31	204.61	34.01	283.46	524.62	89.75	385.35	25.93	15,913.44
Additions	1,176.00	1,868.05	6,602.32	160.40	85.72	106.03	10.10	19.96	45.46	41.95	146.97	0.78	10,263.73
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(256.62)	-	(14.64)	-	-	-	-	-	-	-	(271.26)
<b>Closing Gross Carrying Amount</b>	<b>3,344.46</b>	<b>4,811.86</b>	<b>15,088.39</b>	<b>609.85</b>	<b>132.39</b>	<b>310.64</b>	<b>44.10</b>	<b>303.42</b>	<b>570.07</b>	<b>131.70</b>	<b>532.32</b>	<b>26.70</b>	<b>25,905.90</b>
<b>Accumulated Depreciation</b>	-	2,079.91	4,290.43	329.42	57.99	174.63	27.83	241.72	506.38	77.43	280.51	20.24	8,086.50
Depreciation charge during the year	-	285.33	615.97	35.70	18.87	30.14	3.57	32.02	10.65	12.09	43.43	2.67	1,090.43
Assets include in a disposal group for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(225.66)	-	(11.46)	-	-	-	-	-	-	-	(237.12)
<b>Closing Accumulated Depreciation</b>	-	<b>2,365.24</b>	<b>4,680.74</b>	<b>365.13</b>	<b>65.39</b>	<b>204.77</b>	<b>31.41</b>	<b>273.74</b>	<b>517.02</b>	<b>89.52</b>	<b>323.94</b>	<b>22.91</b>	<b>8,939.80</b>
<b>NET CARRYING AMOUNT</b>	<b>3,344.46</b>	<b>2,446.62</b>	<b>10,407.65</b>	<b>244.72</b>	<b>67.00</b>	<b>105.87</b>	<b>12.70</b>	<b>29.68</b>	<b>53.05</b>	<b>42.18</b>	<b>208.39</b>	<b>3.80</b>	<b>16,966.10</b>

Note: The company has not revalued Property, Plant and equipments during the year.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 3.1: CAPITAL WORK IN PROGRESS (CWIP):

The company has incurred expenses towards purchase of the machineries and equipment's which are not ready for put to use till the year ended has been shown under the capital work in progress for the company. The Ageing schedule of tangible assets under CWIP is as follows:

(₹ in lakhs)

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31.03.2026				TOTAL	Amount of CWIP for the year ended 31.03.2025				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion Projects in progress	2,310.04	-	-	-	<b>2,310.04</b>	984.22	-	-	-	<b>984.22</b>

## NOTE 3.2: RIGHT TO USE ASSETS & LEASE LIABILITY

(₹ in lakhs)

Particulars	Buildings	Amount
<b>As at 31<sup>st</sup> March, 2026</b>		
<b>Gross carrying value</b>		
Opening balance	-	-
Additions pursuant to business combinations	987.39	987.39
Exchange difference	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>987.39</b>	<b>987.39</b>
<b>Accumulated depreciation and amortisation</b>		
Opening balance	-	-
Depreciation and amortisation for the year	246.85	246.85
Deduction	-	-
<b>Closing accumulated depreciation</b>	<b>246.85</b>	<b>246.85</b>
<b>NET CARRYING AMOUNT</b>	<b>740.54</b>	<b>740.54</b>

## NOTE 3.3: LEASE LIABILITY

(₹ in lakhs)

Particulars	Buildings	Amount
<b>As at 31<sup>st</sup> March, 2026</b>		
Opening balance	-	-
Additions pursuant to business combinations	987.39	987.39
Interest accrued	75.47	75.47
Lease principal payments	(204.81)	(204.81)
Lease interest payments	(75.47)	(75.47)
<b>Closing lease liabilities</b>	<b>782.58</b>	<b>782.58</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## Breakup of lease liabilities:

(₹ in lakhs)

Particulars	As at 31 March, 2026	
	Current	Non-Current
Lease liabilities against Right of Use Assets	230.97	551.61
<b>Total liabilities</b>	<b>230.97</b>	<b>551.61</b>

## NOTE 4: INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software & Licences	TOTAL
<b>Year ended as on 31<sup>st</sup> March 2026</b>		
<b>Opening gross carrying amount</b>	232.05	232.05
Additions	33.56	33.56
Exchange difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>265.61</b>	<b>265.61</b>
<b>Accumulated depreciation</b>	143.80	143.80
Depreciation charge during the year	36.14	36.14
Assets include in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	<b>179.93</b>	<b>179.93</b>
<b>NET CARRYING AMOUNT</b>	<b>85.68</b>	<b>85.68</b>
<b>Year ended as on 31<sup>st</sup> March 2025</b>		
<b>Opening gross carrying amount</b>	166.62	166.62
Additions	65.43	65.43
Exchange difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>232.05</b>	<b>232.05</b>
<b>Accumulated depreciation</b>	106.99	106.99
Depreciation charge during the year	36.80	36.80
Assets include in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	<b>143.80</b>	<b>143.80</b>
<b>NET CARRYING AMOUNT</b>	<b>88.26</b>	<b>88.26</b>

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 5: NON CURRENT - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Investment in equity instruments</b>		
<b>Quoted</b>		
ELGI Equipments Ltd - Share Investment	0.34	-
Sterling and Wilson Renewable Energy Ltd - Share Investment	0.21	-
(Market value of shares as on 31.03.2026 is ₹ 0.54 Lakhs.)		
<b>TOTAL</b>	<b>0.55</b>	<b>-</b>

## NOTE 6: NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	308.83	272.62
<b>TOTAL</b>	<b>308.83</b>	<b>272.62</b>

## NOTE 7: DEFERRED TAX

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance for deferred tax assets/(liabilities)	(156.49)	(71.95)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for depreciation difference	23.18	(67.69)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for provision for gratuity	18.31	(16.85)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for lease liability	196.97	-
<b>Add/Less:</b> Deferred tax assets/(liabilities) for bad debts	14.62	-
<b>DEFERRED TAX ASSETS/(LIABILITY) - (Refer below Notes)</b>	<b>96.61</b>	<b>(156.49)</b>
Opening balance for deferred tax assets/(liabilities)	-	-
<b>Add/Less:</b> Deferred tax assets/(liabilities) for lease assets	(186.39)	-
<b>DEFERRED TAX ASSETS/(LIABILITY)</b>	<b>(186.39)</b>	
<b>Net amount charged to Statement of Profit and Loss</b>	<b>66.70</b>	<b>(84.54)</b>
<b>DEFERRED TAX ASSETS/(LIABILITY)(net)</b>	<b>(89.79)</b>	<b>(156.49)</b>

### Note:

- 1 The amount is arised on account of difference between the depreciation of Companies Act and Income Tax Act.
- 2 The amount is arised on account of provision for gratuity at the year ended.
- 3 The amount is arised on account of lease liability outstanding at the year ended.
- 4 The amount is arised on account of provision for bad debts at the year ended.
- 5 The amount is arised on account of lease assets at the year ended.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 8: NON CURRENT - OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to supplier	219.34	224.52
Repair & maintenance (To be amortised)	17.91	36.83
Advance to employees & workers	36.00	36.00
Retention money	-	1.43
QIP related expenses	-	6.23
<b>TOTAL</b>	<b>273.25</b>	<b>305.01</b>

## NOTE 9: CURRENT - INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw material in stock	3,803.13	2,932.73
Work in progress in stock	3,812.98	2,396.02
Finished goods in stock	506.97	1,056.71
Stock of spares & other items	249.37	282.82
<b>TOTAL</b>	<b>8,372.46</b>	<b>6,668.28</b>

\* Stock are Valued at Cost or Net realisable value whichever is Lower & has been certified by the management.

## NOTE 10: TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Trade receivables considered good- secured	-	-
(b) Trade receivables considered good- unsecured	13,039.72	11,636.40
(c) Trade receivables which have significant increase in credit risk	-	15.40
(d) Trade receivables -credit impaired	-	-
	<b>13,039.72</b>	<b>11,651.79</b>
<b>Less:</b> Allowance for doubtful debts	58.10	-
<b>Total</b>	<b>12,981.61</b>	<b>11,651.79</b>

**Note 10.1:** No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## Trade receivables ageing schedule as at 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Outstanding for following YEA <sup>₹</sup> from due date of payment					
	Less than 6	6 months- 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) Undisputed trade receivables – considered good	11,633.97	345.17	823.43	207.19	29.95	13,039.72
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables	-	-	-	-	-	-
(v) Disputed trade receivables – credit impaired	-	-	-	-	-	-
(vi) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>11,633.97</b>	<b>345.17</b>	<b>823.43</b>	<b>207.19</b>	<b>29.95</b>	<b>13,039.72</b>

## Trade receivables ageing schedule as at 31<sup>st</sup> March 2025

(₹ in lakhs)

Particulars	Outstanding for following YEA <sup>₹</sup> from due date of payment					
	Less than 6	6 months- 1 year	1-2 years	2-3 years	More than 3 year	Total
(i) Undisputed trade receivables – considered good	10,422.68	820.54	362.72	30.45	-	11,636.40
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables	-	-	-	-	15.40	15.40
(v) Disputed trade receivables – credit impaired	-	-	-	-	-	-
(vi) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>10,422.68</b>	<b>820.54</b>	<b>362.72</b>	<b>30.45</b>	<b>15.40</b>	<b>11,651.79</b>

## NOTE 11: CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Cash on hand</b>		
In rupees	1.38	1.20
In foreign currency	4.43	5.25
<b>Balances with banks:</b>		
- On current accounts	1,586.04	1,076.21
Fixed deposits with maturity of less than 3 months *	306.97	1,547.54
<b>TOTAL</b>	<b>1,898.82</b>	<b>2,630.19</b>

**Note:** \*Includes interest accrued ₹ 6.97 lakhs (pr. yr. ₹47.54 lakhs)



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 12: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
In fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date *	5,066.14	44.85
<b>TOTAL</b>	<b>5,066.14</b>	<b>44.85</b>

Note: \*Includes interest accrued ₹ 42.14 lakhs (pr. yr. ₹ 0.07 lakhs)

## NOTE 13: CURRENT - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Advances other than capital advances</b>		
Advance to suppliers	2,358.86	1,201.72
<b>Other Advances</b>		
Balance with revenue authorities	1,368.26	1,550.33
Prepaid expenses	176.22	113.25
Advance to employees	48.80	51.73
<b>TOTAL</b>	<b>3,952.13</b>	<b>2,917.04</b>

## NOTE 14: SHARE CAPITAL

### a) Shares Details:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
	AMOUNT (₹)	AMOUNT (₹)
<b>Authorised share capital</b>		
Equity shares of ₹ 2/- each	3,500.00	3,500.00
Series "A" Compulsorily Convertible Preference Shares of ₹ 10/- each	100.00	100.00
Series "A" Compulsorily Convertible Preference Shares of ₹ 200/-	2,000.00	2,000.00
	<b>5,600.00</b>	<b>5,600.00</b>
<b>Issued, subscribed &amp; paid up</b>		
Equity shares of ₹ 2/- each	2,646.62	2,586.41
<b>TOTAL</b>	<b>2,646.62</b>	<b>2,586.41</b>

### b) Reconciliation of Equity shares:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
	AMOUNT (₹)	AMOUNT (₹)
Shares outstanding at the beginning of the year	2,586.41	2,586.41
Shares issued during the year	60.21	-
Shares bought back during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,646.62</b>	<b>2,586.41</b>

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## c) Shares held by its holding Companies:

Name of shareholder	As at	As at
	March 31, 2026	March 31, 2025
	%	%
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	59.84%	61.23%

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

Name of shareholder	As at	As at
	March 31, 2026	March 31, 2025
	%	%
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	59.84%	61.23%
Italica Global FZC	5.63%	5.76%

### Note:

- 14.01 The Holding Company has only one class of shares referred to as the equity shares having face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.
- 14.02 The Holding Company has issued 30,10,398 equity shares on a preferential basis during the year at a price of ₹182.70 per share (face value ₹2 each and securities premium of ₹180.70 per share), pursuant to the Board Resolution dated 3<sup>rd</sup> February 2026.
- 14.03 No equity shares have been forfeited.
- 14.04 There are no calls unpaid on equity shares.
- 14.05 The Group has not allotted any shares pursuant to contract without payment being received in cash.

## NOTE 15: OTHER EQUITY

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>1. SECURITIES PREMIUM</b>		
As per the last year accounts	16,080.08	16,080.08
<b>Add:</b> Addition during the year	5,439.79	-
<b>Less:</b> Preferential issue expenses*	179.01	-
<b>Total (A)</b>	<b>21,340.86</b>	<b>16,080.08</b>
<b>2. RETAINED EARNINGS</b>		
As per the last year accounts	15,575.13	10,647.67
<b>Add:</b> Surplus for the year	5,552.70	5,250.76
	21,127.83	15,898.44
<b>Less:</b> Dividend on equity shares	387.96	323.30
<b>Total (B)</b>	<b>20,739.87</b>	<b>15,575.13</b>

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

<b>3) Equity Instruments through Other Comprehensive Income:</b>		
As per the last year accounts	-	0.82
<b>Add:</b> Addition during the year	-	0.22
	-	<b>1.04</b>
<b>Less:</b> Realised exchange gain on impairment of investment	-	(1.04)
<b>Total (C)</b>	-	-
<b>TOTAL (A+B)</b>	<b>42,080.73</b>	<b>31,655.22</b>

\* Securities Premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The Security Premium reserve is utilised in accordance with the provisions of the Companies Act, 2013.

\* Preferential Issue Expenses: Preferential issue expenses incurred for Equity shares issued during the year on Preferential basis has been treated as a deduction from securities premium in accordance with applicable provisions of the Companies Act.

\* Retained Earnings: This Reserve represents the cumulative profits of the Group and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

## NOTE 16: NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - Vehicle loan - LCV2996785 (Secured against hypothecation of bus)	4.77	15.48
(b) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3075297 (Secured against hypothecation of bus)	6.62	17.16
(c) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3581487 (Secured against hypothecation of bus)	15.88	-
(d) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654471 (Secured against hypothecation of bus)	17.28	-
(e) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654467 (Secured against hypothecation of bus)	17.28	-
<b>TOTAL</b>	<b>61.82</b>	<b>32.64</b>

(a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027 rate of interest as on 31.03.2026 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

(b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027 rate of interest as on 31.03.2026 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

- (c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 DC 1572, MH 46 DC 2382 & MH 46 DC 2383. The loan is repayable in 38 equated monthly instalments of ₹ 82,305/- each commencing from 10-Nov-2025, 05-Jan-2026 & 05-Jan-2026 respectively and the last instalment is payable on 10-Dec-2028, 05-Feb-2029 & 05-Feb-2029 respectively. rate of interest as on 31.03.2026 is @ 9.05% There was no continuing default in the repayment of instalment and interest thereon.

## NOTE 17: CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - Vehicle loan (Secured against hypothecation of bus)	-	6.34
(b) Kotak Mahindra Bank Ltd - Vehicle loan - LCV2996785 (Secured against hypothecation of bus)	10.71	9.77
(c) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3075297 (Secured against hypothecation of bus)	10.54	9.60
(d) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3581487 (Secured against hypothecation of bus)	7.97	-
(e) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654471 (Secured against hypothecation of bus)	7.87	-
(f) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654467 (Secured against hypothecation of bus)	7.87	-
<b>TOTAL</b>	<b>44.96</b>	<b>25.71</b>

- (a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of ₹ 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 rate of interest as on 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.
- (b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027 rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027 rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (d) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 DC 1572, MH 46 DC 2382 & MH 46 DC 2383. The loan is repayable in 38 equated monthly instalments of ₹ 82,305/- each commencing from 10-Nov-2025, 05-Jan-2026 & 05-Jan-2026 respectively and the last instalment is payable on 10-Dec-2028, 05-Feb-2029 & 05-Feb-2029 respectively. rate of interest as on 31.03.2026 is @ 9.05% There was no continuing default in the repayment of instalment and interest thereon.



