MSKA & Associates
Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS OF INNOMECH AEROSPACE TOOLING PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKS7851

Place: Bengaluru
Date: August 7, 2024

MSKA & Associates
Chartered Accountants

SV Tower, No. 27, Floor 4
80 Feet Road, 6th Block, Koramangala
Bengaluru 560095, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Innomech Aerospace Tooling Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Innomech Aerospace Tooling Private Limited, which comprises the Balance Sheet as at March 31, 2022, Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Special Purpose Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Financial Statements"). The Special Purpose Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors of the Company in accordance with the basis and purpose set out in Note 2.1 to the Special Purpose Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Financial Statements of the Company as at March 31, 2022, are prepared in accordance with the basis set out in Note 2.1 to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describe the basis of accounting of the Special Purpose Financial Statements. These Special Purpose Financial Statements are prepared by the management of the Company, solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the proposed Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of the Holding Company, Unimech Aerospace and Manufacturing Private Limited as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time(the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

MSKA & ASSOCIATES ★ Chartered Accountants ★

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www.mska.in

Our report is intended solely for the use of Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements

The Board of Directors and Management is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the state of affairs, results of operations, changes in equity and cash flows of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Financial Statements for the purpose set out in paragraph above; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of these Special Purpose Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Financial Statements.

Other Matters

(a) The Company has prepared a separate set of General Purpose Financial Statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor auditors had issued a separate auditor's report to the shareholders of the Company dated September 29, 2022 expressed an unmodified opinion on those financial statements.

MSKA & ASSOCIATES ★ Chartered Accountants ★

(b) As informed to us by the management of the Company, the predecessor auditor did not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the Restated Consolidated Financial Information for the year ended March 31, 2022 to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI Communication, we have audited the Special Purpose Financial Statements of the Company for the year ended March 31, 2022.

(c) The Special Purpose Financial Statements for the year ended March 31, 2022, has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Financial Statements solely for the purpose of preparation of restated financial information to be included in the Offer Documents in connection with the proposed IPO of equity shares of its Holding Company. Accordingly, the management of the Company has not presented the corresponding comparative figures in these Special Purpose Financial Statements.

Our opinion is not modified in respect of the above matters.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKS7851

Place: Bengaluru
Date: August 7, 2024

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS OF INNOMECH AEROSPACE TOOLING PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKS7851

Place: Bengaluru
Date: August 7, 2024

MSKA & Associates
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Bengaluru 560095, INDIA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Innomech Aerospace Tooling Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Innomech Aerospace Tooling Private Limited, which comprises the Balance Sheet as at March 31, 2022, Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Special Purpose Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Financial Statements"). The Special Purpose Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors of the Company in accordance with the basis and purpose set out in Note 2.1 to the Special Purpose Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Financial Statements of the Company as at March 31, 2022, are prepared in accordance with the basis set out in Note 2.1 to the Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describe the basis of accounting of the Special Purpose Financial Statements. These Special Purpose Financial Statements are prepared by the management of the Company, solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the proposed Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed Initial Public Offering ('IPO') of equity shares of the Holding Company, Unimech Aerospace and Manufacturing Private Limited as required by Section 26 of Part I of Chapter III of the Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time(the "ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI. As a result, the Special Purpose Financial Statements may not be suitable for another purpose.

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Our report is intended solely for the use of Company's Board of Directors for their purpose as specified above and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements

The Board of Directors and Management is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the state of affairs, results of operations, changes in equity and cash flows of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Financial Statements for the purpose set out in paragraph above; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of these Special Purpose Financial Statements that are free from material misstatement whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Financial Statements.

Other Matters

(a) The Company has prepared a separate set of General Purpose Financial Statements for the year ended March 31, 2022 in accordance with the Accounting Standards specified under Section 133 of the Act read along with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India on which the predecessor auditors had issued a separate auditor's report to the shareholders of the Company dated September 29, 2022 expressed an unmodified opinion on those financial statements.

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(b) As informed to us by the management of the Company, the predecessor auditor did not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the Restated Consolidated Financial Information for the year ended March 31, 2022 to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI Communication, we have audited the Special Purpose Financial Statements of the Company for the year ended March 31, 2022.

(c) The Special Purpose Financial Statements for the year ended March 31, 2022, has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Financial Statements solely for the purpose of preparation of restated financial information to be included in the Offer Documents in connection with the proposed IPO of equity shares of its Holding Company. Accordingly, the management of the Company has not presented the corresponding comparative figures in these Special Purpose Financial Statements.

Our opinion is not modified in respect of the above matters.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKS7851

Place: Bengaluru
Date: August 7, 2024

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS OF INNOMECH AEROSPACE TOOLING PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

- Identify and assess the risks of material misstatement of the Special Purpose 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.

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- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKS7851

Place: Bengaluru
Date: August 7, 2024

Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Special Purpose Balance Sheet as at March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	3	1,243.51
Capital work-in-progress	4	302.53
Right-of-use assets	5	587.58
Intangible assets	6	16.06
Financial assets		
Other financial assets	7	215.16
Deferred tax assets (net)	32	47.33
Total non-current assets		**2,412.17**
Current assets		
Inventories	8	76.57
Financial assets		
Trade receivables	9	568.56
Cash and cash equivalents	10	238.03
Bank balances other than cash and cash equivalents	11	159.02
Other financial assets	12	119.15
Other current assets	13	46.82
Total current assets		**1,208.15**
Total assets		**3,620.32**
Equity and liabilities		
Equity		
Equity share capital	14	1.00
Other equity	15	722.61
Total equity		**723.61**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	16	413.16
Provisions	20	94.11
Total non-current liabilities		**507.27**
Current liabilities		
Financial liabilities		
Borrowings	17	1,472.51
Lease liabilities	5	36.12
Trade payables	18	
Total outstanding dues of micro enterprises and small enterprises		57.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		640.17
Other financial liabilities	19	29.39
Provisions	20	29.25
Other current liabilities	21	25.71
Current tax liabilities (net)	22	98.53
Total current liabilities		**2,389.45**
Total liabilities		**2,896.72**
Total equity and liabilities		**3,620.32**

The accompanying notes are an integral part of the special purpose balance sheet.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors of
Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006

Anil Kumar Puttan
Managing Director
DIN: 07683267

Place: Bangaluru
Date: August 07, 2024

Ramakrishna Kamojhala
Director
DIN: 07004517

Place: Bangaluru
Date: August 07, 2024

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Special Purpose Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2022
Income		
Revenue from operations	23	2,473.83
Other income	24	22.72
Total income		**2,496.55**
Expenses		
Cost of materials consumed	25	607.61
Changes in inventories of finished goods and work-in-progress	26	(53.37)
Subcontractors charges	30	317.77
Employee benefits expense	27	345.07
Finance costs	28	192.35
Depreciation and amortisation expenses	29	98.08
Other expenses	31	435.44
Total expenses		**1,942.95**
Profit before tax		**553.60**
Income tax expense / (credit)	32	
Current tax		98.32
Deferred tax		(0.83)
Total income tax expense		**97.49**
Profit for the year		**456.11**
Other comprehensive income		
Item that will not be reclassified to profit or loss		
Remeasurements of post-employment defined benefit plans		(0.27)
Income tax effect on above		0.07
Other comprehensive income for the year, net of tax		**(0.20)**
Total comprehensive income for the year		**455.91**
Earnings per equity share	35	
Basic and diluted (INR)		45,610.73

