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 CONSOLIDATED FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Consolidated 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 Group'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 Ind AS Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Consolidated` 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: 24233552BKBKKX3383

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 Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited)

Report on the Audit of the Special Purpose Ind AS Consolidated Financial Statements

Opinion

We have audited the accompanying Special Purpose Ind AS Consolidated Financial Statements of Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2023, Consolidated Statement of Profit and Loss, including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Special Purpose Ind AS Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Ind AS Consolidated Financial Statements"). The Special Purpose Ind AS Consolidated 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 Ind AS Consolidated Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Ind AS Consolidated Financial Statements of the Group as at March 31, 2023, are prepared in all material aspects, in accordance with the basis set out in Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Consolidated 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.

MSKA & ASSOCIATES ★ Chartered Accountants ★

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

We draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") to be filed in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company 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 "SEBI 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 Ind AS Consolidated Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Holding 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 Holding 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 Ind AS Consolidated Financial Statements

The Holding Company's Management is responsible for the preparation and fair presentation of these Special Purpose Ind AS Consolidated Financial Statements, in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Consolidated 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 Ind AS Consolidated Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Ind AS Consolidated Financial Statements, the respective management of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

Other Matters

a. The Holding Company has prepared a separate set of General Purpose Consolidated Financial Statements for the years ended March 31, 2023 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 auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2023 expressed an unmodified opinion on those consolidated financial statements.

b. As informed to us by the management of the Group, the predecessor auditor do 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, 2023 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 Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023.

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c. The Special Purpose Consolidated Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the Holding Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Consolidated Financial Statements.

Our opinion is not modified in respect of these matters.

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

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKX3383

Place: Bengaluru
Date: August 7, 2024

Head Office: 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (E), Mumbai 400063, INDIA, Tel: +91 22 6238 0519
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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS CONSOLIDATED FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Consolidated 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 Group'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 Ind AS Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Consolidated` 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: 24233552BKBKKX3383

Place: Bengaluru
Date: August 7, 2024

MSKA & Associates
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited)

Report on the Audit of the Special Purpose Ind AS Consolidated Financial Statements

Opinion

We have audited the accompanying Special Purpose Ind AS Consolidated Financial Statements of Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2023, Consolidated Statement of Profit and Loss, including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Special Purpose Ind AS Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Ind AS Consolidated Financial Statements"). The Special Purpose Ind AS Consolidated 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 Ind AS Consolidated Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Ind AS Consolidated Financial Statements of the Group as at March 31, 2023, are prepared in all material aspects, in accordance with the basis set out in Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Consolidated 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.

MSKA & ASSOCIATES ★ Chartered Accountants ★

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

We draw attention to Note 2.1 to the Special Purpose Ind AS Consolidated Financial Statements, which describe the purpose and basis of accounting of the Special Purpose Ind AS Consolidated Financial Statements. These Special Purpose Ind AS Consolidated Financial Statements are prepared by the management of the Group, solely for the purpose of the preparation of Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") to be filed in connection with its proposed Initial Public Offering ('IPO') of equity shares of Holding Company 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 "SEBI 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 Ind AS Consolidated Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Holding 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 Holding 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 Ind AS Consolidated Financial Statements

The Holding Company's Management is responsible for the preparation and fair presentation of these Special Purpose Ind AS Consolidated Financial Statements, in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Consolidated 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 Ind AS Consolidated Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Ind AS Consolidated Financial Statements, the respective management of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

MSKA & ASSOCIATES ★ Chartered Accountants ★

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

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

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

Other Matters

a. The Holding Company has prepared a separate set of General Purpose Consolidated Financial Statements for the years ended March 31, 2023 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 auditor have issued a consolidated auditor's report to the shareholders of the Holding Company dated September 29, 2023 expressed an unmodified opinion on those consolidated financial statements.

b. As informed to us by the management of the Group, the predecessor auditor do 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, 2023 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 Ind AS Consolidated Financial Statements of the Group for the year ended March 31, 2023.