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 18: TRADE PAYABLE

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	725.32	425.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,345.74	5,257.35
<b>TOTAL</b>	<b>8,071.06</b>	<b>5,683.04</b>

**Note:** There are no unbilled and not due trade payables, hence the same are not disclosed in the ageing schedule.

### Trade payables ageing schedule as at 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Outstanding for following year from due date of payment				
	Less than 6 Months	1-2 years	2-3 years	More than 3 year	Total
(i) Undisputed - Micro & small enterprises	725.32	-	-	-	725.32
(ii) Undisputed others	7,339.30	3.48	0.56	2.40	7,345.74
(iii) Disputed dues – Micro & small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>8,064.62</b>	<b>3.48</b>	<b>0.56</b>	<b>2.40</b>	<b>8,071.06</b>

### Trade payables ageing schedule as at 31<sup>st</sup> March 2025

(₹ in lakhs)

Particulars	Outstanding for following year from due date of payment				
	Less than 6 Months	1-2 years	2-3 years	More than 3 year	Total
(i) Undisputed - Micro & small enterprises	425.69	-	-	-	425.69
(ii) Undisputed others	5,252.08	2.87	-	2.40	5,257.35
(iii) Disputed dues – Micro & small enterprises	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>5,677.76</b>	<b>2.87</b>	<b>-</b>	<b>2.40</b>	<b>5,683.04</b>

## NOTE 19: CURRENT - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory due payable	161.83	138.79
Advance from customer	469.53	482.40
Amount payable for capital goods	294.64	301.29
Other liabilities*	1,223.85	1,054.38
<b>TOTAL</b>	<b>2,149.85</b>	<b>1,976.87</b>

**Note:** Other liabilities includes unpaid dividend of ₹ 0.28 Lakhs (Previous year: 0.22 Lakhs).

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 20: CURRENT - CURRENT TAX LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for Tax (net of Advance Tax & TDS)	574.18	538.75
<b>TOTAL</b>	<b>574.18</b>	<b>538.75</b>

## NOTE 21: REVENUE FROM OPERATION

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Sale of Products:</b>		
- Finished goods - Domestic sales	12,926.06	8,983.12
- Finished goods - Export sales	29,401.40	27,675.57
<b>TOTAL</b>	<b>42,327.46</b>	<b>36,658.69</b>
<b>Other operating Revenue:</b>		
Foreign exchange fluctuation	1,502.73	636.84
Misc. operating revenue	363.33	327.26
<b>TOTAL</b>	<b>44,193.51</b>	<b>37,622.79</b>

## NOTE 22: OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Interest Income</b>		
- On fixed deposits designated as amortised cost	128.99	230.37
- On Others	-	-
- Interest on income tax refund	0.60	-
Other income	6.32	23.08
<b>TOTAL</b>	<b>135.91</b>	<b>253.45</b>

## NOTE 23: COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Opening stock of raw material & consumables	2,932.73	1,884.02
<b>Add:</b> Purchase of raw material & consumables	<b>26,830.20</b>	<b>22,634.42</b>
	<b>29,762.93</b>	<b>24,518.44</b>
<b>Less:</b> Closing stock of raw material & consumables	<b>3,803.13</b>	<b>2,932.73</b>
<b>TOTAL</b>	<b>25,959.80</b>	<b>21,585.71</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 24: CHANGE IN INVENTORIES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Inventories at the beginning of the year</b>		
- Work-in-progress	2,396.02	3,521.21
- Finished goods	1,056.71	304.87
	<b>3,452.73</b>	<b>3,826.08</b>
<b>Less: Inventories at the end of the year</b>		
- Work-in-progress	3,812.98	2,396.02
- Finished goods	506.97	1,056.71
	<b>4,319.96</b>	<b>3,452.73</b>
<b>Decrease/(Increase) in Inventories</b>	<b>(867.23)</b>	<b>373.35</b>

## NOTE 25: EMPLOYEES BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Salary, wages, bonus and other benefits	3,840.24	3,110.62
Contribution to provident fund, ESIC and other funds	161.73	134.15
Gratuity fund contributions	76.70	71.40
Staff welfare expenses	52.65	62.84
<b>TOTAL</b>	<b>4,131.33</b>	<b>3,379.01</b>

## NOTE 26: FINANCE COST

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>(a) Interest Expense</b>		
(i) Interest on borrowing	7.11	5.00
(ii) Interest on delayed payment of taxes	7.73	8.94
(iii) Other borrowing costs - Bank loan processing charges	0.56	2.27
(iv) Interest to others	2.78	19.70
(v) Interest on lease liabilities	75.47	-
<b>TOTAL</b>	<b>93.65</b>	<b>35.92</b>

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 27: DEPRECIATION AND AMORTISATION EXP

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Depreciation cost	2,324.76	1,090.43
Amortisation cost	282.98	36.80
<b>TOTAL</b>	<b>2,607.74</b>	<b>1,127.23</b>

## NOTE 28: OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Electricity and power	556.28	471.09
Stores & spares consumed	361.39	420.75
Repair & maintenance	203.16	175.95
Factory expense	1,045.65	704.39
Processing labour charges	132.15	159.84
Testing and calibration charges	70.59	35.95
Cylinder rent	11.45	10.64
Export freight, handling, clearing & other charges	395.65	531.88
Carriage outward	210.05	130.84
Commission expenses	112.11	120.42
Consultancy charges	266.20	211.86
Depository fees expense	10.65	8.36
Water charges	27.06	9.89
Rates & taxes	46.61	19.54
Conveyance & travelling expenses	379.39	368.66
Bank charges & commission	58.81	57.89
Office expenses	471.73	433.74
Insurance charges	91.81	86.38
Printing & stationary	31.18	40.65
Telephone & communication expenses	48.29	41.23
Auditor remuneration	6.50	9.08
Exhibition, marketing & businesss promotion expenses	106.08	118.10
Miscellaneous expenses	69.35	44.59
CSR activity Exp.	112.23	90.30
Loss on impirement/sale of fixed assets	2.35	19.00
Balances written off	87.71	44.41
Listing fees expense	5.85	13.85
Lease expense	73.70	-
Research & development expense	1.75	-
Office rent paid	-	0.92
<b>TOTAL</b>	<b>4,995.76</b>	<b>4,380.22</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 29: EARNING PER SHARE

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Net profit after taxation for the year (₹ in Lakhs)	5,552.70	5,250.99
Number of equity shares for basic/diluted EPS	13,23,30,768	12,93,20,370
Weighted number of equity shares for basic/diluted EPS	12,97,82,239	12,93,20,370
Nominal value of equity shares (₹)	2.00	2.00
Basic/diluted earnings per equity share (₹)	<b>4.28</b>	<b>4.06</b>

## NOTE 30: REMUNERATION TO AUDITORS:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Statutory audit fee	3.50	6.08
Tax audit fee	3.00	3.00
<b>TOTAL</b>	<b>6.50</b>	<b>9.08</b>

## NOTE 31: RECONCILIATION OF EFFECTIVE INCOME TAX RATE:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Profit before tax	7,408.38	6,994.81
Current year tax	1,897.00	1,673.00
Tax using the company's domestic tax rate 25.168%	1,864.54	1,760.45
<b>Tax effect of adjustment to reconcile expected income tax expenses to reported income tax expenses</b>	-	-
Tax effects of amounts which are not deductible for taxable income	(27.09)	1.53
Effect of depreciation under income tax	62.25	(79.38)
	1,899.70	1,682.61
<b>Effective Tax Rate</b>	<b>25.64</b>	<b>24.06</b>

## NOTE 32: DETAILS OF SUBSIDIARY:

Particulars	% of Ownership As at 31.03.2026	% of Ownership As at 31.03.2025
(1) Hyd-Air Engineering Private Limited	100.00%	100.00%



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 33: CORPORATE SOCIAL RESPONSIBILITY:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Gross amount required to be spent by the Group during the year	111.96	90.28
Amount of expenditure incurred	112.23	90.30
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
<b>Nature of CSR activities:</b>		
<b>(i) Construction/acquisition of any asset</b>		
<b>(ii) On purposes other than (i) above</b>		
- Health and education & contribution to eligible trust for CSR related activities	112.23	90.30

\* Out of the above spending ₹ 111.00 lakhs (Previous Year ₹ 88.80) contributed to SAT Foundation which is related party.

\* The Group has not carried forward any provisions for corporate social responsibility expenses for the current year and the previous year.

## NOTE 34: FOREIGN EXCHANGE INFLOW & OUTFLOW:

### a) Foreign Exchange Outflow:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Traveling & hotel expenses	225.69	216.41
Payment towards services & other expenses	125.73	54.99
<b>TOTAL</b>	<b>351.42</b>	<b>271.40</b>

### b) Foreign Exchange inflow:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
F.O.B value of exports	31,470.37	27,381.45
<b>TOTAL</b>	<b>31,470.37</b>	<b>27,381.45</b>

### c) CIF Value of Import:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Raw material & fittings	5,291.12	4,749.17
Capital goods	1,340.33	1,142.11
<b>TOTAL</b>	<b>6,631.45</b>	<b>5,891.28</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 35: DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

(₹ in lakhs)

Name of the entity in the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
<b>Parent Company</b>								
Aeroflex Industries Limited	99.84%	44,653.60	99.56%	5,528.22	-	-	93.46%	5,189.81
<b>Subsidiary Company</b>								
Hyd Air Engineering Private Limited	6.10%	2,727.21	0.44%	24.48	-	-	0.89%	49.27
Consolidation adjustments	-5.93%	(2,653.46)	-	-	-	-	5.65%	313.61
	<b>100.00%</b>	<b>44,727.35</b>	<b>100.00%</b>	<b>5,552.70</b>	<b>0.00%</b>	<b>-</b>	<b>100.00%</b>	<b>5,552.70</b>

## NOTE 36: RELATED PARTY DISCLOSURES:

### i. Key Management Personnel:

Asad Daud	: Managing Director
Mustafa Abid Kachwala	: Wholetime Director & CFO
Kinjal Shah	: Company Secretary & Compliance Officer. (Resigned on 15 <sup>th</sup> July 2025)
Ruthu John Parampogi	: Company Secretary & Compliance Officer. (Appointed on 28 <sup>th</sup> July 2025)
Harikant Turgalia	: Director
Nadir Karachiwala	: Director

### ii. Other related parties with whom there were transactions during the year:

Hyd-Air Engineering Private Limited	: Wholly Owned Subsidiary Company
Aeroflex Industries Ltd UK	: Wholly Owned Subsidiary Company
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	: Holding Company
Italica Global FZC	: Wholly Owned Subsidiary Company of Holding Company
M.R. Organisation Limited	: Subsidiary Company of Holding Company
SAT Foundation	: Director's relative is a trustee



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

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

(₹ in lakhs)

Particulars	Nature of Transaction	For the year ended 31.03.2026	For the year ended 31.03.2025
Asad Daud	Director Remuneration	126.51	115.41
	Dividend Paid	0.00	0.001
Mustafa A Kachwala	Director Remuneration	13.62	13.04
	Dividend Paid	0.00	0.001
Nadir Karachiwala	Director Remuneration	3.00	12.000
	Sale of Car	-	3.36
Harikant Turgalia	Dividend Paid	0.00	0.001
Italica Global FZC	Sales	2,256.19	283.91
	Business Development Service	36.45	-
	Dividend Paid	22.36	18.64
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	Dividend Paid	237.55	197.95
SAT Foundation	CSR fund - Donation	111.00	88.80
M.R. Organisation Limited	Machine Maintenance Services	-	356.36
Kinjal Shah	Salary Paid	3.30	11.47
Ruthu John Parampogi	Salary Paid	8.07	-

## NOTE 37: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS

(₹ in lakhs)

Particulars	CURRENCY	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Amount Receivable in foreign Currency</b>			
1. Export of Goods & Services			
	INR	9,768.24	9,919.11
	USD	83.52	90.40
	EUR	14.48	21.29
	GBP	2.26	1.96
2. Advance to Suppliers			
	INR	309.55	148.98
	USD	3.27	1.74
<b>Amount Payable in Foreign Currency</b>			
1. Import of Goods & Services			
	INR	816.22	632.42
	USD	8.62	7.39



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 37: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS (Contd.)

(₹ in lakhs)

Particulars	CURRENCY	For the year ended 31.03.2026	For the year ended 31.03.2025
2. Advance - Customers			
	INR	517.81	523.53
	USD	5.07	5.58
	EUR	0.35	0.49
3. Spares & Others			
	INR	-	4.56
	EUR	-	0.05

## NOTE 38: INFORMATIONS RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES

The group has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31<sup>st</sup> March, 2026. 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 31<sup>st</sup> March 2026.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Outstanding Amount	725.32	425.69

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the group has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the company has any dispute related to the principal or interest towards the delay payments so happened during the year over and above the agreed terms of payment.

## NOTE 39: EMPLOYEE BENEFITS:

### A) Defined Contribution Plan

**Provident Fund:** The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.

### B) Defined Benefit Plan

**Gratuity:** The Holding Company participates in the employee's group gratuity-scheme of life insurance corporation limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of The Payment Of Gratuity (Amendment) Act, 1997, or as per company's scheme whichever is more beneficial to the employees. The holding company made payments for the gratuity for the year ended based on the actuarial Valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the company to such gratuity fund has been considered as expenditure for the year and the fund laying with LIC under the gratuity fund has not been accounted as assets as the same is towards the defined future liability of the company.

**Provident fund:** The group makes provident fund contribution to the government administered provident fund and has no further liability towards the same.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## C) Amounts Recognised as Expense:

- i) **Defined Contribution Plan:** Employer's contribution to provident fund amounting to ₹ 133.16 lakhs has been included under contribution to provident funds
- ii) **Defined Benefit Plan:** Gratuity amount payable for ₹ 72.77 lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life Insurance Corporation.

## NOTE 40: FINANCIAL INSTRUMENTS, AND RELATED DISCLOSURES:

### 1. CAPITAL MANAGEMENT:

The group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The company funds its operations through internal accruals, borrowings etc. The company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Borrowings</b>		
Long term and short term borrowings	61.82	32.64
Current maturities of long term borrowings	44.96	25.71
<b>Less: cash and cash equivalents</b>	1,898.82	2,630.19
<b>Less: Bank balances other than cash and cash equivalents</b>	5,066.14	44.85
<b>Adjusted net debt</b>	<b>(6,858.18)</b>	<b>(2,616.70)</b>
Total equity	44,727.35	34,241.62
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.15)</b>	<b>(0.08)</b>

### 2. CATEGORIES OF FINANCIAL INSTRUMENTS:

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
	Fair Value	Fair Value
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
i) Cash and cash equivalent	1,898.82	2,630.19
ii) Other bank balance	5,066.14	44.85
iii) Trade receivables	12,981.61	11,651.79
iv) Other financial assets – Non current	308.83	272.62
v) Other financial assets - Current	3,952.13	2,917.04
<b>Total financial assets</b>	<b>24,207.54</b>	<b>17,516.49</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## 2. CATEGORIES OF FINANCIAL INSTRUMENTS: (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
	Fair Value	Fair Value
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
i) Borrowings - non current	61.82	32.64
ii) Borrowings - Current	44.96	25.71
iii) Trade payables	8,071.06	5,683.04
iv) Other financial liabilities - Current	2,149.85	1,976.87
v) current tax liabilities(net)	574.18	538.75
<b>Total financial liabilities</b>	<b>10,901.86</b>	<b>8,257.00</b>

The financial instruments are categorised into following levels based on the inputs used to arrive at fair value measurements described below.

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 3. FINANCIAL RISK MANAGEMENT:

The activities of the group exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The group seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The groups does regularly monitoring, analysis and manage the risks faced by the company and to set and monitor appropriate risk limits and controls for mitigation of the risks

### A) Management of Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk companies of three type of risk interest rate risk, price risk and currency rate

risk. Financial instrument affected by market risk includes borrowings and investments. The group has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

### i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The group is having least interest rate risk since its borrowing has mainly in fixed rate of interest which is repayable in installments for the term loan availed by it from bank.