The accompanying notes are an integral part of the special purpose statement of profit and loss.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors of
Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006

Anil Kumar Puttan
Managing Director
DIN: 07683267

Place: Bangaluru
Date: August 07, 2024

Ramakrishna Kamojhala
Director
DIN: 07004517

Place: Bangaluru
Date: August 07, 2024

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Special Purpose Statement of Cash Flows for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2022
Cash flows from operating activities	
Profit before tax	553.60
Adjustments for:	
Depreciation and amortisation expenses	98.08
Finance costs	192.35
Interest income	(22.72)
Expected credit loss allowance and liquidated damages	0.03
Unrealised foreign exchange loss/(gain)	29.04
Operating profit before working capital changes	**850.38**
Changes in operating assets and liabilities	
Increase/ (decrease) in trade payables	553.87
Increase/ (decrease) in other current liabilities	24.77
Increase / (decrease) in provisions	120.36
Decrease/ (increase) in inventories	(53.37)
Decrease/ (increase) in trade receivables	(496.93)
Decrease/ (increase) in other financial assets	(313.27)
Decrease/ (increase) in other financial liabilities	19.75
Decrease/(increase) in other current assets	(43.59)
Decrease/(increase) in other non-current assets	4.45
Cash generated from operations	**666.42**
Income taxes paid	(43.57)
Net cash flows from generated from operating activities (A)	**622.85**
Cash flows from investing activities	
Payments for acquisition of property, plant and equipment and intangible assets	(219.33)
Interest received	22.07
(Investment in)/ Proceeds from bank deposits	104.89
Net cash flows from investing activities (B)	**(92.37)**
Cash flows from financing activities	
Proceeds from issue of equity share capital	-
Proceeds/ (Repayment) from borrowings	(238.33)
Interest paid on borrowings	(146.21)
Principal paid on lease liabilities	(11.54)
Interest paid on lease liabilities	(1.36)
Net cash flows from financing activities (C)	**(397.44)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**133.05**
Cash and cash equivalents at the beginning of the year	107.90
Effects of exchange rate changes on cash and cash equivalents	(2.85)
Cash and cash equivalents at the end of the year	**238.10**
Cash and cash equivalents comprise	
Balances with banks:	
In current accounts	184.38
In EEFC accounts	53.65
Cash on hand	-
Total	**238.03**

Refer to note 17.1 for reconciliation of movements of liabilities to cash flows arising from financing activities.

The accompanying notes are an integral part of the special purpose statement of cash flows.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors of
Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006

Anil Kumar Puttan
Managing Director
DIN: 07683267

Place: Bangaluru
Date: August 07, 2024

Ramakrishna Kamojhala
Director
DIN: 07004517

Place: Bangaluru
Date: August 07, 2024

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Special Purpose Statement of Changes in Equity for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

(A) Equity share capital (Note 14)
Equity shares of INR 100 each issued, subscribed and fully paid

	Year ended March 31, 2022	
	No. of shares	Amount
Balance as at April 1, 2021	1,000	1.00
Balance as at March 31, 2022	**1,000**	**1.00**

(B) Other equity (Note 15)

	Reserves and surplus		
	Contribution from parent	Retained earnings	Total
Balance as at April 1, 2021 (Note 15.1)	19.40	163.37	182.77
Profit for the year	-	456.11	456.11
Other comprehensive income for the year, net of tax	-	(0.20)	(0.20)
Total comprehensive income for the year	-	**455.91**	**455.91**
Fair value of financial guarantees received from the parent company	83.93	-	83.93
Dividend paid to parent company on account of corporate guarantee provided			-
Balance as at March 31, 2022	**103.33**	**619.28**	**722.61**

The accompanying notes are an integral part of the special purpose statement of changes in equity.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

For and on behalf of the Board of Directors of
Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006

MSKA & ASSOCIATES Chartered Accountants

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

Anil Kumar Puttan
Managing Director
DIN: 07683267

Place: Bangaluru
Date: August 07, 2024

Ramakrishna Kamojhala
Director
DIN: 07004517

Place: Bangaluru
Date: August 07, 2024

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED BENGALURU 562 110

1 Corporate information

Innomech Aerospace Toolings Private Limited ("the Company") (CIN: U29200KA2018PTC118006) is domiciled and incorporated as a private limited Company in India and was incorporated on October 26, 2018 under the provisions of the Companies Act, 2013 ("the Act"). The Company's registered office is at Plot No. 3, Sy No. 21-P, Aerospace SEZ Sector, Hitech Defence and Aerospace Park, Kavadadasanahalli, Bengaluru-562135, Karnataka, India.

The Company's main objective is to carry on the business of manufacturing toolings and components to be used in the aerospace sector. The Company is a subsidiary of Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) ("the parent company").

2 Summary of material accounting policies

These notes provide a list of the material accounting policies adopted in the preparation of this special purpose financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance

The Special Purpose Standalone Financial Statements of the Company comprises the Special Purpose Standalone Balance Sheet as at March 31, 2022, the Special Purpose Standalone Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Standalone Statement of Cash Flows, Special Purpose Standalone Statement of Changes in Equity and Notes forming part of Special Purpose Standalone Financial Statements for the year ended March 31, 2022 and summary of material accounting policies and explanatory notes (collectively referred as, the 'Special Purpose Standalone Financial Statements') that have been prepared by the management of the Company for the purpose of preparation of the Restated Financial Information to be included in the Draft Red Herring Prospectus (the "DRHP") Red Herring Prospectus and Prospects (collectively referred as "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offer of equity shares ("IPO") by the Company.

The Special Purpose Standalone Financial Statements have been prepared by the management of the Company to comply with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations");
(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note"); and
(d) Email dated 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("SEBI Communication") which confirms that the Company should prepare the financial statements in accordance with Indian Accounting Standards ("Ind AS").

The Special Purpose Standalone Financial Statements of the Company as at and for the year ended March 31, 2022 were approved by the Board of Directors of the Company at their meeting held on August 07, 2024.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company voluntarily adopted March 31, 2024 as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016 (as amended from time to time), and consequently April 1, 2022 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2024. Hence, the general purpose financial statements for the year ended March 31, 2024, were the first financials statements, prepared in accordance with Ind AS. Upto the financial year ended March 31, 2023 the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which the Special purpose Standalone financial statements were prepared as per SEBI Communication. Further, these Special Purpose Standalone Financial Statements are not the statutory financial statements of the Company under the Act.

The Special Purpose Standalone Financial Statements as at and for the year ended March 31, 2022 has been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the year ended March 31, 2024 pursuant to the SEBI Communication.