MSKA & ASSOCIATES ★ Chartered Accountants ★

c. The Special Purpose Consolidated Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Financial Statements solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed IPO of equity shares of the Holding Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Consolidated Financial Statements.

Our opinion is not modified in respect of these 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: 24233552BKBKKX3383

Place: Bengaluru
Date: August 7, 2024

MSKA & Associates
Chartered Accountants

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Bengaluru 560095, INDIA

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS CONSOLIDATED FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Consolidated 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 Group'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 Ind AS Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Consolidated Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Consolidated` 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: 24233552BKBKKX3383

Place: Bengaluru
Date: August 7, 2024

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U29200KA2016PTC095712
Special Purpose Consolidated Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	3	2,157.17
Capital work-in-progress	4	3.97
Right-of-use assets	5	708.65
Intangible assets	6	26.69
Financial assets		
Other financial assets	7	68.46
Non-Current Income tax assets	14(a)	4.01
Deferred tax assets (net)	35	67.66
Other non-current assets	8	20.71
Total non-current assets		**3,057.32**
Current assets		
Inventories	9	1,577.22
Financial assets		
Trade receivables	10	3,213.01
Cash and cash equivalents	11	187.56
Bank balances other than cash and cash equivalents	12	218.56
Other financial assets	13	599.63
Other current assets	15	480.79
Total current assets		**6,276.77**
Total assets		**9,334.09**
Equity and liabilities		
Equity		
Equity share capital	16	104.23
Other equity	17	4,780.07
Total equity		**4,884.30**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	18	458.99
Lease liabilities	5	95.14
Deferred tax liabilities (net)	35	13.74
Provisions	20	601.99
Total non-current liabilities		**1,169.86**
Current liabilities		
Financial liabilities		
Borrowings	21	1,766.93
Lease liabilities	5	82.25
Trade payables	22	
Total outstanding dues of micro enterprises and small enterprises		166.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		526.88
Other financial liabilities	19	344.01
Provisions	20	123.05
Other current liabilities	23	69.71
Current tax liabilities (net)	24	200.92
Total current liabilities		**3,279.93**
Total liabilities		**4,449.79**
Total equity and liabilities		**9,334.09**

The accompanying notes are an integral part of the special purpose consolidated 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
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U29200KA2016PTC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281

Place: Bengaluru
Date: August 07,2024

Place: Bengaluru
Date: August 07,2024

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(Formerly Unimech Aerospace and Manufacturing Private Limited)
Special Purpose Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2023
Income		
Revenue from operations	25	9,416.66
Other income	26	76.40
Total income		**9,493.06**
Expenses		
Cost of materials consumed	27	2,975.13
Purchases of stock-in-trade	28	104.90
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(1,181.60)
Subcontractors charges	30	741.34
Employee benefits expense	31	1,560.80
Finance costs	32	188.27
Depreciation and amortisation expenses	33	408.02
Other expenses	34	1,759.83
Total expenses		**6,556.69**
Profit before tax		**2,936.37**
Income tax expense/ (credit)	35	
Current tax		577.45
Deferred tax		77.74
Total income tax expense/ (credit)		**655.19**
Profit for the year		**2,281.18**
Other comprehensive income		
Item that will not be reclassified to profit or loss		
Remeasurements of post-employment defined benefit plans		(219.10)
Income tax relating to the above item		56.46
Other comprehensive income for the year		**(162.64)**
Total comprehensive income for the year		**2,118.54**
Earnings per equity share	36	
Basic (INR)		5.19
Diluted (INR)		5.19

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

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
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U29200KA2016PTC095712