### ii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group has foreign currency trade receivables and payable which are exposed to foreign exchange risk. The group mitigates the foreign exchange risk by setting appropriate exposure limits, periodically monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the group may be impacted due to volatility of the rupee against foreign currencies.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

**Exposure to currency risk:** The Group has exposure mainly in USD/EURO/GBP converted to functional currency i.e. INR. The Group has the following financial assets and financial liabilities as at 31<sup>st</sup> March, 2026:

(₹ in lakhs)			
Particulars	Exposure Currency	For the year ended 31.03.2026	For the year ended 31.03.2025
Financial Assets	USD	8,221.09	7,936.33
	EUR	1,582.85	1,230.35
	GBP	284.93	101.73
	CNY	0.22	0.11
	RUB	0.67	-
	SGD	0.50	-
	AED	-	0.14
<b>TOTAL</b>		<b>10,090.25</b>	<b>9,268.66</b>
Financial Liabilities	USD	1,295.98	748.90
	EUR	38.05	93.44
	GBP	-	5.84
<b>TOTAL</b>		<b>1,334.03</b>	<b>848.18</b>

### iii) Management of price risk:

The Group has no surplus for investment in debt mutual funds, deposits etc. The Group has very material deposit with the banks to provide security/margin against guarantee given by the banks when required and also to mitigate the liquidity issues to face the price risk. Deposit is made in Fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

### B) Management of Credit Risk:

Credit risk refers to the risk of default on its obligations by a counterparty to the group resulting in a financial loss to the group. The group is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and financial instruments. Credit risk from trade receivables is managed through the company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The group has no concentration of credit risk as the customer base is widely distributed. The group's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, wherever considered appropriate by the company management.

(₹ in lakhs)		
Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Unsecured</b>		
- Considered good	12,981.61	11,651.79
<b>Gross trade receivables</b>	<b>12,981.61</b>	<b>11,651.79</b>
<b>Less: Loss allowance</b>	<b>-</b>	<b>-</b>
<b>Net trade receivables</b>	<b>12,981.61</b>	<b>11,651.79</b>



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## C) Management of Liquidity Risk:

Liquidity risk is the risk that the company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The group's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The group closely monitors its liquidity position and has a cash management system. The group maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimized cost. The group's current assets aggregate to ₹ 32,271.17 lakhs (PY 2025 - ₹ 23,912.15 Lakhs) including cash and cash equivalents and other bank balances of ₹ 6,964.96 lakhs (2025 - ₹ 2,675.04 Lakhs) against an aggregate current liability of ₹ 11,071.01 lakhs (2025 - ₹ 8,224.36 lakhs) and non-current liabilities due between one year to three years amounting to ₹ NIL lakhs (2025 - NIL) and non-current liabilities due after three years amounting to NIL (2025 - NIL) on the reporting date. Further, while the company's total equity stands at ₹ 44,740.69 Lakhs (2025 - ₹ 34,241.62 Lakhs), it has non-current borrowings of ₹ 61.82 lakhs (2025 - ₹ 32.64 Lakhs). In such circumstances, liquidity risk or the risk that the group may not be able to settle or meet its obligation as they become due does not exist.

## NOTE 41: DIVIDEND:

The Holding company has declared & paid dividend for the FY 2024-25 in the Annual General meeting of the company held on 5<sup>th</sup> August 2025. The dividend so declared has been accounted and adjusted during the year towards the brought forward balances of the profit & loss account.

## NOTE 42: SEGMENT INFORMATION:

The company operates in a single segment therefore segment-wise reporting is not applicable for the company as required in accordance with Ind AS 108 for the year ended 31.03.2026.

## NOTE 43: CONTINGENT LIABILITIES:

43.01 The Holding company has received assessment order from the GST department for demand for financial year 2023-24 for ₹ 359.47 Lakhs towards the disallowance of the GST Input credit claimed for the IPO expenses and has also raised demand towards the penalty for ₹ 359.47 Lakhs against the said disallowances and has also raised demand of ₹ 0.23 Lakhs towards inadmissible input tax credit & demand of ₹ 0.23 Lakhs towards penalty for such inadmissible input tax credit. The said demand has been raised by GST department vide Order dated 30.03.2026. The company is in process of filing appeal with the higher authority

related to the demand so raised by the assessing officer.

43.02 The Holding company has further received assessment order from the GST department for demand for Financial year 2019-20 for ₹ 136.18 Lakhs which includes ₹ 43.38 Lakhs of CGST & SGST towards the tax not paid on consideration received as per registered agreement with respect to transfer or assignment of lease right by transferor to any person and ₹ 49.42 Lakhs for the interest on the GST liability so determined & penalty of ₹ 43.38 lakhs. The said demand has been raised by GST department vide order dated 27.03.2026. The company is in process of filing appeal with the higher authority related to the demand so raised by the assessing officer.

43.03 The Holding company has received assessment order from the income tax department towards the assessment dues for the AY 2018-19 for ₹ 4,175.89 Lakhs towards the waiver of interest on working capital loans by the financial institution at the time of one-time settlement amounting to ₹ 6,091.81 Lakhs has been added in the total income of the company under the head "undisclosed business income" for the AY 2018-19. Penalty proceedings under sections 270A has been initiated for under reporting of income. The said demand has been raised by income tax department vide Order dated 25.03.2026. The company has filed appeal with Commissioner of Income Tax (Appeals) on dated 8<sup>th</sup> April 2026 and the matter is subjudice.

43.04 The holding company has received notice of demand from the Panvel municipal corporation towards the Property Tax of ₹ 72.10 Lakhs for the FY 2025-26 vide their Notice dated 16.02.2026. The management is producing the the documents related to the payment of the property tax of earlier year to the then Gram Panchayat authority therefore the municipal corporation should not charge the additional amount as arrear but the matter is still pending to conclude till the date of the balance sheet.

## NOTE 44: OTHER DISCLOSURES

44.01 In the opinion of the Board of Directors, the current assets are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary. Sundry debtors and creditors balances which are not receivable or payable due to the operational reasons, has been written off or written back during the year and accounted accordingly. Further the company has accounted provision for the doubtful debts



# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

- during the year where there is contingencies of the recovery of the book debts.
- 44.02 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.
- 44.03 Balances of debtors & creditors & loans & advances taken & given are subject to confirmation and consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.
- 44.04 The group has not traded or invested in crypto currency or virtual currency during the financial year.
- 44.05 As per informations available, the group has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.
- 44.06 The group do not hold any benami property and no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.
- 44.07 Title deeds of all the immovable properties held by the group are in the name of the company. No revaluation of the property, plant and equipment's and intangible assets held by the company were done during the previous year, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the group is not holding any leased assets which are required to be disclosed separately.
- 44.08 The group has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.
- 44.09 The group has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.
- 44.10 The group do not had any transactions during the year with the companies which are struck off under section 248 of the companies Act 2013.
- 44.11 As per the informations & details available on records and the disclosure given by the management, the group has complied with the number of layers prescribed under clause (87) of section 2 of the companies Act read with the Companies (Restriction on number of layers) Rules 2017.
- 44.12 As per the informations & details available on records and the disclosure given by the management, the group has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- 44.13 There are no amounts due to be credited to investor education and protection fund in accordance with section 125 of the companies act, 2013 as at the year end.
- 44.14 The Holding company has over due receivables against the export realisation of goods for INR equivalent to 3,921.57 Lakhs (PY: 5,337.13 Lakhs) due to the various business reasons. As per the information's available and as intimated by the management, the company is in process of availing extension from RBI through its authorized dealers for the overdue realisations however till the date of the balance sheet such extension has not been made.
- 44.15 The group's fixed assets & investment which has been impaired and has become non useful to the group has been recognised to the profit & loss account for the value over and above the recovered value of such assets and investments.
- 44.16 With respect to disclosures pursuant to Section 186 (4) of the Companies Act, 2013 the group has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year.
- 44.17 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.

# Notes to Consolidated Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 45:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of Schedule III to the companies act, 2013, unless otherwise stated.

## NOTE 46: GOODWILL:

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of acquired companies. Goodwill arising out of business combination is carried at cost as established at the date of acquisition

of the business less accumulated impairment losses, if any Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if indication of impairment exists. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Goodwill</b>		
Opening balance for the year	126.75	-
<b>Add:</b> Additions due to acquisition	-	126.75
<b>Less:</b> Exchange differences	-	-
<b>Closing balance for the year</b>	<b>126.75</b>	<b>126.75</b>

## NOTE 47:

The consolidated financial statements has been authorized for issue by the Board of Directors on dated 5<sup>th</sup> May 2026.

## NOTE 48: EVENTS AFTER REPORTING DATE:

The Board of Directors of the holding company at their Board meeting held on 5<sup>th</sup> May, 2026 have recommended final dividend of ₹ 0.40 (20%) per fully paid up equity share of ₹ 2/- each for the financial year ended 31<sup>st</sup> March, 2026, subject to approval of shareholders at ensuing Annual General Meeting of the Company.

## NOTE 49:

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

As per our Report of even date

**For and on behalf of the Board**

**FOR SHWETA JAIN & CO LLP**  
 CHARTERED ACCOUNTANTS  
 F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
 (Partner)  
 Membership No.: 416197

**ASAD DAUD**  
 MANAGING DIRECTOR  
 (DIN-02491539)

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

**RUTHU PARAMPOGI**  
 COMPANY SECRETARY AND  
 COMPLIANCE OFFICER  
 (M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197NACKRE6351



# Independent Auditor's Report

To,

The Members of

**AEROFLEX INDUSTRIES LIMITED**

Mumbai

**Report on the Audit of the Standalone Financial Statements:**

## OPINION

We have audited the accompanying standalone financial statements of **AEROFLEX INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2026, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements and a summary of material accounting policies and other explanatory information (**hereinafter referred to as "Standalone financial statements"**).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, give the information required by the Companies Act 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2026 the profits including other comprehensive income, its cash flows and the changes in equity for the year then ended.

## 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 evidences we have obtained are 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<sup>st</sup> March 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below the key audit matters to be communicated in our report. Our audit procedures, amongst others, include the following:

### A. Accuracy, completeness and disclosure with reference to Ind AS-16 of Property, Plant and Equipment including Capital Work in Progress:

The carrying value of property, plant and equipment includes the assets capitalised/transferred from capital work in progress during the year. The company has capital work in progress at the year ended as on 31<sup>st</sup> March 2026 of ₹ 2,187.27 lakhs. Cost recognition of Property, Plant and Equipment as specified in Ind AS 16 is based on completion of asset construction activities and management assessment and judgment that the asset is capable of operating in the manner intended. The company has incurred various expenses and purchases of machinery & equipments related to the expansion of its production facilities and products manufacturing capacity for the company. The asset capitalization is the outcome of various procurements, approvals from operations experts in the Company and judgments by the management and therefore, required significant audit attention. Refer Note 3: Property, Plant and Equipment in Notes to the standalone financial statements.

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

- Obtaining an understanding of operating effectiveness of management's internal control over capital expenditure.
- We assessed Company's process regarding maintenance of records, valuation and accounting of transactions pertaining to Property, Plant and Equipment including Capital Work in Progress with reference to Indian Accounting Standard 16: Property, Plant and Equipment.
- We have reviewed management judgment pertaining to estimation of useful life and depreciation of the Property, Plant and Equipment.
- We have verified the capitalization of borrowing cost incurred on qualifying asset in accordance with the Indian Accounting Standard 23. The company has made the capitalization from the accumulated funds and the internal accruals.



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

**B. Disclosure with regards to certain legal and tax matters including uncertain tax positions and presentation of contingent liabilities & other litigations:**

Assessment of litigations and related disclosure of contingent liabilities (Refer Note 2(2.3 & 2.15) to the standalone financial statements – “Significant Accounting Judgments, Estimates and Assumptions - Provisions and Contingent Liabilities” and Note 44 to the standalone financial statements “Contingent liabilities”) as at 31<sup>st</sup> March 2026. The Company, in the normal course of business, is contesting various claims and proceedings including matters relating to direct and indirect taxes that arise from time to time. The Company assesses the need to make provision or disclose a contingency on a case to-case basis considering the underlying facts of each such litigation or dispute. This assessment is significant to our audit, to assess adequacy of disclosure or provision in the books of account. The accounting and disclosure for contingent liabilities is complex & involves judgment in assessing the outcome of the matter and estimating the potential impact if the outcomes are unfavorable, and the amounts involved are, or can be, material to the standalone financial statements. Considering the amounts, which can be material and involves significant management judgments and estimation, we have identified this as a key audit matter.

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

As at 31<sup>st</sup> March, 2026, the Company has disclosed various legal and tax matters, including local and state levies, availing of input tax credits, refunds and such other matters under the detailed note given under contingent liabilities.

These are key audit matter, as evaluation of these matters requires management judgment and estimation, related legal advice including those leading to interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of the outflow of economic resources due to associated uncertainty related to the outcome of these tax and litigation matters for recognizing provisions, disclosing contingent liabilities and making related disclosures in the consolidated financial statements. Our audit procedures relating to provisions recognised and contingencies disclosed with regard to certain legal and tax matters included the following.

Understanding and evaluating the design and testing the operating effectiveness of controls

over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters;

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

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

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

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

Based on the above procedures performed, evaluated appropriateness and adequacy of the disclosures of the contingent liability made in the Standalone financial statements in accordance with the requirements of Ind AS 37 - ‘Provisions, Contingent Liabilities and Contingent Asset’ and Ind AS 12 - ‘Income Taxes’.

**C. Right-of-Use Assets and Lease Liabilities:**

The Company has recognised Right-of-Use assets and corresponding lease liabilities in accordance with Ind AS 116 – Leases. As at the balance sheet date, the carrying value of ROU assets amounts to ₹ 740.54 lakhs.

The recognition and measurement of ROU assets involve significant management judgment, including determination of lease term, discount rate, and identification of lease contracts.

Our audit procedures included, among others:

- Evaluating the Company’s lease accounting policy for compliance with Ind AS 116
- Verifying sample lease agreements and assessing lease classification
- Testing the assumptions used in determining discount rates and lease terms
- Re-computing the lease liability and corresponding ROU asset on a sample basis

Based on our audit procedures, we found the recognition and measurement of ROU assets to be appropriate.

**INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:**

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the integrated annual report, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The integrated annual report including the Director's report, Chairman's statement, Management Discussion and Analysis and report on corporate governance is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during our audit or otherwise appears to be materially misstated.

When we read the integrated annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and describe actions under the relevant laws and regulations.

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

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

The respective management and Board of Directors of the Company are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS:**

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

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

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



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
  4. Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  5. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
2. (A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
    - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
    - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other Comprehensive Income, the Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid Standalone financial statements comply with the accounting standards specified under Section 133 of the Act.
    - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.
    - f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act of the Act.
    - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
    - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      - i. As per the informations given to us, the Company does not have any other material pending litigations which would impact its financial position in financial statement other than the pending litigations of the Company as disclosed in **Notes 44** of the standalone 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 Standalone financial statements for the financial year ended 31<sup>st</sup> March 2026 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investors Education and Protection Fund by the Company.
- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.  
  
b. The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regards, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) & (ii) of Rules 11(e) as provided under (a) and (b) above, contain any material misstatement.
- v. In respect of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 proviso Rule 3(1) of the Companies (Accounts) Rules, 2014 we herewith report based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- vi. The final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. (Refer note 48 to the Standalone financial statements).