This Special Purpose Standalone Financial Statements have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in the Offer Documents in relation to proposed IPO. Hence this Special Purpose Standalone Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information.

All amounts disclosed in Special Purpose Standalone Financial Statements are reported in nearest lacs of Indian Rupees and have been rounded off to the nearest lacs, except per share data and unless stated otherwise.

(b) Basis of measurement

The special purpose standalone financial statements have been prepared on a historical cost basis, except for net defined benefit employee obligations which is measured at the present value of defined benefit obligation.

(c) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

(d) Presentation currency and rounding off

All amounts disclosed in special purpose standalone financial statements and notes have been rounded off to the nearest lakhs and decimals thereof, as per requirement of Schedule III of the Act, unless otherwise stated. Amounts mentioned as "0.00" in the denote amounts rounded off being less than rupees ten thousands.

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED
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2.2 Summary of material accounting policies

(a) Property, plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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 are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Factory buildings	30 years
Plant and equipment	4 to 15 years
Furniture and fixtures	4 years
Computers	3 years
Office equipment	4 to 5 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over 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. The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets (Software) are amortised over the useful economic life of 3 years on straight line basis 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 are reviewed at least at the end of each reporting period.

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(d) Leases

The Company assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(e) Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials (Including packing materials): Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average method.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition and charged to statement of profit and loss on purchase.

(f) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(g) Foreign currencies

The Company's special purpose financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(h) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

Revenue is measured at transaction price (net of variable consideration, if any). The transaction price is the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

Revenue also includes adjustments made towards liquidated damages and price variations wherever applicable.

(i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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(j) **Taxes**

Tax expense comprises current tax expense and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

MAT:

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Tax holiday:

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

(k) **Provisions**

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

The Company provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

(l) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Longevity bonus liability is accrued for certain class of key managerial persons, as may be decided by the Board from time to time to recognise their immense contribution in driving the organisation, and payable upon their resignation or exit from the Company or substantial changes in the composition of the parent company's Board. Amount to be payable is calculated based on latest remuneration of the year multiplied by number of years. Longevity bonus is recognised as liability at the present value of the defined benefit obligation using actuarial valuation at the Balance sheet date.

(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

•▫ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
•▫ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
•▫ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost (debt instruments). A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as borrowings, payables or other financial liabilities, as appropriate. All financial liabilities are recognised initially at fair value, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost (loans and borrowings).
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.3 Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition - estimating variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(b) Leases - estimating the incremental borrowing rate (IBR)

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's credit rating).

(c) Provision for expected credit losses (ECLs) of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for its customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(d) Defined benefit plan (post-employment gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(e) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment, right of use assets and intangible assets.

(f) Provision for warranties

The Company's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

(g) Deferred tax assets

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

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Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

	Factory buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Total
Gross block						
Balance as at April 1, 2021 (Note 3.1)	**884.44**	**254.21**	**2.26**	**0.49**	**18.20**	**1,159.60**
Additions	14.05	106.45	12.50	13.21	10.98	157.19
Disposals	-	-	-	-	-	-
Adjustment on account of Ind AS transition (Note 3.2)	(40.22)	(26.31)	(0.71)	(1.37)	(4.67)	(73.28)
Balance as at March 31, 2022	**858.27**	**334.35**	**14.05**	**12.33**	**24.51**	**1,243.51**
Accumulated depreciation						
Balance as at April 1, 2021	-	-	-	-	-	-
Depreciation for the year	40.22	26.31	0.71	1.37	4.67	73.28
Disposals	-	-	-	-	-	-
Adjustment on account of Ind AS transition (Note 3.2)	(40.22)	(26.31)	(0.71)	(1.37)	(4.67)	(73.28)
Balance as at March 31, 2022	-	-	-	-	-	-
Net block						
Balance as at March 31, 2022	**858.27**	**334.35**	**14.05**	**12.33**	**24.51**	**1,243.51**

3.1 Deemed cost

For the purpose of preparation of these special purpose financial statements, the Company has used the carrying value of its Property, Plant or Equipment recognised as of April 1, 2021 measured as per the Indian GAAP as its deemed cost as on April 1, 2021.

3.2 Adjustment on account of Ind AS transition

For the purpose of preparation of statutory financial statements for the year ended March 31, 2024, the Company has elected to continue with the carrying value of its Property, Plant or Equipment recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022. Accordingly, the accumulated depreciation up to March 31, 2022 has been adjusted with the gross block as on March 31, 2022.

3.3 Property, plant and equipment hypothecation as security

Refer to note 42 for information on property, plant and equipment hypothecation as security by the Company.

3.4 Contractual obligations

Refer to note 43 for details on contractual commitments for acquiring property, plant and equipment.

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4.0 Capital work-in-progress (CWIP)

	Amount
Balance as at April 1, 2021	**250.86**
Additions	80.35
Disposals	-
Transfers	(28.68)
Balance as at March 31, 2022	**302.53**

4.1 CWIP ageing schedule
As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	80.35	222.18	-	-	302.53
Projects temporarily suspended	-	-	-	-	-
Total	**80.35**	**222.18**	-	-	**302.53**

4.2 There are no projects as CWIP as at March 31, 2022 whose completion is overdue or cost of which has exceeds in comparison to its original plan.

4.3 CWIP of INR 28.68 lakhs has been capitalised under factory building and INR Nil has been capitalised under plant and equipment during the year ended March 31, 2022.

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(All amounts in INR lakhs, unless otherwise stated)

5 Rigt-of-use assets/ Lease liabilities

5.1 The carrying amount of right-of-use assets recognised and the movements during the year are as follows:

	Land	Plant and equipment	Total
Gross block			
As at April 1, 2021	559.67	-	559.67
Additions during the year	-	47.66	47.66
As at March 31, 2022	559.67	47.66	607.33
Accumulated amortisation			
As at April 1, 2021	-	-	-
Amortisation for the year	5.73	14.02	19.75
As at March 31, 2022	5.73	14.02	19.75
Net block as at March 31, 2022	553.94	33.64	587.58

5.2 The carrying amount of lease liabilities recognised and the movement during the year are as follows:

	Plant and equipment
As at April 1, 2021	-
Additions during the year	47.66
Interest expense on lease liabilities	1.36
Payments during the year (Refer 39.2)	(12.90)
As at March 31, 2022	36.12

	As at March 31, 2022
Non-current	-
Current	36.12

5.3 The following are the amounts recognised in profit or loss:

	For year ended March 31, 2022
Interest expense on lease liabilities (Refer note 28)	1.36
Amortisation of right-of-use assets* (Refer note 29)	14.02

* Exclusive of leasehold land

5.4 Amounts recognised in the statement of cash flows

	For year ended March 31, 2022
Total cash outflows with respect to leases	12.90
Total	12.90

5.5 Right-of-use assets hypothecated as security

Refer to note 42 for information on right-of-use assets hypothecated as security by the Company.