**FOR SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945

**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 31<sup>st</sup> March, 2026) to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. (A) The company has maintained proper records, showing full particulars including quantitative details and situations of all Property, Plant & Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of the Intangible assets.
  - b. The property, plant and equipment and right-of-use assets has been physically verified by the management during the year in accordance with a periodical programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in the standalone financial statements are held in the name of the Company.
  - d. According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
  - e. According to the information and explanations given to us by the management, no proceedings have initiated or pending against the Company during the year ended on 31<sup>st</sup> March 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and the same has been properly dealt with by the Management of the Company.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned or availed working capital limit in excess of rupees five crores in aggregate, from bank or financial institutions on the basis of security of current assets. Therefore the question of our commenting on whether the quarterly returns or statements has been filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company does not arise.
- iii. a) According to the information explanation provided to us, the Company has provided loans and advances in the nature of loans to its wholly owned subsidiary company. During the year, the total such loan provided to its wholly owned subsidiary company has been for ₹ 525 Lakhs and the outstanding balance at the year ended has been for ₹ 539.74 Lakhs at the year ended. During the year the Company has not provided guarantee and securities to any of its subsidiaries, Joint Ventures and Associates. Further, during the year, the Company has not stood any guarantee provided security or advances in the nature of loans to any other entity. The company has also granted unsecured loans to its employees & Workers. The balance outstanding at the balance sheet date with respect to such loan is for ₹ 84.30 lakhs.
- b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and terms and conditions in relation to grant of all loans given are not prejudicial to the interest of the Company.
- c) The loans are repayable on demand. During the year, the Company has not demanded such loans or interest. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular as per the stipulated terms.

- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans are repayable on demand and the Company has not demanded such loans.
- e) According to the information explanation provided to us, the loans granted has not fallen due by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- f) According to the information explanation provided to us, the Company has granted loans repayable on demand or without specifying any terms or period of repayment to its wholly owned subsidiary company for ₹ 525 Lakhs. The balance outstanding at the year ended is for ₹ 539.74 lakhs. Further The loans granted during the year to employees & workers were interest free loans given under ordinary course of the terms of the employments and has stipulated the scheduled repayment of principal from their monthly salaries and the same were not repayable on demand.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans given. The Company has not provided security and guarantee to which the provisions of Section 185 and 186 of the Companies Act, 2013 apply and accordingly, the provisions stated under clause 3(iv) of the Order to that extent are not applicable to the Company.
- b) According to the information and explanations given to us and based on the examination of the records of the company, details of statutory dues referred to in sub-clause (a) above, which have not been deposited as on 31<sup>st</sup> March 2026, on account of any dispute, are as follows:

<b>Name of the statute</b>	<b>Nature of Dues</b>	<b>Amount Demanded (In Lakhs)</b>	<b>Period for which Amount Relates</b>	<b>Remarks/Status of Demand</b>
The Income Tax Act 1961	Income Tax	4,175.89	FY 2017-18	Pending with Commissioner of Income Tax Appeal
The GST Act, 2017	GST – Tax	359.70	FY 2023-24	Demand raised on dated 30.03.2026
	GST - Penalty	359.70	FY 2023-24	Demand raised on dated 30.03.2026
	GST – Tax, Interest & Penalty	136.18	FY 2019-20	Demand raised on dated 27.03.2026
For the above GST liabilities, the GST demand Orders has been issued at the end of the month of March 2026 and the company is in process to file Appeal with the respective appellate authority within the prescribed time				
Panvel Municipal Corporation	Property Tax	72.10		Demand raised related to the arrear of earlier years



As per informations & details given to us, other than the above, there are no other disputable demand raised on the company which have not been deposited on account of any disputes.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions in the books of account that have been surrendered or disclosed as income during the year, in the Income tax assessments of the company, which has not been recorded in the books of account. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings availed from lenders during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company and our audit procedures, we report that the Company has not been declared willful Defaulter by any bank or financial institution or any other lender or government authority.
- c) According to the information and explanations given to us by the management and records of the company examined by us, the Company has availed Fresh Vehicle Loan of ₹ 81.00 Lakhs for Purchase of vehicle for the Company and the same has been applied for the purpose for which the said term loan has been availed.
- d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, we report that no funds have been raised on short-term basis which has been utilised by the Company for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. a) According to the information explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has raised money by way of preferential allotment of the equity shares of the company. The company has raised total amount of ₹ 5,500 Lakhs Including the equity share capital & share Premium thereon. As per the documents, details & informations given to us, the company has complied with the requirements of Section 42 & Section 62 of the companies Act 2013. As per the informations and details given to us related to the partial utilization of the such funds during the year, the money so utilised for the year, has been for the purpose for which the same has been raised. The company not made any private placement of shares or has not issued fully or partly convertible debentures during the year.
- xi. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no material fraud by the Company or on the Company has been noticed or reported during the year nor have we been informed of any such case by the Management during the course of our audit.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, the Company has not received any complaints from whistle-blower during the year. Accordingly, reporting under clause 3(xi) (c) of the Order is not applicable to the Company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a)(b)(c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable. The details with respect to the related parties has provided to us by the management as per the related party disclosure and the transactions with such related parties have been disclosed in the **Note No 37** to the standalone financial statements as required by the applicable Indian Accounting Standards.



- xiv. a) In our opinion and based on information and explanations provided to us and examined by us, the Company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the Company issued by the internal auditor for the year ended 31<sup>st</sup> March 2026.
- xv. According to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors during the year and hence, the reporting on the compliances with the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 36 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR). The company has done such spending by payments of such funds to the eligible trust for such activities and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

FOR **SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945



## ANNEXURE “ B ”

### TO THE INDEPENDENT AUDITOR'S REPORT:

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

We have audited the internal financial controls with reference to standalone financial statements of **AEROFLEX INDUSTRIES LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT’S AND BOARD OF DIRECTORS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS:

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

### AUDITORS’ RESPONSIBILITY:

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls standalone financial statements and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis our audit opinion on the Company's internal financial controls system over financial reporting with reference to standalone financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS:

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS:

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



### **OPINION:**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system standalone financial statements and such internal financial controls standalone financial statements were operating effectively as at 31<sup>st</sup> March, 2026, based on the internal control standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls standalone financial statements issued by the Institute of Chartered Accountants of India.

**FOR SHWETA JAIN & CO LLP.**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945

# Standalone Balance Sheet

As at 31<sup>st</sup> March, 2026

(₹ in lakhs)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
a) Property, plant and equipment	3	18,012.34	14,854.64
b) Property, plant and equipment - WIP	3.1	2,187.27	888.41
c) Right-of-use asset	3.2	740.54	-
d) Investment property			
e) Goodwill			
f) Intangible assets	4	85.68	88.26
g) Intangible assets - WIP	4.1	-	-
h) Biological assets other than bearer plants			
i) Financial assets			
i) Investments	5	2,780.65	2,780.22
ii) Trade receivables			
iii) Loans	6	539.74	-
iv) Other financial assets	7	263.64	262.84
j) Deferred tax assets net	8	-	-
k) Other non-current assets	9	273.25	305.01
<b>Total non-current assets</b>		<b>24,883.11</b>	<b>19,179.38</b>
<b>CURRENT ASSETS</b>			
a) Inventories	10	7,930.43	5,930.36
b) Financial Assets			
i) Investments			
ii) Trade Receivables	11	12,475.41	12,094.83
iii) Cash and cash equivalents	12	1,844.87	2,490.16
iv) Bank balances other than cash and cash equivalent	13	5,059.36	44.85
v) Loans			
vi) Other financial assets			
c) Current Tax Assets Net			
d) Other current assets	14	3,760.18	2,676.90
<b>Total Current Assets</b>		<b>31,070.24</b>	<b>23,237.10</b>
<b>TOTAL ASSETS</b>		<b>55,953.35</b>	<b>42,416.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	15	2,646.62	2,586.41
b) Other equity	16	42,006.99	31,605.95
<b>Total Equity</b>		<b>44,653.60</b>	<b>34,192.35</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Borrowings	17	61.82	32.64
(A) Lease liabilities	3.3	551.61	-
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (b) to be specified)			
b) Provisions			
c) Other non current liabilities			
d) Deferred tax liability (Net)	8	83.55	147.47
<b>Total non-current liabilities</b>		<b>696.98</b>	<b>180.11</b>
<b>CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Borrowings	18	44.96	25.71
(A) Lease liabilities	3.3	230.97	-
ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	19	314.22	277.27
(B) Total outstanding dues of creditors other than micro & small enterprises	19	7,385.47	5,290.85
(iii) Other financial liabilities (other than those specified in item (c))			
b) Other current liabilities	20	2,048.53	1,918.03
c) Provisions			
d) Current Tax liabilities (Net)	21	578.63	532.16
<b>Total current liabilities</b>		<b>10,602.77</b>	<b>8,044.01</b>
<b>Total liabilities</b>		<b>11,299.75</b>	<b>8,224.12</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,953.35</b>	<b>42,416.47</b>

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 49")

As per our Report of even date

For and on behalf of the Board

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND COMPLIANCE  
OFFICER  
(M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945

# Statement of Standalone Profit and Loss

For the year ended 31<sup>st</sup> March, 2026

(₹ in lakhs)

Particulars	Note	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>REVENUES:</b>			
I Revenue from operations	22	41,247.20	37,290.45
II Other income	23	155.14	238.82
<b>TOTAL INCOME</b>		<b>41,402.34</b>	<b>37,529.27</b>
<b>EXPENSES:</b>			
III Cost of material consumed	24	24,254.82	20,930.04
IV. Changes in inventories	25	(1,241.78)	1,092.79
V. Employee benefit expenses	26	3,802.27	3,212.62
VI. Finance costs	27	93.60	34.97
VII Depreciation and amortisation expense	28	2,412.67	1,100.26
VIII Other expenses	29	4,683.08	4,225.46
<b>TOTAL EXPENSES</b>		<b>34,004.67</b>	<b>30,596.14</b>
<b>Profit/(loss) before exceptional item and tax</b>		<b>7,397.67</b>	<b>6,933.13</b>
IX Exceptional item			-
Diminishing in value of investment		-	(19.28)
<b>Profit/(loss) before tax</b>		<b>7,397.67</b>	<b>6,913.85</b>
<b>Tax expense:</b>			
X (1) Current tax		1,897.00	1,662.00
XI (2) Deferred tax liability/(assets)		(63.93)	75.53
XII (3) Taxation of earlier year		36.38	(13.49)
<b>Profit/(loss) for the year from continuing operation</b>		<b>5,528.22</b>	<b>5,189.81</b>
XIII Profit/(Loss) from discontinued operations.			
XIV Tax expense of discontinued operations			
XV Profit/(loss) from discontinued operation			
<b>Profit/(loss) for the year</b>		<b>5,528.22</b>	<b>5,189.81</b>
Other comprehensive income/(loss)			
XVI a) Item that will not be reclassified subsequently to profit or loss			
i) Net change in fair values of investments in equity shares carried at fair value through OCI		-	-
XVII b) Income tax relating to item that will not be reclassified subsequently to profit or loss		-	-
XVIII c) Item that will be reclassified subsequently to profit or loss			
i) Exchange differences on translation of financial statements of foreign operations		-	-
XIX d) Income tax relating to item that will be reclassified subsequently to profit or loss		-	-
<b>Total other comprehensive income/(loss)</b>		-	-
<b>Total comprehensive income for the year</b>		<b>5,528.22</b>	<b>5,189.81</b>
XX Earnings per equity share: (for continued operation) in ₹			
(1) Basic		4.26	4.01
(2) Diluted		4.26	4.01
XXI Earnings per equity share: (for discontinued operation) in ₹			
(1) Basic		-	-
(2) Diluted		-	-
XXII Earnings per equity share: (for discontinued & continuing operations) in ₹			
(1) Basic		4.26	4.01
(2) Diluted		4.26	4.01

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 49")

As per our Report of even date

For and on behalf of the Board

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND  
COMPLIANCE OFFICER  
(M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945



# Standalone Cash Flow Statement

For the year ended 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit (loss) before tax</b>	7,397.67	6,913.85
<b>Add:</b> Depreciation	2,412.67	1,100.26
<b>Add:</b> Interest paid	93.60	34.97
<b>Add:</b> Loss on sale, disposal, discard of property, plant and equipment (net)	2.19	28.16
<b>Add:</b> Loss on amortisation of investment	-	19.28
<b>Less:</b> Interest received	(127.00)	(229.32)
<b>Operating profit before working capital changes</b>	<b>9,779.14</b>	<b>7,867.20</b>
<b>Adjustments for:</b>		
(Increase)/decrease in non current other financial assets	(0.80)	83.00
(Increase)/decrease in other non current assets	31.76	(0.18)
(Increase)/decrease in change in inventories	(2,000.07)	(36.12)
(Increase)/decrease in current trade receivables	(380.58)	(2,630.26)
(Increase)/decrease in other current assets	(1,083.28)	(607.96)
Increase/(decrease) in current trade payables	2,131.58	76.39
Increase/(decrease) in other current liabilities	176.97	(133.12)
Cash generated from operations before tax	<b>8,654.72</b>	<b>4,618.93</b>
Income tax paid	(1,933.38)	(1,648.51)
<b>Net cash flow from operating activities</b>	<b>6,721.34</b>	<b>2,970.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipments & intangibles including CWIP	(6,622.52)	(8,121.21)
Proceed from sale of property, plant & equipments & intangibles including CWIP	0.52	-
Investment in subsidiary	-	(2,780.22)
Loan given to subsidiary	(539.74)	-
Investment in quoted equity shares	(0.44)	-
Movement in other bank balances (net)	(5,014.51)	2,877.43
Interest received	127.00	229.32
<b>Net cash flow from investing activities</b>	<b>(12,049.68)</b>	<b>(7,794.68)</b>
<b>C. CASH FLOW FROM FINANCEING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	60.21	-
Proceeds from borrowings	81.00	64.00
Repayment of borrowings	(32.57)	(17.77)
Repayment of lease liability	(204.81)	-
Interest paid	(93.60)	(34.97)
Dividend paid	(387.96)	(323.30)
Preferential issue expenses	(179.01)	-
Proceeds from issue of equity share capital (including securities premium)	5,439.79	-
<b>Net cash flow from financing activities</b>	<b>4,683.05</b>	<b>(312.04)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>(645.29)</b>	<b>(5,136.30)</b>
Cash and cash equivalents at the beginning of the period	2,490.16	7,626.46
Cash and cash equivalents at the end of the period	1,844.87	2,490.16
<b>Net increase in cash &amp; cash equivalents as at 31.03.2026</b>	<b>(645.29)</b>	<b>(5,136.30)</b>

# Standalone Cash Flow Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
<b>Reconciliation of cash and cash equivalents at end of the year with balance sheet:</b>		
<b>Cash and cash equivalents as per balance sheet (as per note 12)</b>		
Cash on hand	1.38	1.20
In rupees	4.43	5.25
In foreign currency	-	-
Balances with banks:	1,532.09	936.18
- On current accounts	306.97	1,547.54
Fixed deposits with maturity of less than 3 months *		
<b>TOTAL</b>	<b>1,844.87</b>	<b>2,490.16</b>

The accompanying notes are an integral part of these Standalone Financial Statements (Note No. "1 to 49")

As per our Report of even date

**For and on behalf of the Board**

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND  
COMPLIANCE OFFICER  
(M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945

## Notes:

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on the Statement of Cash Flow as notified under Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (ii) Cash and Cash Equivalent comprised of Cash and Cash Equivalents and Other Bank Balances as per Balance Sheet. (Refer Note 12 & 13).



# Standalone Statement of Changes in Equity

For the year ended 31<sup>st</sup> March, 2026

## A. EQUITY SHARE CAPITAL

(₹ in lakhs)

Particulars	Balance at the beginning of the reporting Year	Changes in equity share capital due to Prior Year Errors	Restated Balance at the beginning of the current reporting Year	Changes in equity share capital during the year	Balance at the end of the reporting Year
For the year ended on 31/03/2026	2,586.41			60.21	2,646.62
For the year ended on 31/03/2025	2,586.41	-	-	-	2,586.41

## B. PROMOTORS HOLDING

(₹ in lakhs)

Particulars	Shares held at the end of the year 31/03/2026		Shares held at the end of the year 31/03/2025		% of change during the year
	No. of shares held	% of Total shares	No. of shares held	% of Total shares	
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	7,91,81,833	59.84%	7,91,81,833	61.23%	-1.39%



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## C. OTHER EQUITY

Particulars	Share Application Money pending allotment	Equity component of financial instrument	Reserves & Surplus		Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities premium								
<b>Balance at the beginning of the reporting year-01.04.2025</b>	-	-	-	16,080.08	-	15,525.87	-	-	-	-	-	31,605.95
Changes in accounting policy/prior year errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	5,528.22	-	-	-	-	-	5,528.22
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(387.96)	-	-	-	-	-	(387.96)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on issue of New Share	-	-	-	5,439.79	-	-	-	-	-	-	-	5,439.79
Preferential Expense	-	-	-	(179.01)	-	-	-	-	-	-	-	(179.01)
<b>Balance at the end of the reporting year -31.03.2026</b>	-	-	-	21,340.86	-	20,666.13	-	-	-	-	-	42,006.99

(₹ in lakhs)



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## C. OTHER EQUITY (Contd.)

Particulars	Share Application Money pending allotment	Equity component of compound financial instrument	Reserves & Surplus			Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translating financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities premium	General Reserve								
<b>Balance at the beginning of the reporting year-01.04.2024</b>	-	-	16,080.08	-	10,659.35	-	-	-	-	-	-	-	26,739.43
Changes in accounting policy/prior YEAR errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	5,189.81	-	-	-	-	-	-	-	5,189.81
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(323.30)	-	-	-	-	-	-	-	(323.30)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Premium on issue of New Share	-	-	-	-	-	-	-	-	-	-	-	-	-
IPO Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the reporting year -31.03.2025</b>	-	-	16,080.08	-	15,525.87	-	-	-	-	-	-	-	31,605.95

As per our Report of even date

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRYANKA JAJU**  
(Partner)  
Membership No.: 416197

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
(M.No: A60982)

For and on behalf of the Board



# Notes to Standalone Financial Statement

For the year ended 31<sup>st</sup> March 2026

## NOTE 1: CORPORATE INFORMATION:

**AEROFLEX INDUSTRIES LIMITED** ("The Company") is a public limited company incorporated under the provision of Companies Act, 2013 bearing Corporate Identity Number (CIN) L27509MH1993PLC074576. The equity shares of the Company are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The Company's registered office & factory premises situated at Plot No. 41,42/13, 42/14 & 42/18 Near Taloja MIDC, Village Chal, Behind IGPL, Panvel, Navi Mumbai, Raigarh-410208 & additional factory premises at unit No -2, Survey No. 49, A5B, Lodha Industrial and Logistics Park (LILP), Palava, Taluka, Narhen, Ambernath, Maharashtra -421501. The company is engaged in manufacturing of stainless steel flexible hose with braiding and without braiding and assemblies and production of Metal Bellows & Composite hoses, liquid cooling & other related products.

The company has its wholly owned Subsidiary named Hyd-Air Engineering Pvt Ltd.

The Company is also subsidiary company of Aeroflex Enterprises Limited (Formerly Sat Industries Limited), a listed company, which holds 59.84% (PY: 61.23%) of the equity shares of the company at the year ended.

The Board of Directors has approved the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2026 on dated 5<sup>th</sup> May 2026.

## NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION:

The material accounting policies have been applied consistently to all the periods presented in the standalone financial statements.

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

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

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31<sup>st</sup> March, 2026, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2026, the

Statement of Cash Flows for the year ended 31<sup>st</sup> March 2026 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements').

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupee (INR), which is the company's functional currency and all amounts disclosed in financial statements and notes have been rounded off to the nearest Lakhs Rupees with two decimals, unless otherwise stated.

### 2.2 Basis of Measurement:

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

### 2.3 Significant accounting estimates, judgments and assumptions:

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. The accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

The following are the areas involving critical estimates and judgments:

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

## a. Useful lives of property, plant and equipment, right-of-use assets and intangible assets:

The company reviews the useful life of property, plant and equipment, right-of-use assets and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

## b. 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.

## c. Provision for litigations and contingencies:

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

## d. Recognition of Deferred Tax:

The extent to which deferred tax assets and liabilities can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax provisions can be utilised.

- e. Managements Judgments related to the provisions and contingencies, estimation of income tax payable and income tax expense in relation to an uncertain tax position and estimation of Fair Valuation of Financial instruments and Valuation of inventories are further areas involving critical estimates and judgments for which detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## 2.4 Current or Non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

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

A liability is classified current when:

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

All other assets and liabilities are classified as noncurrent assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Further the management of the company provide the inputs related to the particular assets & liability whether the same is recoverable & payable within the operating cycle and to be considered as current assets & liabilities or the same is recoverable or payable after the said operating cycle and to be considered as noncurrent. Auditor has classified the same based on the nature of the assets & liabilities and as per the informations given by the management.

## 2.5 Property, plant and equipment and intangible assets and Depreciation/Amortisation:

### a) Property, plant and equipment (PPE):

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology or any other reason.

### Recognition and measurement:

Property, plant and equipment held for use in the production, supply or administrative purposes are stated in the Balance sheet at cost less accumulated depreciation and impairment, if any.

The cost of Property, plant and equipment comprises its purchase price (including the costs of materials/components) net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets including exchange differences arising from foreign currency and such other incidental costs that may be associated with acquisition or creation of the asset to ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance related to such assets which are in recurring nature and has no certainty of the useful life

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

has been charged to Statement of Profit and Loss during the year.

The company based on the technical assessment made by the technical expert/management estimate, depreciates certain items of building, plant and equipments over the estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

### Capital work-in-progress:

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Capital Work-in-Progress represents expenditure incurred on capital assets that are under construction/erection or are pending to be commercialized and put to use. The same is carried at cost which is determined in the same manner as for any Property, plant and equipment. The Capital Work in progress is transferred to the respective assets head once the same is ready and actually put to use for commercial purposes. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. The cost of assets not ready to use before such date are disclosed under 'Capital work- in- progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances.

Repairs and maintenance costs related to property; plant & equipment are recognised in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

### b) Intangible Assets Under Development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at the consolidated balance sheet date has been disclosed under intangible assets under development -WIP.

### c) Depreciation methods, estimated useful lives:

Depreciation is provided (other than free hold land and capital work-in-progress) on Written Down Value (WDV) method for the estimated useful life of assets as per Companies Act 2013. The estimated useful lives of assets for various class of assets are as follows:

Assets class	Period of useful life of Assets
Factory building	30 Years
Addition to factory building	3 - 10 Years
Server and networks	6 Years
Plant & machinery	25 Years
Solar panels	15 Years
Computer	3 Years
Vehicles	6 Years
Workshop tools & equipment	8 Years
Testing equipment	5 Years
Office equipment	5 Years
Electrical installation	5 Years
Furniture & fixtures	10 Years

Fixed assets purchased for specific projects will be depreciated over the periods of the project or the useful life stated as above, whichever is shorter. No depreciation has been provided for the land property.

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

The economic useful life of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period and the effect of any change in estimate being accounted for on a prospective basis.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

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 life of the remaining asset, useful life of such significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognised in the Statement of Profit or Loss.

#### d) Impairment:

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

#### e) Intangible Assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost (net of tax/duty credits availed, if any) less accumulated amortisation and cumulative impairment. Administrative

and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible development costs are capitalised as and when technical and commercial feasibility of the asset is demonstrated and future economic benefits are probable. Intangible assets are stated at acquisition cost net of accumulated amortisation. The Company amortised intangible assets over their estimated useful lives using the written down method as per Companies Act, 2013. The Management has estimated the useful lives of intangible assets as follows:

<b>Computer software</b>	<b>6 years</b>
--------------------------	----------------

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

All intangible assets are tested for impairment. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and/or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is 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



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

to be recognised in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

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

## 2.6 Intangible Assets Under Development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development -WIP.

## 2.7 Leases - The Company as a lessee:

The Company's lease asset classes primarily consist of leases for long-term period. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives Receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement

date amounts expected to be payable by the company under residual value guarantees

- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.8 Investments:

The company has investment in the equity shares of its wholly owned Indian subsidiary company. Investment in subsidiary has been shown at its historical cost of the acquisition. The company has further made investments in the equity shares of the listed companies during the year. Such investment has been shown at historical cost only, in case there is no significant change in the market value of such investment at the year ended.

## 2.9 Foreign Currency Transactions:

### a) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency and the same is rounded off to the nearest Lakhs Rupees with two decimals.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## b) Transactions and balances:

All foreign currency transactions are recorded by applying to the foreign currency amount at the exchange rate between the functional currency and the foreign currency at the date of the transaction on initial recognition. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

All non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 2.10 Revenue Recognition:

Ind AS 115 applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

### i) Sales of Goods:

The Company recognises revenue from sale of goods when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and revenue under contracts with customers based on a comprehensive assessment model as set

out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contracts with customers and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

The majority of the Company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has been transferred to the customer. This is generally when the goods are either dispatched or delivered to the customer, depending on the terms of the contract. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods.

Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The revenue from sale is recognised when significant risk and reward of ownership/control have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliable and recovery of the consideration is probable.

### ii) Sale of services & Other Operating Revenue:

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Revenue from services are recognised in the accounting year in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting year as a proportion of the total services to be provided.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

### iii) Foreign Exchange Fluctuation in Export & Imports Import:

As the company has mainly engaged in export & import of goods therefore Profit and gains from the foreign exchange fluctuation from the receipts & payments of debtors & creditors and also the fluctuation on restatement of their balances at the year ended is forming part of the other operating revenue of the company.

### iv) Export benefits:

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### v) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable. Other Income has been recorded where no significant uncertainty as to measurability or collectability exists.

## 2.11 Inventories:

Inventories are valued at lower of 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 cost basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net 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.

## 2.12 Segment Reporting:

The Company operates in a single business segment and there are no separate reportable segments as per the requirements of Ind AS 108. The Chief Operating Decision Maker (CODM) reviews the Company's financial performance on an overall basis for the purpose of resource allocation and performance assessment. Accordingly, the Company has only one reportable segment. Further, the Company operates predominantly from India and does not have significant production operations in other geographical segments.

## 2.13 Cash and cash equivalents:

For the purpose of presentation in the Balance sheet, Cash and Cash equivalents comprises cash at bank and cash on hand and other short-term deposits including interest accrued thereon and highly liquid investments with an original maturity (or with an option to or can be readily converted or liquidated into cash) of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

## 2.14 Taxation:

Income tax expense comprises current Tax Expenses and deferred tax expenses. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### Current Tax:

The Current Tax are measured at the amount expected to be payable based on the taxable profit for the year as per Income Tax Act 1961. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates tax laws that have been enacted or substantially enacted by the end of the reporting year. Provisions for current income taxes has been

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

presented in the balance sheet after offsetting advance tax & TDS paid for the relevant year.

## Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets are to be recovered. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the deferred tax assets to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

## 2.15 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible

for capitalization. All other borrowing costs are recognised in profit or loss in the year in which they are accrued or incurred.

## 2.16 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognised as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.17 Contingent liabilities and contingent assets:

### Contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote.

**Contingent assets** are not accounted in the financial statements unless an inflow of economic benefits is probable.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## 2.18 Dividend:

The dividend declared by the company during the year but not distributed at the end of the reporting period than the same is recognised as liability at the year ended when the dividend distribution is authorized and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per the Companies Act, 2013, a distribution is authorized when it is approved by the shareholders. Such amount of dividend is recognised directly in equity. Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## 2.19 Financial instruments:

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. However, Trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### Classification and Subsequent Measurement of the Financial Assets:

The Company classifies financial assets, subsequently at amortised cost, Fair Value through Other Comprehensive Income ("FVTOCI") or Fair Value through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### (a) Financial Assets measured at Amortised Cost:

A Financial Asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent

solely payments of principal and interest on the principal amount outstanding.

#### (b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

#### (c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

### Impairment of financial assets:

In accordance with Ind AS 109, Financial Instruments, the Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## De-recognition of Financial Assets:

The Company derecognises financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and the transfer qualifies for de-recognition under Ind AS 109. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a 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 recognised in other comprehensive income, if any, is recognised in the Statement of Profit or Loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of the financial asset.

## CLASSIFICATION AND SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES:

### (a) Financial liabilities measured at Fair Value through Profit or Loss:

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

### (b) Other Financial liabilities:

Other financial liabilities (including loans and borrowings, bank overdrafts and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or

(where appropriate) a shorter period, to the amortised cost on initial recognition.

Interest expense (based on the effective interest method), foreign exchange gains and losses, and any gain or loss on derecognition is recognised in the Statement of Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## Debt and Equity Instruments:

### Classification:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue costs.

### Subsequent measurement:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortised cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based in the effective interest method.

Effective interest method is a method of calculating amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Interest expenses of these financial liabilities are included in finance cost. Expenditure incurred for management of the finance of the company are forming part of the finance cost.

## Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and presented on net basis in the balance sheet when there is a legally enforceable right to set-off the recognised amounts and it is intended to either settle them on net basis or to realize the asset and settle the liability simultaneously.

## Fair Value of Financial Instruments:

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices, where applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Financial instruments by category are separately disclosed indicating carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the

fair value gains or losses and is recognised in the Statement of Profit and Loss except in case of the amount outstanding to creditors towards the fixed assets where the amount is outstanding payable, in that case every year the difference in the exchange fluctuation has been adjusted towards the cost of the fixed assets so purchased and has to uniformly followed the practice.

## De-recognition of Financial Liability:

A Financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## 2.20 Employee Benefits:

### Short-term Employee Benefits:

All employee Benefits such as Salaries, wages and short term compensated absences including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Post-employment benefits

#### a) Defined contribution plans

The Company makes defined contributions to Employee Provident Fund, Employee Pension Fund, Employees State Insurance which are defined contribution schemes. The contribution paid/payable under these schemes is recognised during the period in which the employee renders the related services which are recognised in the Statement of Profit and Loss on accrual basis during the period in which the employee renders the services.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

**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. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

## b) Defined benefit plans

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

**Gratuity:** The gratuity liability of the company is funded through a Group Gratuity Scheme with Life Insurance Corporation of India (LIC) under which the annual contribution is paid to LIC. The Company's liability under Payment of Gratuity Act is determined on the basis of actuarial valuation made by the life insurance corporation at the calendar year ended using the projected unit credit method. The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities where the terms of government securities are consistent with the estimated terms of the defined benefit obligations at the Balance Sheet date. The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive

income and are not reclassified to profit or loss in subsequent periods.

## 2.21 Earnings Per Share:

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding at the year ended. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

## 2.22 New Standards, Interpretations and Amendments Adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31<sup>st</sup>, 2026, The Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, in August 2025, bringing key changes effective for the FY 2025-2026. Major amendments concern Ind AS 1 (liability classification), Ind AS 7 and 107 (supplier finance disclosures), and Ind AS 12 (international tax reforms). The Ministry of Corporate Affairs has further notified amendments to Ind AS 21 via the Companies (Indian Accounting Standards) Amendment Rules, 2025, issued on 07 May 2025. The amendments introduce guidance on assessing currency exchangeability and estimating spot rates when exchangeability is lacking, applicable for annual periods beginning on or after 01 April 2025. The Company has assessed that there is no significant impact on its financial statements.