5.6 In right-of-use assets, the Company has taken land on lease from Karnataka Industrial Area Development Board (KIADB) for a period of 99 years.

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(All amounts in INR lakhs, unless otherwise stated)

6 Intangible assets

	Software
Gross block	
Balance as at April 1, 2021 (Note 6.1)	**10.64**
Additions	10.47
Disposals	-
Adjustment on account of Ind AS transition (Note 6.2)	(5.05)
Balance as at March 31, 2022	**16.06**
Accumulated amortisation	
Balance as at April 1, 2021	-
Amortisation for the year	5.05
Disposals	-
Adjustment on account of Ind AS transition (Note 6.2)	(5.05)
Balance as at March 31, 2022	-
Net block	
Balance as at March 31, 2022	**16.06**

6.1 Deemed cost

For the purpose of preparation of these special purpose financial statements, the Company has used the carrying value of its intangible assets recognised as of April 1, 2021 measured as per the Indian GAAP as its deemed cost as on April 1, 2021.

6.2 Adjustment on account of Ind AS transition

For the purpose of preparation of statutory financial statements for the year ended March 31, 2024, the Company has elected to continue with the carrying value of its intangible assets recognised as of April 1, 2022 measured as per the Indian GAAP and used that carrying value as its deemed cost as on April 1, 2022. Accordingly, the accumulated depreciation up to March 31, 2022 has been adjusted with the gross block as on March 31, 2022.

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(All amounts in INR lakhs, unless otherwise stated)

7 Other non-current financial assets

	As at March 31, 2022
At amortised cost	
Security deposits	18.48
Bank deposits with remaining maturity more than 12 months	196.68
Total other non-current financial assets	**215.16**

Refer to note 34 for information about the Company's exposure to financial risks.

8 Inventories

	As at March 31, 2022
(At lower of cost or net realisable value)	
Raw materials (including packing materials)	-
Work-in-progress	76.57
Finished goods	-
Total inventories	**76.57**

8.1 Inventories hypothecated as security

Refer to note 42 for information on inventories hypothecated as security by the Company.

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Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

9 Trade receivables

	Notes	As at March 31, 2022
Considered good - unsecured		582.57
Less: Loss allowance	36.3	(0.03)
Less: Liquidated damages	36.3	(13.98)
Trade receivables - net		568.56

Amounts due from related parties out of the above trade receivables (Note 37)

9.1 Trade receivables ageing schedule

As at March 31, 2022

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	510.42	71.95	0.20	-	-	-	582.57
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less: Loss allowance							
Sub total	510.42	71.95	0.20	-	-	-	582.57
Less: Expected credit loss allowance							(0.03)
Less: Liquidated damages							(13.98)
Total							568.56

9.2 There are no trade receivables which are either due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

9.3 Trade receivables are non-interest bearing and are generally on terms of 30 days.

9.4 Refer to note 34 for information about the Company's exposure to financial risks.

9.5 Trade Receivables hypothecated as security
Refer to note 42 for information on trade receivables hypothecated as security by the Company.

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INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
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(All amounts in INR lakhs, unless otherwise stated)

10 Cash and cash equivalents

	As at March 31, 2022
Balances with banks:	
In current accounts	184.38
In EEFC accounts	53.65
Total cash and cash equivalents	**238.03**

Refer to note 42 for information on cash and cash equivalents hypothecated as security by the Company and note 34 for information about the Company's exposure to financial risks.

11 Bank balances other than cash and cash equivalents

	As at March 31, 2022
At amortised cost	
Deposits with original maturity of more than 3 months and upto 12 months	159.02
Total bank balances other than cash and cash equivalents	**159.02**

Refer to note 42 for information on bank balances other than cash and cash equivalents hypothecated as security by the Company and note 34 for information about the Company's exposure to financial risks.

12 Other current financial assets

	As at March 31, 2022
At amortised cost	
Advances to employees	5.92
Advances to related parties (Note 38.3)	5.00
Bank deposits with original maturity of more than 12 months but remining maturity is less than 12 months	107.00
Others	1.23
Total other current financial assets	**119.15**

Refer to note 42 for information on other current financial assets hypothecated as security by the Company and note 34 for information about the Company's exposure to financial risks.

13 Other current assets

	As at March 31, 2022
Advances to suppliers	10.90
Balances with government authorities	35.00
Prepaid expenses	0.92
Total other current assets	**46.82**

Refer to note 42 for information on other current assets hypothecated as security by the Company.

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INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

(All amounts in INR lakhs, unless otherwise stated)

15 Other equity

	As at March 31, 2022
Reserves and surplus	
Retained earnings (Note 15.1(i))	619.28
Contribution from parent (Note 15.1(ii))	103.33
Total other equity	**722.61**

15.1 Movement in reserves and surplus

		As at March 31, 2022
(i)	**Retained earnings**	
	Opening balance	163.37
	Profit for the year	456.11
	Items of OCI recognised directly in retained earnings	
	Remeasurements of defined benefit plans (net of tax)	(0.20)
	Closing balance	**619.28**
(ii)	**Contribution from parent**	
	Opening balance	19.40
	Fair value of financial guarantees received from the parent company	83.93
	Closing balance	**103.33**

15.2 Nature and purpose of items in other equity

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any dividends or other distributions to shareholders.

Contribution from parent

This represents the fair value of financial guarantee received by the Company from its parent company for availing credit facilities from banks / financial institutions.

16 Non-current borrowings

	Notes	As at March 31, 2022
Secured		
Term loans		
From banks		
Indian Rupee loans	16.1(i)	22.50
USD loans	16.1(ii)	497.78
From a financial institution	16.1(iii)	149.38
Less: Current maturities of long term debts		(256.50)
Total non-current borrowings		**413.16**

The details of financial and non-financial assets hypothecation as security for borrowings are disclosed in Note 42.

Refer to note 34 for information about the Company's exposure to financial risks.

16.1 Security details and terms of repayment

		No. of instalments remaining as at March 31, 2022	Maturity date as at March 31, 2022	Interest rate (p.a.) as at March 31, 2022	As at March 31, 2022
(i)	**Indian Rupee term loans from banks**				
	-Secured by way of hypothecation of current Assets of the firm both Present and future	27	June 2024	Repo+4.25%	22.50
					22.50
(ii)	**USD term loans from banks**				
	-Secured by way of hypothecation on entire present and future movable fixed asset of the Company	41	August 2025	6 month LIBOR+2.5%	497.78
	-Secured by way of hypothecation of Company's entire current asset both present and future	N.A.	Payable within 180 days	SOFR+1%	531.16
					1,028.94

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(iii)	**Indian Rupee term loans from a financial institution**				
	-Secured by way of hypothecation of of CNC Vertical Machining Center	36	March 2025	10.50%	134.05
		11	February 2023	10.15%	15.33
					149.38

Note - In the above disclosure of Security details and terms of repayment - Borrowings are adjusted for fair value of guarantees issued by the parent company to various Banks and Financial Institutions for borrowings availed by Innomech Aerospace Toolings Private Limited.