For the financial year 2026-2027, the MCA has introduced significant amendments to Ind AS, effective from April 1, 2026. Key changes include mandatory disclosures for Supplier Finance Arrangements (Ind AS 7 & 107), stricter debt classification based on covenants (Ind AS 1), and integration of OECD Pillar Two global minimum tax rules (Ind AS 12). The amendments are effective for annual periods beginning on or after 01 April 2026. The Company is currently assessing the probable impact of these amendments on its standalone financial statements.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Particulars	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment's	Air Conditioner	Computer	Electrical Installation	Testing Equipment's	Workshop Tool & Equipment's	Water Cooler	TOTAL
<b>Year Ended as on 31<sup>st</sup> March 2026</b>													
<b>Opening Gross Carrying Amount</b>	2,228.46	4,326.62	14,211.41	602.89	125.31	291.75	44.10	289.09	570.07	131.70	532.32	26.70	23,380.43
Additions	-	191.81	4,274.72	63.96	114.36	52.21	7.51	134.15	30.13	28.13	393.11	-	5,290.09
Disposals			(19.00)		-								(19.00)
<b>Closing Gross Carrying Amount</b>	<b>2,228.46</b>	<b>4,518.43</b>	<b>18,467.13</b>	<b>666.85</b>	<b>239.67</b>	<b>343.96</b>	<b>51.62</b>	<b>423.23</b>	<b>600.21</b>	<b>159.82</b>	<b>925.43</b>	<b>26.70</b>	<b>28,651.52</b>
<b>Accumulated Depreciation</b>	-	2,100.16	4,557.63	363.16	61.34	195.40	31.41	263.29	517.02	89.52	323.94	22.91	8,525.79
Depreciation charge during the year	545.28		1,252.90	66.15	36.53	52.82	7.84	21.51	25.78	25.49	93.77	1.61	2,129.69
Disposals			(16.29)		-								(16.29)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>2,645.44</b>	<b>5,794.25</b>	<b>429.31</b>	<b>97.88</b>	<b>248.22</b>	<b>39.25</b>	<b>284.81</b>	<b>542.81</b>	<b>115.01</b>	<b>417.71</b>	<b>24.52</b>	<b>10,639.19</b>
<b>NET CARRYING AMOUNT</b>	<b>2,228.46</b>	<b>1,872.99</b>	<b>12,672.89</b>	<b>237.55</b>	<b>141.79</b>	<b>95.74</b>	<b>12.37</b>	<b>138.42</b>	<b>57.40</b>	<b>44.82</b>	<b>507.73</b>	<b>2.19</b>	<b>18,012.34</b>
<b>Year Ended as on 31<sup>st</sup> March 2025</b>													
<b>Opening Gross Carrying Amount</b>	<b>2,168.46</b>	<b>2,943.81</b>	<b>8,742.70</b>	<b>449.44</b>	<b>61.31</b>	<b>204.61</b>	<b>34.01</b>	<b>283.46</b>	<b>524.62</b>	<b>89.75</b>	<b>385.35</b>	<b>25.93</b>	<b>15,913.44</b>
Additions	60.00	1,382.81	5,710.33	153.45	68.19	87.14	10.10	5.63	45.46	41.95	146.97	0.78	7,712.80
Disposals			(241.62)		(4.19)								(245.81)
<b>Closing Gross Carrying Amount</b>	<b>2,228.46</b>	<b>4,326.62</b>	<b>14,211.41</b>	<b>602.89</b>	<b>125.31</b>	<b>291.75</b>	<b>44.10</b>	<b>289.09</b>	<b>570.07</b>	<b>131.70</b>	<b>532.32</b>	<b>26.70</b>	<b>23,380.43</b>
<b>Accumulated Depreciation</b>	-	1,832.04	4,159.11	327.74	46.96	166.13	27.83	231.77	506.38	77.43	280.51	20.24	7,676.16
Depreciation charge during the year	268.12		609.18	35.42	17.55	29.27	3.57	31.52	10.65	12.09	43.43	2.67	1,063.46
Disposals			(210.66)		(3.17)								(213.83)
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>2,100.16</b>	<b>4,557.63</b>	<b>363.16</b>	<b>61.34</b>	<b>195.40</b>	<b>31.41</b>	<b>263.29</b>	<b>517.02</b>	<b>89.52</b>	<b>323.94</b>	<b>22.91</b>	<b>8,525.79</b>
<b>NET CARRYING AMOUNT</b>	<b>2,228.46</b>	<b>2,226.46</b>	<b>9,653.77</b>	<b>239.73</b>	<b>63.97</b>	<b>96.35</b>	<b>12.70</b>	<b>25.79</b>	<b>53.05</b>	<b>42.18</b>	<b>208.39</b>	<b>3.80</b>	<b>14,854.64</b>

Note: The company has not revalued Property, Plant and equipments during the year.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 3.1: CAPITAL WORK IN PROGRESS (CWIP):

The company has incurred expenses towards purchase of the machineries and equipment's which are not ready for put to use till the year ended has been shown under the capital work in progress for the company. The Ageing schedule of tangible assets under CWIP is as follows:

(₹ in lakhs)

Capital Work In Progress (Tangible Assets)	Amount of CWIP for the year ended 31.03.2026				TOTAL	Amount of CWIP for the year ended 31.03.2025				TOTAL
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Expansion Projects in progress	2,187.27	-	-	-	2,187.27	888.41	-	-	-	888.41

## NOTE 3.2: RIGHT TO USE ASSETS & LEASE LIABILITY

(₹ in lakhs)

Particulars	Buildings	Amount
<b>As at 31<sup>st</sup> March, 2026</b>		
<b>Gross carrying value</b>		
Opening balance	-	-
Additions pursuant to business combinations	987.39	987.39
Exchange difference	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>987.39</b>	<b>987.39</b>
<b>Accumulated depreciation and amortisation</b>		
Opening balance	-	-
Depreciation and amortisation for the year	246.85	246.85
Deduction	-	-
<b>Closing accumulated depreciation</b>	<b>246.85</b>	<b>246.85</b>
<b>NET CARRYING AMOUNT</b>	<b>740.54</b>	<b>740.54</b>

## NOTE 3.3: LEASE LIABILITY

(₹ in lakhs)

Particulars	Buildings	Amount
<b>As at 31<sup>st</sup> March, 2026</b>		
Opening balance	-	-
Additions pursuant to business combinations	987.39	987.39
Interest accrued	75.47	75.47
Lease principal payments	(204.81)	(204.81)
Lease interest payments	(75.47)	(75.47)
<b>Closing lease liabilities</b>	<b>782.58</b>	<b>782.58</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## Breakup of lease liabilities:

(₹ in lakhs)

Particulars	As at 31 March, 2026	
	Current	Non-Current
Lease liabilities against Right of Use Assets	230.97	551.61
<b>Total liabilities</b>	<b>230.97</b>	<b>551.61</b>

## NOTE 4: INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Software & Licences	TOTAL
<b>Year ended as on 31<sup>st</sup> March 2026</b>		
<b>Opening gross carrying amount</b>	232.05	232.05
Additions	33.56	33.56
Exchange difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>265.61</b>	<b>265.61</b>
<b>Accumulated depreciation</b>	143.80	143.80
Depreciation charge during the year	36.14	36.14
Assets include in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	<b>179.93</b>	<b>179.93</b>
<b>NET CARRYING AMOUNT</b>	<b>85.68</b>	<b>85.68</b>
<b>Year ended as on 31<sup>st</sup> March 2025</b>		
<b>Opening gross carrying amount</b>	166.62	166.62
Additions	65.43	65.43
Exchange difference	-	-
Assets include in a disposal group for sale	-	-
Disposals	-	-
<b>Closing gross carrying amount</b>	<b>232.05</b>	<b>232.05</b>
<b>Accumulated depreciation</b>	106.99	106.99
Depreciation charge during the year	36.80	36.80
Assets include in a disposal group for sale	-	-
Exchange difference	-	-
Disposals	-	-
<b>Closing accumulated depreciation</b>	<b>143.80</b>	<b>143.80</b>
<b>NET CARRYING AMOUNT</b>	<b>88.26</b>	<b>88.26</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 5: NON CURRENT - INVESTMENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Investment in equity instruments</b>		
<b>Quoted</b>		
ELGI Equipments Ltd - Share Investment	0.23	-
Sterling and Wilson Renewable Energy Ltd - Share Investment	0.21	-
(Market value of shares as on 31.03.2026 is ₹ 0.42 Lakhs.)		
<b>Unquoted</b>		
Subsidiaries (at cost)		
Hyd-Air Engineering Pvt Ltd	2,780.22	2,780.22
(E/s 4,724 of ₹ 100 Each)		
<b>TOTAL</b>	<b>2,780.65</b>	<b>2,780.22</b>

## NOTE 6: NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured - Considered Good</b>		
Loan to related parties (Ref: Note No 37)	539.74	-
<b>TOTAL</b>	<b>539.74</b>	<b>-</b>

**Note 6.1:** Loan given to related parties are in the ordinary course of business on arm's length basis. The same are unsecured, considered good, and repayable on demand and carry interest as per agreed terms.

**Note 6.2:** No loans are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further no loans are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

## NOTE 7: NON CURRENT - OTHER FINANCIAL ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposits	263.64	262.84
<b>TOTAL</b>	<b>263.64</b>	<b>262.84</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 8: DEFERRED TAX

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Opening balance for deferred tax assets/(liabilities)</b>	(147.47)	(71.95)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for depreciation difference	20.41	(58.68)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for provision for gratuity	18.31	(16.85)
<b>Add/Less:</b> Deferred tax assets/(liabilities) for lease liability	196.97	-
<b>Add/Less:</b> Deferred tax assets/(liabilities) for bad debts	14.62	-
<b>DEFERRED TAX ASSETS/(LIABILITY) - Refer Note 2</b>	<b>102.85</b>	<b>(147.47)</b>
<b>Opening balance for deferred tax assets/(liabilities)</b>	-	
<b>Add/Less:</b> Deferred tax assets/(liabilities) for lease assets	(186.39)	
<b>DEFERRED TAX ASSETS -</b>	<b>(186.39)</b>	
<b>Net amount charged to Statement of Profit and Loss</b>	<b>63.93</b>	<b>(75.53)</b>
<b>Deferred tax liabilities(net)</b>	<b>(83.55)</b>	<b>(147.47)</b>

### Note:

- 1 The amount is arised on account of difference between the depriciation of Companies Act and Income Tax Act.
- 2 The amount is arised on account of provision for gratuity at the year ended.
- 3 The amount is arised on account of lease liability outstanding at the year ended.
- 4 The amount is arised on account of provision for bad debts at the year ended.
- 5 The amount is arised on account of lease assets at the year ended.

## NOTE 9: NON CURRENT - OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to supplier	219.34	224.52
Repair & maintenance (To be amortised)	17.91	36.83
Advance to employees & workers	36.00	36.00
Retention money	-	1.43
QIP related expenses	-	6.23
<b>TOTAL</b>	<b>273.25</b>	<b>305.01</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 10: CURRENT - INVENTORIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw material in stock	3,709.64	2,917.89
Work in progress in stock	3,498.68	2,393.60
Finished goods in stock	472.74	336.05
Stock of spares & other items	249.37	282.82
<b>TOTAL</b>	<b>7,930.43</b>	<b>5,930.36</b>

\* Inventories are Valued at Cost or Net realisable value whichever is Lower & has been certified by the management.

## NOTE 11: TRADE RECEIVABLES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Trade receivables considered good- secured	-	-
(b) Trade receivables considered good- unsecured	12,533.51	12,079.43
(c) Trade receivables which have significant increase in credit risk	-	15.40
(d) Trade receivables -credit impaired	-	-
	<b>12,533.51</b>	<b>12,094.83</b>
<b>Less:</b> Allowance for doubtful debts	58.10	-
<b>Total</b>	<b>12,475.41</b>	<b>12,094.83</b>

**Note 11.1:** No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no trade receivables are due from firms or private companies in which any director is a partner, a director or a member, other than dues from related parties.

### Trade receivables ageing schedule as at 31<sup>st</sup> March 2026

(₹ in lakhs)

Particulars	Outstanding for following YEAR from due date of payment					
	Less than 6	6 months- 1 year	1-2 years	2-3 years	More then 3 year	Total
(i) Undisputed trade receivables – considered good	11,134.39	341.76	820.22	207.19	29.95	12,533.51
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables	-	-	-	-	-	-
(v) Disputed trade receivables – credit impaired	-	-	-	-	-	-
(vi) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>11,134.39</b>	<b>341.76</b>	<b>820.22</b>	<b>207.19</b>	<b>29.95</b>	<b>12,533.51</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## Trade receivables ageing schedule as at 31<sup>st</sup> March 2025

(₹ in lakhs)

Particulars	Outstanding for following YEA ₹ from due date of payment					Total
	Less than 6	6 months- 1 year	1-2 years	2-3 years	More than 3 year	
(i) Undisputed trade receivables – considered good	10,870.10	817.22	361.67	30.45	-	12,079.43
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables	-	-	-	-	15.40	15.40
(v) Disputed trade receivables – credit impaired	-	-	-	-	-	-
(vi) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
<b>Total</b>	<b>10,870.10</b>	<b>817.22</b>	<b>361.67</b>	<b>30.45</b>	<b>15.40</b>	<b>12,094.83</b>

## NOTE 12: CASH & CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Cash on hand</b>		
In rupees	1.38	1.20
In foreign currency	4.43	5.25
<b>Balances with banks:</b>		
- On current accounts	1,532.09	936.18
Fixed deposits with maturity of less than 3 months *	306.97	1,547.54
<b>TOTAL</b>	<b>1,844.87</b>	<b>2,490.16</b>

Note: \*Includes interest accrued ₹ 6.97 lakhs (pr. yr. ₹47.54 lakhs)

## NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
In fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date *	5,059.36	44.85
<b>TOTAL</b>	<b>5,059.36</b>	<b>44.85</b>

Note: \*Includes interest accrued ₹ 42.06 lakhs (pr. yr. ₹ 0.07 lakhs)



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 14: CURRENT - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Advances other than capital advances</b>		
Advance to suppliers	2,330.51	1,196.67
<b>Other advances</b>		
Balance with revenue authorities	1,211.21	1,317.85
Prepaid expenses	170.16	110.64
Advance to employees	48.30	51.73
<b>TOTAL</b>	<b>3,760.18</b>	<b>2,676.90</b>

## NOTE 15: SHARE CAPITAL

### a) Shares Details

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
	AMOUNT (₹)	AMOUNT (₹)
<b>Authorised share capital</b>		
Equity shares of ₹ 2/- each	3,500.00	3,500.00
Series "A" Compulsorily Convertible Preference Shares of ₹ 10/- each	100.00	100.00
Series "A" Compulsorily Convertible Preference Shares of ₹ 200/-	2,000.00	2,000.00
	<b>5,600.00</b>	<b>5,600.00</b>
<b>Issued, subscribed &amp; paid up</b>		
Equity shares of ₹ 2/- each	2,646.62	2,586.41
<b>TOTAL</b>	<b>2,646.62</b>	<b>2,586.41</b>

### b) Reconciliation of Equity shares:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
	AMOUNT (₹)	AMOUNT (₹)
Shares outstanding at the beginning of the year	2,586.41	2,586.41
Shares issued during the year	60.21	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	2,646.62	2,586.41

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

Name of shareholder	As at March 31, 2026	As at March 31, 2025
	%	%
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	59.84%	61.23%



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

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

Name of shareholder	As at March 31, 2026	As at March 31, 2025
	%	%
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	59.84%	61.23%
Italica Global FZC	5.63%	5.76%

### Note:

15.1 The Company has only one class of shares referred to as the equity shares having face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

15.2 The Company has issued 30,10,398 equity shares on a preferential basis during the year at a price of ₹ 182.70 per share (face value ₹2 each and securities premium of ₹180.70 per share), pursuant to the Board Resolution dated 3<sup>rd</sup> February 2026.

15.3 No equity shares have been forfeited.

15.4 There are no calls unpaid on equity shares.

15.5 The Company has not allotted any shares pursuant to contract without payment being received in cash.

## NOTE 16: OTHER EQUITY

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>1. SECURITIES PREMIUM</b>		
As per the last year accounts	16,080.08	16,080.08
<b>Add:</b> Addition during the year	5,439.79	-
<b>Less:</b> Preferential issue expenses*	179.01	-
<b>Total (A)</b>	<b>21,340.86</b>	<b>16,080.08</b>
<b>2. RETAINED EARNINGS</b>		
As per the last year accounts	15,525.87	10,659.35
<b>Add:</b> Surplus for the year	5,528.22	5,189.81
	<b>21,054.09</b>	<b>15,849.17</b>
<b>Less:</b> Dividend on equity shares	387.96	323.30
<b>Total (B)</b>	<b>20,666.13</b>	<b>15,525.87</b>
<b>TOTAL (A+B)</b>	<b>42,006.99</b>	<b>31,605.95</b>

\* **Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium reserve. The security premium reserve is utilised in accordance with the provisions of the Companies Act, 2013.

\* **Preferential Issue Expenses:** Preferential issue expenses incurred for Equity shares issued during the year on Preferential basis has been treated as a deduction from securities premium in accordance with applicable provisions of the Companies Act.

\* **Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 17: NON CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - Vehicle loan - LCV2996785 (Secured against hypothecation of bus)	4.77	15.48
(b) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3075297 (Secured against hypothecation of bus)	6.62	17.16
(c) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3581487 (Secured against hypothecation of bus)	15.88	-
(d) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654471 (Secured against hypothecation of bus)	17.28	-
(e) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654467 (Secured against hypothecation of bus)	17.28	-
<b>TOTAL</b>	<b>61.82</b>	<b>32.64</b>

- (a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027 rate of interest as on 31.03.2026 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027 rate of interest as on 31.03.2026 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 DC 1572, MH 46 DC 2382 & MH 46 DC 2383. The loan is repayable in 38 equated monthly instalments of ₹ 82,305/- each commencing from 10-Nov-2025, 05-Jan-2026 & 05-Jan-2026 respectively and the last instalment is payable on 10-Dec-2028, 05-Feb-2029 & 05-Feb-2029 respectively. rate of interest as on 31.03.2026 is @ 9.05% There was no continuing default in the repayment of instalment and interest thereon.

## NOTE 18: CURRENT BORROWINGS

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured Loans:</b>		
<b>From Bank &amp; Financial Institution</b>		
<b>Term Loan</b>		
(a) Kotak Mahindra Bank Ltd - vehicle loan (Secured against hypothecation of bus)	-	6.34



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 18: CURRENT BORROWINGS (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(b) Kotak Mahindra Bank Ltd - Vehicle loan - LCV2996785 (Secured against hypothecation of bus)	10.71	9.77
(c) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3075297 (Secured against hypothecation of bus)	10.54	9.60
(d) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3581487 (Secured against hypothecation of bus)	7.97	-
(e) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654471 (Secured against hypothecation of bus)	7.87	-
(f) Kotak Mahindra Bank Ltd - Vehicle loan - LCV-3654467 (Secured against hypothecation of bus)	7.87	-
<b>TOTAL</b>	<b>44.96</b>	<b>25.71</b>

- (a) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 BM 7420. The loan is repayable in 60 equated monthly instalments of ₹ 55,614/- each commencing from 15-Apr-2021 and the last instalment is payable on 15-Mar-2026 rate of interest as on 31.03.2025 is @ 9.48% There was no continuing default in the repayment of instalment and interest thereon.
- (b) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 7668. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 20-July-2024 and the last instalment is payable on 20-Aug-2027 rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (c) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 CL 9456. The loan is repayable in 38 equated monthly instalments of ₹ 97,550/- each commencing from 15-Sep-2024 and the last instalment is payable on 15-Oct-2027 rate of interest as on 31.03.2025 is @ 9.30% There was no continuing default in the repayment of instalment and interest thereon.
- (d) Term loan from Kotak Mahindra Bank Limited is secured against hypothecation of Bus no. MH 46 DC 1572, MH 46 DC 2382 & MH 46 DC 2383. The loan is repayable in 38 equated monthly instalments of ₹ 82,305/- each commencing from 10-Nov-2025, 05-Jan-2026 & 05-Jan-2026 respectively and the last instalment is payable on 10-Dec-2028, 05-Feb-2029 & 05-Feb-2029 respectively. rate of interest as on 31.03.2026 is @ 9.05% There was no continuing default in the repayment of instalment and interest thereon.

## NOTE 20: CURRENT - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory due payable	148.09	128.20
Advance from customer	469.12	481.68
Amount payable for capital goods	294.64	301.29
Other liabilities*	1,136.68	1,006.86
<b>TOTAL</b>	<b>2,048.53</b>	<b>1,918.03</b>

Note: Other liabilities includes unpaid dividend of ₹ 0.28 Lakhs (Previous year: 0.22 Lakhs)

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 21: CURRENT - CURRENT TAX LIABILITIES

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Provisions for tax (Net of advance Tax & TDS)	578.63	532.16
<b>TOTAL</b>	<b>578.63</b>	<b>532.16</b>

## NOTE 22: REVENUE FROM OPERATION

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Sale of Products:</b>		
- Finished goods - domestic sales	10,035.34	8,663.65
- Finished goods - export sales	29,347.14	27,663.30
<b>TOTAL</b>	<b>39,382.48</b>	<b>36,326.95</b>
<b>Other operating Revenue:</b>		
Foreign exchange fluctuation	1,501.40	636.23
Other operating revenue	363.33	327.26
<b>TOTAL</b>	<b>41,247.20</b>	<b>37,290.45</b>

## NOTE 23: OTHER INCOME

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Interest Income</b>		
- On fixed deposits designated as amortised cost	127.00	229.32
- On others	21.76	-
- Interest on income tax refund	0.60	
Other income	5.78	9.51
<b>TOTAL</b>	<b>155.14</b>	<b>238.82</b>

## NOTE 24: COST OF MATERIAL CONSUMED

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Opening stock of raw material & consumables	2,917.89	1,813.78
<b>Add:</b> Purchase of raw material & consumables	<b>25,046.56</b>	<b>22,034.16</b>
	<b>27,964.46</b>	<b>23,847.94</b>
<b>Less:</b> Closing stock of raw material & consumables	<b>3,709.64</b>	<b>2,917.89</b>
<b>COST OF MATERIAL CONSUMED</b>	<b>24,254.82</b>	<b>20,930.04</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 25: CHANGE IN INVENTORIES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Inventories at the beginning of the year</b>		
- Work-in-progress	2,393.60	3,517.56
- Finished goods	336.05	304.87
	<b>2,729.64</b>	<b>3,822.43</b>
<b>Less: Inventories at the end of the year</b>		
- Work-in-progress	3,498.68	2,393.60
- Finished goods	472.74	336.05
	<b>3,971.43</b>	<b>2,729.64</b>
<b>Decrease/(Increase) in Inventories</b>	<b>(1,241.78)</b>	<b>1,092.79</b>

## NOTE 26: EMPLOYEES BENEFITS EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Salary, wages, bonus and other benefits	3,533.90	2,958.99
Contribution to provident fund, ESIC and other funds	152.16	128.19
Gratuity fund contributions	72.77	66.93
Staff welfare expenses	43.44	58.51
<b>TOTAL</b>	<b>3,802.27</b>	<b>3,212.62</b>

## NOTE 27: FINANCE COST

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Interest Expense</b>		
(i) Interest on borrowing	7.11	4.66
(ii) Interest on delayed payment of taxes	7.68	8.33
(iii) Other borrowing costs - Bank loan processing charges	0.56	2.27
(iv) Interest to others	2.78	19.70
(v) Interest on lease liabilities	75.47	-
<b>TOTAL</b>	<b>93.60</b>	<b>34.97</b>

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 28: DEPRECIATION AND AMORTISATION EXP

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Depreciation cost	2,129.69	1,063.46
Amortisation cost	282.98	36.80
<b>TOTAL</b>	<b>2,412.67</b>	<b>1,100.26</b>

## NOTE 29: OTHER EXPENSES

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Electricity and power	496.82	453.29
Stores & spares consumed	361.39	420.75
Repair & maintenance	199.37	170.19
Factory expense	992.59	704.39
Processing labour charges	103.17	83.71
Testing and calibration charges	54.85	27.99
Cylinder rent	11.45	10.64
Export freight, handling, clearing & other charges	395.65	528.90
Carriage outward	178.38	125.43
Commission expenses	112.11	113.14
Consultancy charges	252.09	201.73
Depository fees expense	10.65	8.36
Water charges	23.96	8.74
Rates & taxes	46.31	18.67
Conveyance & travelling expenses	365.72	364.09
Bank charges & commission	58.21	57.28
Office expenses	449.79	421.43
Insurance charges	87.77	85.27
Printing & stationary	28.86	39.66
Telephone & communication expenses	44.25	40.43
Auditor remuneration	6.00	6.00
Exhibition, marketing & business promotion expenses	70.91	114.33
Miscellaneous expenses	49.61	44.34
CSR activity Exp.	112.23	90.30
Loss on sale of fixed assets	2.19	28.16
Balances written off	87.43	44.41
Listing fees expense	5.85	13.85

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 29: OTHER EXPENSES (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Lease expense	73.70	-
Research & development expense	1.75	-
<b>TOTAL</b>	<b>4,683.08</b>	<b>4,225.46</b>

## NOTE 30: EARNING PER SHARE

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Net profit after taxation for the year (₹ in Lakhs)	5,528.22	5,189.81
Number of equity shares for basic/diluted ePS	13,23,30,768	12,93,20,370
Weighted number of equity shares for basic/diluted EPS	12,97,82,239	12,93,20,370
Nominal value of equity shares (₹)	2.00	2.00
Basic/diluted earnings per equity share (₹)	4.26	4.01

## NOTE 31: REMUNERATION TO AUDITORS:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Statutory audit fee	3.00	3.00
Tax audit fee	3.00	3.00
<b>TOTAL</b>	<b>6.00</b>	<b>6.00</b>

## NOTE 32: RECONCILIATION OF EFFECTIVE INCOME TAX RATE :

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Profit before tax	7,397.67	6,913.85
Current year tax	1,897.00	1,662.00
Tax using the company's domestic tax rate 25.168%	1,861.85	1,740.08
<b>Tax effect of adjustment to reconcile expected income tax expenses to reported income tax expenses</b>	<b>-</b>	<b>-</b>
Tax effects of amounts which are not deductible for taxable income	(27.09)	1.53
Effect of depreciation under income tax	62.25	(79.38)
	1,897.01	1,662.24
<b>Effective tax rate</b>	<b>25.64</b>	<b>24.04</b>



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 33: DETAILS OF SUBSIDIARY:

Particulars	% of Ownership As at 31.03.2026	% of Ownership As at 31.03.2025
(1) Hyd-Air Engineering Private Limited	100.00%	100.00%

## NOTE 34: CORPORATE SOCIAL RESPONSIBILITY:

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2026	For the year ended 31.03.2025
Gross amount required to be spent by the Company during the year	111.96	90.28
Amount of expenditure incurred	112.23	90.30
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
<b>Nature of CSR activities:</b>		
<b>(i) Construction/acquisition of any asset</b>		
<b>(ii) On purposes other than (i) above</b>		
- Health and education & contribution to eligible trust for CSR related activities	112.23	90.30

\* Out of the above spending ₹ 111.00 lakhs (Previous Year ₹ 88.80) contributed to SAT Foundation which is related party.

\* The Company has not carried forward any provisions for corporate social responsibility expenses for the current year and the previous year.

## NOTE 35: FOREIGN EXCHANGE INFLOW & OUTFLOW:

### a) Foreign Exchange Outflow:

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2026	For the year ended 31.03.2025
Traveling & hotel expenses	225.69	216.41
Payment towards services & other expenses	125.73	54.99
<b>TOTAL</b>	<b>351.42</b>	<b>271.40</b>

### b) Foreign Exchange inflow:

Particulars	(₹ in lakhs)	
	For the year ended 31.03.2026	For the year ended 31.03.2025
F.O.B value of exports	31,450.30	27,381.45
<b>TOTAL</b>	<b>31,450.30</b>	<b>27,381.45</b>

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## c) CIF Value of Import:

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Raw material & fittings	5,287.76	4,749.17
Capital goods	1,340.33	1,142.11
<b>TOTAL</b>	<b>6,628.09</b>	<b>5,891.28</b>

## NOTE 36: RATIO ANALYSIS:

(₹ in lakhs)

Sr. No.	Ratios	Numerator	Denominator	Ratio Analysis		Variation in %	Reason for variation above 25% as compared to previous year
				Ratio FY 2025-26	Ratio FY 2024-25		
1	Current Ratio	Current Assets	Current Liabilities	2.93	2.89	1.44	N.A
2	Debt- Equity Ratio	Borrowing + Interest Accrued	Total Equity	0.002	0.0017	40.14	Variation is mainly because of marginal increase in term loan as compared to increase in the equity.
3	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non Cash operating expenses like Depreciation and other amortisation + Interest + other adjustments like loss on sale of fixed assets etc	Debt Service = Interest & Lease Payments + Principal Repayments	202.54	283.24	(28.49)	Debt Service Coverage Ratio is decreased due to increase in loan & preincipal repayments during the year.
4	Return on Equity Ratio	Net Profit After Taxes	Average's Shareholders Equity	14.02	16.34	(14.19)	N.A
5	Inventory Turnover ratio	Sales	Average Inventory Average inventory is (Opening+Closing balance)/2	5.95	6.31	(5.64)	N.A
6	Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivable	3.36	3.46	(2.94)	N.A



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 36: RATIO ANALYSIS: (Contd.)

(₹ in lakhs)

Sr. No.	Ratios	Numerator	Denominator	Ratio Analysis		Variation in %	Reason for variation above 25% as compared to previous year
				Ratio FY 2025-26	Ratio FY 2024-25		
7	Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	3.78	3.98	(5.25)	N.A
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital (excluding Unutilised IPO Proceeds)	2.87	3.18	(9.75)	N.A
9	Net Profit ratio	Net Profit	Total Income	13.35	13.83	(3.44)	N.A
10	Return on Capital Employed	Earnings Before Interest & Tax	Average Capital Employed	20.40	28.43	(28.24)	Impacted by deployment of funds in capex and Long term working capital
11	Return on Investment	Income Generated from Investment	Time Weighted Average Investment	NA	NA	-	-

## NOTE 37: RELATED PARTY DISCLOSURES:

### i. Key Management Personnel:

Asad Daud	: Managing Director
Mustafa Abid Kachwala	: Wholetime Director & CFO
Kinjal Shah	: Company Secretary & Compliance Officer. (Resigned on 15 <sup>th</sup> July 2025)
Ruthu John Parampogi	: Company Secretary & Compliance Officer. (Appointed on 28 <sup>th</sup> July 2025)
Harikant Turgalia	: Director

### ii. Other related parties with whom there were transactions during the year:

Hyd-Air Engineering Private Limited	: Wholly Owned Subsidiary Company
Aeroflex Industries Ltd UK	: Wholly Owned Subsidiary Company
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	: Holding Company
Italica Global FZC	: Wholly Owned Subsidiary Company of Holding Company
M.R. Organisation Limited	: Subsidiary Company of Holding Company
SAT Foundation	: Director's relative is a trustee

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

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

(₹ in lakhs)

Particulars	Nature of Transaction	For the year ended 31.03.2026	For the year ended 31.03.2025
Asad Daud	Director Remuneration	126.51	115.41
	Dividend Paid	0.00	0.001
Mustafa A Kachwala	Director Remuneration	13.62	13.04
	Dividend Paid	0.00	0.001
Harikant Turgalia	Dividend Paid	0.00	0.001
Italica Global FZC	Sales	2,256.19	283.91
	Business Development Service	36.45	-
	Dividend Paid	22.36	18.64
Aeroflex Enterprises Limited (Formerly Sat Industries Limited)	Dividend Paid	237.55	197.95
SAT Foundation	CSR fund - Donation	111.00	88.80
Aeroflex Industries Ltd UK	Commission Paid	-	10.02
	Consultancy Income	-	8.05
Hyd-Air Engineering Pvt Ltd	Payment towards Acquisition of Equity Shares	-	2,780.22
	Sales	6.21	666.28
	Purchase	209.52	53.47
	Loans or Advances Given	525.00	-
	Interest Income	21.76	-
M.R. Organisation Limited	Machine Maintenance Services	-	356.36
Kinjal Shah	Salary Paid	3.30	11.47
Ruthu John Parampogi	Salary Paid	8.07	-

## NOTE 38: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS:

(₹ in lakhs)

Particulars	CURRENCY	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Amount Receivable in foreign Currency</b>			
1. Export of Goods & Services			
	<b>INR</b>	<b>9,737.01</b>	<b>9,919.11</b>
	USD	83.19	90.40
	EUR	14.48	21.29
	GBP	2.26	1.96



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 38: DERIVATIVES & FORWARD CONTRACT INSTRUMENTS: (Contd.)