(iv)	**Loan from a related party**				
	-Unsecured loan from a related party	N.A.	N.A.	6.00%	684.85
					684.85

17 Current borrowings

	Notes	As at March 31, 2022
Secured		
Term loans		
From banks		
Indian Rupee loans		-
USD loans	16.1(ii)	531.16
Current maturities of long term debts		256.50
Unsecured		
Loan from a related party - Repayable on demand (Note 37)	16.1(iv)	684.85
Total current borrowings		**1,472.51**

The details of financial and non financial assets hypothecation as security for borrowings are disclosed in Note 42.

Refer to note 34 for information about the Company's exposure to financial risks.

17.1 Net debt reconciliation

Particulars	**Borrowings**	**Lease liabilities**	**Total**
Net debt as at April 1, 2021	**2,153.54**	-	**2,153.54**
Cash flows			
Principal paid on lease liabilities	-	(11.54)	**(11.54)**
Interest paid on lease liabilities	-	(1.36)	**(1.36)**
Proceeds from borrowings	3,766.22	-	**3,766.22**
Interest paid on borrowings	(146.21)	-	**(146.21)**
Repayment of borrowings	(4,004.55)	-	**(4,004.55)**
Non-cashflows			**-**
Interest expense	146.21	1.36	**147.57**
New leases	-	47.66	**47.66**
Guarantee commission adjustment	(54.72)	-	**(54.72)**
Effects of changes in foreign exchange rates	27.41	-	**27.41**
Prepaid loan processing charges adjusted through EIR	0.22	-	**0.22**
Adjustment of security deposit paid for borrowing	(2.46)	-	**(2.46)**
Net debt as at March 31, 2022	**1,885.67**	**36.12**	**1,921.79**

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INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

(All amounts in INR lakhs, unless otherwise stated)

18 Trade payables

	Notes	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	18.1	57.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		640.17
Total trade payables		**697.94**
Amounts due to related parties out of the above trade payables	37.3	513.63

Refer to note 34 for information about the Company's exposure to financial risks.

18.1 MSMED disclosure

Based on the information available with the Company, there are outstanding dues and payments made during the year ended March 31, 2022 to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006. There is interest payable or paid during the years ended March 31, 2022 to any suppliers under the said Act.

Particulars	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal amount	57.35
Interest due thereon	0.41
Total	**57.77**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.41
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	0.41

18.2 Trade payables ageing schedule

As at March 31, 2022

	Unbilled	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	2.99	52.05	2.72	-	-	-	57.77
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	14.14	557.44	48.08	20.51	-	-	640.17
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**17.13**	**609.49**	**50.80**	**20.51**	-	-	**697.94**

18.3 Trade payables are non-interest bearing and are normally settled on 30-60 days.

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(All amounts in INR lakhs, unless otherwise stated)

14 **Equity share capital**

	As at March 31, 2022	
	Number of shares	Amount
Authorised :		
Equity shares of INR 100 each	10,000	10.00
	10,000	10.00
Issued, subscribed and paid-up :		
Equity shares of INR 100 each, fully paid-up	1,000	1.00
Total	1,000	1.00

14.1 **Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Equity shares	As at March 31, 2022	
	Number of shares	Amount
Outstanding at the beginning of the year	1,000	1.00
Add: Issued during the year	-	-
Outstanding at the end of the year	1,000	1.00

14.2 **Rights, preferences and restrictions attached to equity shares**

Equity shares have a face value of INR 100. Each holder of equity shares is entitled to participate in dividends. The dividend proposed by the board of directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and distribution will be in proportion to the number of equity shares held by the shareholders.

14.3 **Equity shares held by holding company/ultimate holding company and/ or their subsidiaries/ associates**

	As at March 31, 2022	
	Number of shares	Amount
Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) - Holding Company		
Equity shares of INR 100 each fully paid-up	999	1.00

14.4 **Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at March 31, 2022		
	Number of shares	% of holding in the class	Amount
Equity shares of INR 100 each fully paid-up			
Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited)	999	99.90%	0.10

14.5 **Aggregate number of shares issued pursuant to contract without payment being received in cash, for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date**

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.

14.6 **Shares reserved for issue under options and contracts or commitments of the sale of shares or disinvestment, including the terms and amounts**

There are no shares reserved for issue under any options and contracts or commitments of the sale of shares or disinvestment.

14.7 **Details of equity shares held by promoters at the end of the year**

Promoter name	As at March 31, 2022		
Equity shares of INR 100 each fully paid-up	No. of shares	% of total shares	% change during the year
Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited)	999	99.90%	0.00%
Anil Kumar Puttan*	1	0.10%	0.00%
Total	1,000	100.00%	0.00%

* Held as nominee on behalf of Unimech Aerospace and Manufacturing Private Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited)

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(All amounts in INR lakhs, unless otherwise stated)

19 Other current financial liabilities

	As at March 31, 2022
Employee benefits payable	29.39
Total other current financial liabilities	**29.39**

Refer to note 34 for information about the Company's exposure to financial risks.

20 Provisions

	Non-current	Current
	As at March 31, 2022	As at March 31, 2022
Provision for rework costs and warranty (Note 20.1)	-	25.86
Provision for employee benefits		
Provision for gratuity (Note 36.2(b))	2.98	-
Provision for compensated absences	-	3.27
Provision for longevity bonus	91.13	0.12
Total provisions	**94.11**	**29.25**

20.1 Movement in Movement in Provision for rework and warranty costs

	Amount
As at April 1, 2021	-
Provision charged to profit and loss	25.86
Provisions used during the year	-
Balance as at March 31, 2022	**25.86**

21 Other current liabilities

	As at March 31, 2022
Statutory dues	25.71
Total other current liabilities	**25.71**

22 Current tax liabilities (net)

	As at March 31, 2022
Current tax payable	105.86
Less: Advance tax (including TDS receivables)	(7.33)
Total current tax liabilities (net)	**98.53**

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Innomech Aerospace Toolings Private Limited
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23 Revenue from operations

	Year ended March 31, 2022
Revenue from contracts with customers	
Sale of products	2,433.11
Sale of Services	33.30
	2,466.41
Other operating revenue	7.42
Total revenue from operations	**2,473.83**

Nature of products

	Year ended March 31, 2022
Aerospace components and tools	2,433.11
Total	**2,433.11**

Nature of Services

	Year ended March 31, 2022
Upgradation and rework services	**33.30**
Total	**33.30**

Nature of other operating revenue

	Year ended March 31, 2022
Scrap sales	7.42
Total	**7.42**

23.1 Disaggregated revenue information

Geographic revenue

	Year ended March 31, 2022
Within India	35.12
Outside India	2,431.29
Total	**2,466.41**

Timing of revenue recognition

	Year ended March 31, 2022
Products and services transferred at a point in time	2,473.83
Total	**2,473.83**

23.2 Reconciliation of contract price with revenue during the year

	Year ended March 31, 2022
Revenue as per contract price	2,491.30
Adjustments:	
- Sales Return	(3.49)
- Liquidated damages/claims	(13.98)
Revenue from contracts with customers	**2,473.83**

23.3 Performance obligation

Sale of products:

The performance obligation with respect to sale of products is satisfied at a point in time that is the when control over the goods is transferred to the customers, generally on the delivery of the goods at the agreed destination as per the terms of contract with customers.