(₹ in lakhs)

Particulars	CURRENCY	For the year ended 31.03.2026	For the year ended 31.03.2025
2. Advance to Suppliers			
	INR	309.55	148.98
	USD	3.27	1.74
<b>Amount Payable in Foreign Currency</b>			
1. Import of Goods & Services			
	INR	816.22	632.42
	USD	8.62	7.39
2. Advance - Customers			
	INR	517.81	523.53
	USD	5.07	5.58
	EUR	0.35	0.49
	GBP	-	-
3. Spares & Others			
	INR	-	4.56
	USD	-	-
	EUR	-	0.05

## NOTE 39: INFORMATIONS RELATED TO MICRO, SMALL & MEDIUM ENTERPRISES:

The company has amount due to suppliers under Micro, Small and Medium Enterprises Development Act 2006 (MSMED) as at 31<sup>st</sup> March, 2026. 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 31<sup>st</sup> March 2026.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Outstanding Amount	314.22	277.27

There are no Micro, Small and Medium Enterprises, to whom the Company owes (principal and/or interest), which has been outstanding for more than 45 days as at the balance sheet date. There were delay in payments to Micro, Small and Medium Enterprises for more than 45 days during the year for which no provision for interest has been made. As per the management, the company has mutual understanding with such parties for different payment terms while purchasing materials from them and the payment to them is made as per agreed terms accordingly. As per management there are no MSME registered parties with whom the company has any dispute related to the principal or interest towards the delay payments so happened during the year over and above the agreed terms of payment.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## NOTE 40: EMPLOYEE BENEFITS:

### A) Defined Contribution Plan

**Provident Fund:** The contribution to the provident fund of employees are made to a government administered provident fund and there are no further obligations beyond making such contribution.

### B) Defined Benefit Plan

**Gratuity:** The Company participates in the employee's group gratuity-scheme of life insurance corporation limited, a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation/termination in terms of the provisions of The Payment of Gratuity (Amendment) Act, 1997, or as per company's scheme whichever is more beneficial to the employees. The company made payments for the gratuity for the year ended based on the actuarial Valuation of the gratuity liability as done by the LIC and the same has been provided in the books of accounts. Payments of the company to such gratuity

fund has been considered as expenditure for the year and the fund laying with LIC under the gratuity fund has not been accounted as assets as the same is towards the defined future liability of the company.

**Provident fund:** The company makes provident fund contribution to the government administered provident fund and has no further liability towards the same.

### C) Amounts Recognised as Expense:

- i) **Defined Contribution Plan:** Employer's contribution to provident fund amounting to ₹ 133.16 lakhs has been included under contribution to provident funds
- ii) **Defined Benefit Plan:** Gratuity amount payable for ₹ 72.77 lakhs has been shown as payable at the year ended to the LIC gratuity fund as calculated based on actuarial valuation of the gratuity made by the Life Insurance Corporation.

## NOTE 41: FINANCIAL INSTRUMENTS, AND RELATED DISCLOSURES:

### 1. CAPITAL MANAGEMENT:

The company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The company funds its operations through internal accruals, borrowings etc. The company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Borrowings</b>		
Long term and short term borrowings	61.82	32.64
Current maturities of long term borrowings	44.96	25.71
<b>Less: cash and cash equivalents</b>	1,844.87	2,490.16
<b>Less: Bank balances other than cash and cash equivalents</b>	5,059.36	44.85
<b>Adjusted net debt</b>	<b>(6,797.45)</b>	<b>(2,476.67)</b>
Total equity	44,653.60	34,192.35
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.15)</b>	<b>(0.07)</b>

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## 2. CATEGORIES OF FINANCIAL INSTRUMENTS:

Carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2026	31 <sup>st</sup> March, 2025
	Fair Value	Fair Value
<b>Financial assets</b>		
Measured at amortised cost		
i) Cash and cash equivalent	1,844.87	2,490.16
ii) Other bank balance	5,059.36	44.85
iii) Trade receivables	12,475.41	12,094.83
iv) Other financial assets – non current	263.64	262.84
v) Other financial assets - current	3,760.18	2,676.90
<b>Total financial assets</b>	<b>23,403.46</b>	<b>17,569.58</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
i) Cash credit facilities	-	-
ii) Borrowings - non current	61.82	32.64
iii) Borrowings – current	44.96	25.71
iv) Trade payables	7,699.69	5,568.12
v) Other financial liabilities – non current	-	-
vi) Other financial liabilities – current	2,048.53	1,918.03
vii) Current tax liabilities (net)	578.63	532.16
<b>Total financial liabilities</b>	<b>10,433.63</b>	<b>8,076.65</b>

The financial instruments are categorized into following levels based on the inputs used to arrive at fair value measurements described below.

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

## 3. FINANCIAL RISK MANAGEMENT:

The activities of the company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance. The company management does regularly monitoring, analysis and manage the risks faced by the company and to set and monitor appropriate risk limits and controls for mitigation of the risks.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## A) Management of Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk companies of three type of risk interest rate risk, price risk and currency rate risk. Financial instrument affected by market risk includes borrowings and investments. The group has international trade operations and is exposed to a variety of market risks, including currency and interest rate risks.

### i) Management of interest rate risk:

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The group is having least interest rate risk since its borrowing has mainly in fixed rate of

interest which is repayable in installments for the term loan availed by it from bank.

### ii) Management of currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group has foreign currency trade receivables and payable which are exposed to foreign exchange risk. The group mitigates the foreign exchange risk by setting appropriate exposure limits, periodically monitoring of the exposures etc. The exchange rates have been volatile in the recent period and may continue to be volatile in the future. Hence the operating results and financials of the group may be impacted due to volatility of the rupee against foreign currencies.

**Exposure to currency risk:** The company has exposure mainly in USD/EUR/GBP converted to functional currency i.e. INR. The company has the following financial assets and financial liabilities as at 31<sup>st</sup> March, 2026:

(₹ in lakhs)

Particulars	Exposure Currency	For the year ended 31.03.2026	For the year ended 31.03.2025
Financial Assets	USD	8,189.86	7,936.33
	EUR	1,582.85	1,230.35
	GBP	284.93	101.73
	CNY	0.22	0.11
	RUB	0.67	-
	SGD	0.50	-
	AED	-	0.14
<b>TOTAL</b>		<b>10,059.03</b>	<b>9,268.66</b>
Financial Liabilities	USD	1,295.98	748.90
	EUR	38.05	93.44
	GBP	-	5.84
<b>TOTAL</b>		<b>1,334.03</b>	<b>848.18</b>

### iii) Management of price risk:

The Company has no surplus for investment in debt mutual funds, deposits etc. The Company has very material deposit with the banks to provide security/margin against guarantee given by the banks when required and also to mitigate the liquidity issues to face the price risk. Deposit is made in Fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

## B) Management of Credit Risk:

Credit risk refers to the risk of default on its obligations by a counterparty to the group resulting in a financial loss to the group. The group is exposed to credit risk from its operating activities ie trade receivable, foreign exchange transactions and financial instruments. Credit risk from trade receivables is managed through the company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The group has no concentration of credit risk as the customer base is widely distributed. The group's historical experience of collecting receivables and level of default indicate that credit risk is low and generally uniform across markets consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, wherever considered appropriate by the company management.

(₹ in lakhs)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
<b>Unsecured</b>		
- Considered good	12,475.41	12,094.83
<b>Gross trade receivables</b>	<b>12,475.41</b>	<b>12,094.83</b>
<b>Less: Loss allowance</b>	-	-
<b>Net trade receivables</b>	<b>12,475.41</b>	<b>12,094.83</b>

## C) Management of Liquidity Risk:

Liquidity risk is the risk that the company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The company's objective is to maintain at all times, optimum levels of liquidity to meet obligations. The company closely monitors its liquidity position and has a cash management system. The company maintains adequate sources of financing including debt and overdraft from banks and financial markets at optimized cost. The company's current assets aggregate to ₹ 31,070.24 lakhs (PY 2025 - ₹ 23,237.10 Lakhs) including cash and cash equivalents and other bank balances of ₹ 6,904.23 lakhs (2025 - ₹ 2,535.01 Lakhs) against an aggregate current liability of ₹ 10,602.77 lakhs (2025 - ₹ 8,044.01 lakhs) and non-current liabilities due between one year to three years amounting to ₹ NIL lakhs (2025 - NIL) and non-current liabilities due after three years amounting to NIL (2025 - NIL) on the reporting date. Further, while the company's total equity stands at ₹ 44,653.60 Lakhs (2025 - ₹ 34,192.35 Lakhs), it has non-current borrowings of ₹ 61.82 lakhs (2025 - ₹ 32.64 Lakhs). In such circumstances, liquidity risk or the risk that the company may not be able to settle or meet its obligation as they become due does not exist.

## NOTE 42: DIVIDEND:

The company has declared and paid dividend for the FY 2024-25 in the Annual General meeting of the company held on 5<sup>th</sup> August 2025. The dividend so declared has been accounted and adjusted during the year towards the brought forward balances of the profit & loss account.

## NOTE 43: SEGMENT INFORMATION:

The company operates in a single segment therefore segment-wise reporting is not applicable for the company as required in accordance with Ind AS 108 for the year ended 31.03.2026.

## NOTE 44: CONTINGENT LIABILITIES:

44.1 The company has received assessment order from the GST department for demand for financial year 2023-24 for ₹ 359.47 Lakhs towards the disallowance of the GST input credit claimed for the IPO expenses and has also raised demand towards the penalty for ₹ 359.47 Lakhs against the said disallowances and has also raised demand of ₹ 0.23 Lakhs towards inadmissible input tax credit & demand of ₹ 0.23 Lakhs towards penalty for such inadmissible input tax credit. The said demand has been raised by GST department vide Order dated 30.03.2026. The company is in process of filing appeal with the higher authority related to the demand so raised by the assessing officer.



# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

- 44.2 The company has further received assessment order from the GST department for demand for financial year 2019-20 for ₹ 136.18 Lakhs which includes ₹ 43.38 Lakhs of CGST & SGST towards the tax not paid on consideration received as per registered agreement with respect to transfer or assignment of lease right by transferor to any person and ₹ 49.42 Lakhs for the Interest on the GST liability so determined & penalty of ₹ 43.38 lakhs. The said demand has been raised by GST department vide order dated 27.03.2026. The company is in process of filing appeal with the higher authority related to the demand so raised by the assessing officer.
- 44.3 The company has received assessment order from the income tax department towards the assessment dues for the AY 2018-19 for ₹ 4,175.89 Lakhs towards the waiver of interest on working capital loans by the financial institution at the time of one-time settlement amounting to ₹ 6,091.81 Lakhs has been added in the total income of the company under the head "undisclosed business income" for the AY 2018-19. Penalty proceedings under sections 270A has been initiated for under reporting of income. The said demand has been raised by income tax department vide order dated 25.03.2026. The company has filed appeal with Commissioner of Income Tax (Appeals) on dated 8<sup>th</sup> April 2026 and the matter is subjudice.
- 44.4 The company has received notice of demand from the Panvel municipal corporation towards the property tax of ₹ 72.10 Lakhs for the FY 2025-26 vide their notice dated 16.02.2026. The management is producing the the documents related to the payment of the property tax of earlier year to the then Gram Panchayat authority therefore the municipal corporation should not charge the additional amount as arrear but the matter is still pending to conclude till the date of the balance sheet.
- NOTE 45: OTHER DISCLOSURES:**
- 45.01 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 accordingly. Further the company has accounted provision for the doubtful debts during the year where there is contingencies of the recovery of the book debts.
- 45.02 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.
- 45.03 Balances of debtors & creditors & loans & advances taken & given are subject to confirmation and consequential adjustments, if any. Debtors & creditors balances has been shown separately and the advances received & paid from/to the parties is shown as advance from customers and advance to suppliers.
- 45.04 The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 45.05 As per informations available, the company has no transactions which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provisions of the Income Tax Act, 1961.
- 45.06 The company do not hold any benami property and no proceedings has been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act 1988 and rules made there under.
- 45.07 Title deeds of all the immovable properties held by the company are in the name of the company. No revaluation of the property, plant and equipment's and intangible assets held by the company were done during the previous year, as the management is in the opinion that the same is not material and the same will be reviewed in the subsequent years. Further the company is not holding any leased assets which are required to be disclosed separately.
- 45.08 The company has outstanding term loan availed from Kotak Mahindra Bank at the year ended against hypothecation of vehicle and the charge for the same is duly registered with Registrar of Companies within statutory period.
- 45.09 The company has not been declared as willful defaulter by any bank or financial Institution or any other lender during the financial year.
- 45.10 The company do not had any transactions during the year with the companies which are struck off under section 248 of the companies Act 2013.
- 45.11 As per the informations & details available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause

# Notes to Standalone Financial Statement (Contd.)

For the year ended 31<sup>st</sup> March 2026

(87) of section 2 of the companies Act read with the Companies (Restriction on number of layers) Rules 2017.

45.12 As per the informations & details available on records and the disclosure given by the management, the company has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.

45.13 There are no amounts due to be credited to investor education and protection fund in accordance with section 125 of the companies act, 2013 as at the year end.

45.14 The Company has over due receivables against the export realization of goods for INR equivalent to 3,921.57 Lakhs (PY: 5,337.13 Lakhs) due to the various business reasons. As per the information's available and as intimated by the management, the company is in process of availing extension from RBI through its authorized dealers for the overdue realizations however till the date of the balance sheet such extension has not been made.

45.15 The company's fixed assets which has been impaired and has become non useful to the company and which has disposed during the year, has been recognised in profit & loss account for loss on impirement of such assets.

45.16 With respect to disclosures pursuant to section 186 (4) of the Companies Act, 2013 the company has not given any amount in the nature of loan nor has provided any guarantee or security to any entity in connection with loan during the year. The company has made investment in a wholly owned Indian subsidiary during the year. Further the investment in foreign subsidiary has been impaired and has been recognised to the profit & Loss account during the year as the said foreign subsidiary has been strike off and become non operation during the period.

45.17 No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the companies act, 2013.

## NOTE 46:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimal thereof as per the requirements of schedule III to the companies act, 2013, unless otherwise stated.

## NOTE 47:

The financial statements has been authorized for issue by the board of directors on dated 5<sup>th</sup> May 2026.

## NOTE 48: EVENTS AFTER REPORTING DATE:

The Board of Directors at their Board meeting held on 5<sup>th</sup> May, 2026 have recommended final dividend of ₹ 0.40 (20%) per fully paid up equity share of ₹ 2/- each for the financial year ended 31<sup>st</sup> March, 2026, subject to approval of shareholders at ensuing Annual General Meeting of the Company.

## NOTE 49:

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

As per our Report of even date

For and on behalf of the Board

**FOR SHWETA JAIN & CO LLP**  
CHARTERED ACCOUNTANTS  
F.R.N.: 127673W/W101149

**PRIYANKA JAJU**  
(Partner)  
Membership No.: 416197

**ASAD DAUD**  
MANAGING DIRECTOR  
(DIN-02491539)

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

**RUTHU PARAMPOGI**  
COMPANY SECRETARY AND  
COMPLIANCE OFFICER  
(M.No: A60982)

**Place:** Mumbai  
**Date:** 5<sup>th</sup> May 2026  
**UDIN:** 26416197KCAUJJ7945



Commitment to Excellence

## **AEROFLEX INDUSTRIES LIMITED**

Email: [investor.relations@aeroflexindia.com](mailto:investor.relations@aeroflexindia.com)

### **Sales Office Address:**

Unit No. 1220 & 1221,  
A-Wing, 12<sup>th</sup> Floor, The Epicentre,  
Off Eastern Freeway, BEST Colony,  
Near Shivaji Chowk, Chembur East,  
Mumbai – 400071

### **Factory Address:**

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

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

### **Hyd-Air Engineering:**

Manufacturing Plant: Plot No. C3, C Block, M.I.D.C  
At Post Mahalunge, Near HP Gas Refilling Station  
Chakan Industrial Area, Chakan.  
Tehsil – Khed, Dist. – Pune  
Maharashtra 410 501  
Sales : + 91 (0) 98213-12866  
[midc@hyd-air-group.com](mailto:midc@hyd-air-group.com)