Sale of services:

The performance obligation with respect to sale of services is satisfied at a point in time by measuring the progress towards complete satisfaction of performance obligations during the reporting period.

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(All amounts in INR lakhs, unless otherwise stated)

24 Other income

	Year ended March 31, 2022
Interest income	
On fixed deposits at amortised cost	22.07
Unwinding of security deposit at amortised cost	0.65
Miscellaneous income	-
Total other income	**22.72**

25 Cost of materials consumed

	Year ended March 31, 2022
Inventories of raw materials at the beginning of the year	-
Add: Purchases	607.61
Less: Inventories of raw materials at the end of the year	-
Total cost of materials consumed	**607.61**

Refer to note 37.2 for purchases from related parties.

26 Changes in inventories of finished goods and work-in-progress

	Year ended March 31, 2022
Inventories at the beginning of the year	
-Work-in-progress	23.20
-Finished goods	-
	23.20
Less: Inventories at the end of the year	
-Work-in-progress	76.57
-Finished goods	-
	76.57
Net increase	**(53.37)**

27 Employee benefits expense

	Year ended March 31, 2022
Salaries, wages and bonus	322.74
Contribution to provident and other funds[(refer note 36(a)]	4.55
Gratuity expenses[(refer note 36(b)]	1.97
Staff welfare expenses	15.81
Total employee benefits expenses	**345.07**

28 Finance costs

	Year ended March 31, 2022
Interest on borrowings at amortised cost	146.21
Interest on lease liabilities	1.36
Interest on delayed payments to micro enterprises and small enterprises	0.41
Guarantee commission expenses	29.22
Interest on income tax	15.15
Total finance costs	**192.35**

Refer to note 37.2 for interest on borrowings from related parties.

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INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

(All amounts in INR lakhs, unless otherwise stated)

29 Depreciation and amortisation expenses

	Year ended March 31, 2022
Depreciation on property, plant and equipment	73.28
Amortisation of lease hold land	5.73
Amortisation on right-of-use assets	14.02
Amortisation on intangible assets	5.05
Total depreciation and amortisation expenses	**98.08**

30 Subcontractor charges

	Year ended March 31, 2022
Subcontractor charges	317.77
Total subcontractors charges	**317.77**

31 Other expenses

	Year ended March 31, 2022
Stores and spares consumed	33.79
Utilities	46.65
Repairs and maintenance	
- Factory & building	2.80
- Plant and machineries	13.76
-Others	0.50
Printing and stationery	6.16
Security charges	12.10
Manpower contract expenses	2.70
Information technology expenses	0.60
Insurance	0.82
Legal and professional charges	209.21
Audit fees(Note 31.1)	1.55
Sales promotion expenses	0.28
Expected credit loss allowance	0.03
Travelling and conveyance	11.95
Communication expenses	3.28
Rates and taxes	4.54
Bank charges	3.79
Rework and warranty costs	25.86
Freight charges outward	32.35
Recruitment expenses	0.35
Loss on foreign exchange transactions (net)	16.49
Miscellaneous expenses	5.88
Total other expenses	**435.44**

31.1 The following is the break-up of audit fees (exclusive of goods and service tax)

	Year ended March 31, 2022
Audit fee	
As auditor:	
Statutory audit	0.50
Tax audit and others	1.05
Total audit fee	**1.55**

32 Income tax

32.1 Income tax expense charged to the statement of profit or loss

	Year ended March 31, 2022
- Current tax	98.32
- Deferred tax	(0.83)
Income tax expense reported in the statement of profit or loss	**97.49**

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Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

32.2 Reconciliation of tax charge

	Year ended March 31, 2022
Profit before tax	553.60
Income tax expense at tax rates applicable	25.17%
Expected income tax expense/ (benefit) at statutory tax rate	139.34
Tax effects of:	
Income tax relating to remeasurements of post-employment defined benefit plans	0.07
'Interest on income tax	3.81
Other adjustments	(45.72)
Income tax expense	97.50

32.3 Deferred tax relates to the following:

	As at March 31, 2022
Deferred tax assets	
Property, plant and equipment and intangible assets	47.33
MAT credit entitlement	-
	47.33
Deferred tax liabilities	
Property, plant and equipment and intangible assets	-
Deferred tax assets (net)	47.33

	As at March 31, 2022
Unused tax credits for which no deferred tax asset is recognised	
Minimum alternate tax credit	100.49

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(All amounts in INR lakhs, unless otherwise stated)

33 Fair value measurements

33.1 The carrying amounts of financial assets and liabilities by categories

At amortised cost

Particulars	Notes	As at March 31, 2022
Financial assets		
Trade receivables	9	568.56
Cash and cash equivalents	10	238.03
Bank balances other than cash and cash equivalents	11	159.02
Other financial assets (non-current)	7	215.16
Other financial assets (current)	12	119.15
Total financial assets		**1,299.92**
Financial liabilities*		
Borrowings (non-current)	16	413.16
Borrowings (current)	17	1,472.51
Trade payables	18	640.17
Other financial liabilities	20	29.39
Total financial liabilities		**2,555.23**

*Excluding lease liabilities

33.2 Fair value hierarchy

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices 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).

33.3 Methods and assumptions

The management assessed that the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables, borrowings and other financial liabilities approximate the carrying amount largely due to short-term maturity of these financial instruments.

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34 Financial risk management objectives and policies

34.1 The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

34.2 Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed borrowings amounting to INR 834.23 lakhs and variable rate borrowings amounting to INR 1,051.44 lakhs

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings. With all other variables held constant, the Company's profit before tax will be affected through the impact on floating rate borrowings, as follows:

Particulars	As at	Closing balance	Effect on profit before tax	
			1% Increase	1% Decrease
Varaiable rate borrowings	March 31, 2022	1,051.44	10.51	(10.51)

(b) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2022	
	Amount in Foreign currency	Amount
USD receivable	7.53	568.61
USD payable	(14.55)	(1,098.81)
GBP receivable	0.07	6.98
GBP payable	-	-
EURO payable	-	-

Foreign currency sensitivity

Particulars	Impact on profit before tax Year ended March 31, 2022
USD sensitivity	
INR/USD - increase by 1%	(5.30)
INR/USD - decrease by 1%	5.30
GBP sensitivity	
INR/GBP - increase by 1%	0.07
INR/GBP - decrease by 1%	(0.07)
EURO sensitivity	
INR/EURO - increase by 1%	-
INR/EURO - decrease by 1%	-

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(All amounts in INR lakhs, unless otherwise stated)

34.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables, deposits, cash held with banks and financial institutions. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company does not foresee any credit risks on other financial assets.

To manage the credit risks arising from customers, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivables.

The movement in expected credit loss is as follows :

Particulars	**As at March 31, 2022**
Opening balance	-
Changes in loss allowance:	-
Loss allowance based on expected credit loss	0.03
Closing balance	**0.03**

The movement in provision for liquidated damages is as follows :

Particulars	**As at March 31, 2022**
Opening balance	-
Changes during the year	13.98
Closing balance	**13.98**

34.4 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of committed credit lines. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at March 31, 2022		Carrying	Contractual cash flows			
Particulars		amount	0-1 year	1-3 years	3-5 years	Total
Current borrowings	17	1,472.51	1,472.51	-	-	1,472.51
Non-current borrowings	16	413.16	-	513.93	-	513.93
Lease liabilities	5	36.12	36.12	-	-	36.12
Trade payables	18	697.94	697.94	-	-	697.94
Other financial liabilities	20	29.39	29.39	-	-	29.39
Total		**2,649.12**	**2,235.96**	**513.93**	**-**	**2,749.89**

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35 Earnings per equity share

	Year ended March 31, 2022
Profit attributable to equity shareholders as per statement of profit and loss	456.11
Weighted average number of equity shares outstanding during the year	1,000.00
Face value of each equity share (INR)	100.00
Basic earnings per share (INR)	**45,610.73**

The Company does not have any potential equity shares during the years ended March 31, 2022. Hence, basic and diluted EPS are the same.

36 Employee benefits

(a) Defined contibtion plans

Contributions were made to provident fund and Employee State Insurance in India for the Company as per the regulations. These conrtibutions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other contructive obligation

During the year, the Company has recognised the following amounts in the Standalone Statement of Profit and Loss:

Particulars	Year ended March 31, 2022
Employer's contribution to provident fund	4.09
Employer's contribution to Employee State Insurance	0.46
	4.55

Defined benefit plans - Gratuity

(b) Information regarding gratuity plan

The Company has a defined benefit gratuity plan in India (Gratuity plan). The Gratuity plan is a final salary plan for India employees. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

(c) Reconciliation of defined benefit obligation

	As at March 31, 2022
Balance as at the beginning of the year	0.75
Interest cost	0.05
Current service cost	1.92
Included in profit and loss (Note 28)	1.97
Remeasurement loss/(gain)	
Actuarial loss/(gain) arising from:	
Changes in demographic assumptions	-
Changes in financial assumptions	(0.14)
Experience adjustments	0.41
Included in other comprehensive income	0.27
Balance as at the end of the year	2.98
Classified as:	
Non-current	2.98
Current	0.00
	2.98

(d) Actuarial assumptions

	As at March 31, 2022
Discount rate (per annum)	7.51%
Rate of future increase in salary	12.00%
Attrition rate	
Employee served for 5 years and below	20.00%
Employee served for above 5 years	5.00%

The weighted-average duration of the defined benefit obligation was 14.75 years for gratuity plan.

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(All amounts in INR lakhs, unless otherwise stated)

(e) Sensitivity analysis

	As at March 31, 2022
Discount rate	
1% increase	(0.37)
1% decrease	0.45
Future increase in salary	
1% increase	0.41
1% decrease	(0.35)
Attrition rate	
1% increase	(0.22)
1% decrease	0.25

(f) Maturity analysis

	As at March 31, 2022
Within one year	0.00
Between one and two years	0.00
Between two and three years	0.00
Between three and four years	0.00
Between four and five years	0.00
Between five and ten years	0.01
Later than ten years	2.96

(g) Defined benefit plan- Longetivity

Longevity bonus liability is accrued for certain class of key managerial persons, as may be decided by the Board from time to time to recognise their immense contribution in driving the organisation, and payable upon their resignation or exit from the Company or substantial changes in the composition of the parent company's Board. Amount to be payable is calculated based on latest remuneration of the year multiplied by number of years. Longevity bonus is recognised as liability at the present value of the defined benefit obligation using actuarial valuation at the Balance sheet date.

Particulars	As at April 1, 2022
	-
Interest cost	-
Benefits paid during the year	-
Current service cost	91.25
Actuarial (Gains)/Loss	-
Incremental obligation on termination*	-
Balance as at the end of the year	**91.25**

* Pursuant to board resolution dated March 30, 2024, Company terminated longetivity scheme and recorded actual provision in the books of accounts.

Actuarial assumptions	As at April 1, 2022
Discount rate (per annum)	7.51%
Expected return on Assets	0.00%
Rate of future increase in salary	12.00%
Attrition rate	5.00%

Classified as:	
Non-current	91.13
Current	0.12

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37 Related party disclosures

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

37.1 Names of related parties and description of relationship:

Immediate and ultimate parent company	Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited), India
Key Management Personnel (Directors)	Mr. Anil Kumar Puttan Mr. Rajanikanth Balaraman Mr. Ramakrishna Kamojhala Mr. Mani Puttan Mr. Preetham Shimoga
Relatives of KMPs	Mrs. Savitha K Nayar Mrs. Rashmi Anil Kumar Puttan Mrs. Shruthi C S Mrs. Mamatha Kumar Mr. P Sathyanarayana Mrs. Sulochana T Miss. Dakshayini Miss. Prema K S Mrs. Meenakshi K K

37.2 Details of transactions with related parties for the year ended:

	Particulars	Year ended March 31, 2022
(a)	**Immediate and ultimate parent company**	
	Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited), India	
	Issue of equity share capital	-
	Purchase of raw materials	1.27
	Subcontractors charges	252.02
	Machine Rent	12.90
	IT, Technical and Support Service	200.00
	Interest on borrowings (as per effective interest rate)	101.46
	Guarantee Commission	29.22
	Borrowings	
	Loans taken	791.00
	Repayment of loans	1,086.01
(b)	**Key Management Personnel**	
	Remuneration*	
	Mr. Anil Kumar Puttan	19.81
	Mr. Mani Puttan	12.50
	Mr. Preetham Shimoga	12.50
	Mr. Rajanikanth Balaraman	-
	Mr. Ramakrishna Kamojhala	-
	Relatives of KMP	
	Consultancy charges	
	Mrs. Rashmi Anil Kumar Puttan	-
	Mrs. Savitha Mani Puttan	-
	Mrs. Shruthi Preetham Shimoga	-
	Mrs. Mamatha Rajanikanth Balaraman	-
	Mr. Sathyanarayana	-
	Mrs. Sulochana Sathyanarayana	-
	Mrs. Drakshayini	-
	Mrs. Meenakshi	-

*Managerial remuneration does not include cost of employee benefits such as other long term employee benefits. Since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

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(All amounts in INR lakhs, unless otherwise stated)

37.3 Outstanding balances in relation to related parties

	Particulars	As at March 31, 2022
(a)	**Key Management Personnel**	
	Advances receivable	
	Mr. Anil Kumar Puttan	5.00
	Employee benefits payable	
	Mr. Anil Kumar Puttan	0.26
	Mr. Mani Puttan	2.25
	Mr. Preetham Shimoga	2.25
	Mr. Rajanikanth Balaraman	-
	Relatives of KMP	
	Consultancy charges	
	Mrs. Rashmi Anil Kumar Puttan	-
	Mrs. Mamtha	-
	Mrs. Meenakshi	-
	Mrs. Savitha	-
	Mr. Sathyanarayana	-
	Mrs. Sulochana	-
(b)	**Immediate and ultimate parent company**	
	Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited)	
	Trade payables	513.63
	Borrowings	684.85
(c)	**Corporate guarantees provided by parent company**	
	Guarantees provided	1,455.00
	Borrowings outstanding against which gurantees are received (Refer note 16 and 17)	1,200.82

37.4 Terms and conditions of transactions with related parties

Transactions wih related parties were made in the ordinary course of business. Outstanding balances at the year-end with related parties are unsecured and interest free (other than loans at market rates) to be settled in cash.

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38 Other regulatory information

38.1 Title deeds of immovable properties not held in name of the Company

The Company does not have any immovable properties whose title deeds are not held in the name of the Company.

38.2 Details of benami property held

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

38.3 Borrowings secured against current assets

The Company has borrowings from banks or financial institutions on the basis of security of current assets.

38.4 Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

38.5 Relationship with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

38.6 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

38.7 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on Number of Layers) Rules, 2017.

38.8 Compliance with approved Scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

38.9 Utilisation of borrowed funds and share premium:

No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding, that the intermediary shall:
(a) 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
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) 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
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

38.10 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

38.11 Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

38.12 Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

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Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006
Notes forming part of the Special Purpose Financial Statements for the year ended March 31, 2022
(All amounts in INR lakhs, unless otherwise stated)

39 Ratio analysis

S No.	Ratio	Formula	Year ended March 31, 2022		Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	As at March 31, 2022		
(a)	Current ratio	Current assets(i) / Current liabilities(ii)	1,208.15	2,389.45	0.51	181.65%	Due to substantial increase in business and orders.
(b)	Debt-equity ratio	Total debt(iii) / Total equity	1,921.79	723.61	2.66	-69.57%	Due to increase in profits on account of significant growth in business.
(c)	Debt service coverage ratio	Earnings available for debt Service(iv) / Debt service(v)	752.24	442.22	1.70	510.92%	On account of significant increase in profit and decrease in interest cost araising from decrease in loans from related parties.
(d)	Return on equity ratio	Profit after tax / Average equity	456.11	453.69	1.01	19.70%	Not Applicable
(e)	Inventory turnover ratio	COGS / Average inventory	554.24	49.89	11.11	-76.91%	Due to substantial increase in turnover during the year.
(f)	Trade receivables turnover ratio	Sales / Average trade receivables	2,473.83	319.52	7.74	-39.98%	Due to higher closing receivable araising from higher sales in last two months of current year.
(g)	Trade payables turnover ratio	Purchases / Average trade payables	607.61	382.99	1.59	186.25%	Due to the increase in sales demand which has led to an increase in purchases, resulting in higher payables.
(h)	Net capital turnover ratio	Sales / Working capital	2,473.83	(1,181.30)	(2.09)	-357.47%	Due to growth in working capital and sales araising from growth in business and orders.
(i)	Net profit ratio	Net profit / Sales	456.11	2,473.83	0.18	67.97%	Due to growth in working capital and sales araising from growth in business and orders.
(j)	Return on capital employed	EBIT / Capital employed(vi)	745.95	2,645.40	0.28	105.07%	Due to growth in business and profit.
(k)	Return on investment	Other income / Average cash and cash equivalents and other bank balances	22.72	384.43	0.06	98.03%	Due to increase in closing bank balances

Footnote:

(i) Current assets = Inventories + Trade receivables + Cash and cash equivalents + Bank balances other than cash and cash equivalents + Other financial assets + Other current assets + Current tax assets (net).
(ii) Current liabilities = Current borrowings + Current lease liabilities + Trade payables + Other financial liabilities + Other current liabilities + Provisions + Current tax liabilities (net).
(iii) Total debts = Non-current borrowings + Current borrowings and current maturities of long-term borrowings + Non current and current lease liabilities.
(iv) Earnings available for debt service = Net profit after taxes + Non-cash operating expenses + Interest (including interest of security deposits)
(v) Debt service = Principal payment of leases + Principal repayment of borrowings + Interest payment on leases + Interest payment on borrowings
(vi) Capital employed = Tangible net worth + Total debt + Deferred tax liability

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(All amounts in INR lakhs, unless otherwise stated)

40 Capital management

The Company's objectives when maintaining capital are:

(a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for
(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt to capital ratio. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents. Capital includes all components of equity.

The debt-to-capital ratios were as follows:

		As at March 31, 2022
Total equity	(i)	**723.61**
Borrowings		1,885.67
Less: Cash and cash equivalents		(238.03)
Net debt	(ii)	**1,647.64**
Debt-to-capital ratio	(ii)/ (i)	2.28

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022.

41 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

42 Assets hypothecated as security

The carrying amounts of assets hypothecated as security for current and non-current borrowings are:

	As at March 31, 2022
Non-current assets	
Land (right-of-use assets)	542.48
Factory building	858.27
Plant and equipment	334.35
Furniture and fixtures	14.05
Computers	12.33
Office equipment	24.51
Total non-current assets hypothecated as security	**1,785.99**
Current assets	
Inventories	76.57
Trade receivables	568.56
Cash and bank balances	238.03
Bank balances other than cash and cash equivalents	159.02
Other financial assets	119.15
Other current assets	46.82
Total current assets hypothecated as security	**1,208.15**
Total assets hypothecated as security	**2,994.14**

43 Commitments

	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
Property, plant and equipment	9.18
	9.18

MSKA & ASSOCIATES ★ Chartered Accountants ★

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110

44 **Segment Reporting**

(a) The Company's main objective is to carry on the business of manufacturing toolings and components to be used in the aerospace sector. The Board of Directors (considered as Chief Operating Decision Maker) reviews these activities under the context of Ind AS 108 Operating Segments as one single operating segment to evaluate the overall performance of the Group.

(b) Refer note 23.1 for breakup of the Company's revenue by primary geographical market.

(c) During the year ended 31 March 2022, revenue from operations of two customers represented approximately 51.31%, 13.73% and 18.43 % of the Company's revenue from operations.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm Registration No: 105047W

MSKA & ASSOCIATES ★ Chartered Accountants ★

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors of
Innomech Aerospace Toolings Private Limited
CIN: U29200KA2018PTC118006

Anil Kumar Puttan
Managing Director
DIN: 07683267

Place: Bangaluru
Date: August 07, 2024

Ramakrishna Kamojhala
Director
DIN: 07004517

Place: Bangaluru
Date: August 07, 2024

INNOMECH AEROSPACE TOOLINGS PRIVATE LIMITED ★ BENGALURU 562 110