Pankaj S Bhauwala
Partner
Membership No: 233552

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

MSKA & ASSOCIATES ★ Chartered Accountants ★

Krishnappayya Desai
Company Secretary
Membership No.: A61281

Place: Bengaluru
Date: August 07,2024

Place: Bengaluru
Date: August 07,2024

Place: Bengaluru
Date: August 07,2024

UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(Formerly Unimech Aerospace and Manufacturing Private Limited)
Special Purpose Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	es	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax		2,936.37
Adjustments for:		
Depreciation and amortisation expenses	33	408.02
Unrealised foreign exchange gain/loss		24.49
Expected credit loss allowance	34	77.17
Finance costs	32	272.77
Interest income	26	(74.17)
Profit on sale of asset		(3.00)
Operating profit before working capital changes		**3,641.65**
Changes in operating assets and liabilities		
Decrease/ (increase) in inventories		(1,104.87)
Decrease/ (increase) in trade receivables		(1,834.98)
Decrease/ (increase) in loans		-
Decrease/(increase) in other financial assets		(158.14)
Decrease/(increase) in other current assets		(122.07)
Decrease/(increase) in other non-current assets		(20.71)
Increase/ (decrease) in trade payables		(231.12)
Increase/ (decrease) in other current liabilities		(8.68)
Increase / (decrease) in provisions		224.77
Increase/ (decrease) in other financial liabilities		237.25
Cash generated from operations		**(3,018.54)**
Income taxes paid		(487.69)
Net cash flows from operating activities (A)		**135.41**
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment and intangible assets		(541.23)
Interest received		71.16
Proceeds from sale of bank deposits		7.94
Proceeds from disposal of intangible assets		12.50
Investment in bank deposits		(37.66)
Payments for purchase of investments		(101.00)
Payments for acquisition of intangible assets		(3.60)
Net cash flows used in investing activities (B)		**(591.89)**
Cash flows from financing activities		
Proceeds/repayment from borrowings		489.35
Proceeds from issue of equity share capital		101.00
Interest paid on borrowings and guarantee commision		(136.52)
Finance costs paid		(32.79)
Principal paid on lease liabilities		(106.81)
Interest paid on lease liabilities		(20.63)
Net cash flows from financing activities (C)		**293.60**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(162.88)**
Cash and cash equivalents at the beginning of the year		344.91
Effects of exchange rate changes on cash and cash equivalents		5.53
Cash and cash equivalents at the end of the year		**187.56**

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Cash and cash equivalents comprise	
Balances with banks:	
In current accounts	116.53
In EEFC accounts	70.71
Cash on hand	0.32
Total cash and cash equivalents at end of the year	**187.56**

Refer to note 21.2 for reconciliation of movements of liabilities to cash flows arising from financing activities.

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

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

Pankaj S Bhauwala
Partner
Membership No: 233552

MSKA & ASSOCIATES ★ Chartered Accountants ★

Place: Bengaluru
Date: August 07,2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U29200KA2016PTC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281

Place: Bengaluru
Date: August 07,2024

Place: Bengaluru
Date: August 07,2024

UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(Formerly Unimech Aerospace and Manufacturing Private Limited)
Special Pupose Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

(A) Equity share capital (Note 16)
Equity shares of INR 100 each issued, subscribed and fully paid

	Year ended March 31, 2023	
	No. of shares	Amount
Balance as at April 1, 2022	104,230	104.23
Balance as at March 31, 2023	**104,230**	**104.23**

(B) Other equity (Note 17)
Reserves and surplus - Retained earnings

Particulars	Amount
Balance as at April 1, 2022	2,661.53
Profit for the year	2,281.18
Other comprehensive income for the year, net of tax	(162.64)
Total comprehensive income for the year	**2,118.54**
Balance as at March 31, 2023	**4,780.07**

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

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

Pankaj S Bhauwala
Partner
Membership No: 233552

MSKA & ASSOCIATES Chartered Accountants

Place: Bengaluru
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For and on behalf of the Board of Directors
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Date: August 07,2024

Place: Bengaluru
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UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

	Factory buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Vehicles	Leasehold improvements	Total
Gross block								
Balance as at April 1, 2022(Note 3.1)	**858.27**	**633.47**	**21.65**	**21.85**	**45.02**	**6.98**	**15.30**	**1,602.54**
Additions	61.11	673.70	40.17	34.13	12.54	-	-	821.65
Disposals	-	-	-	-	-	-	-	
Balance as at March 31, 2023	**919.38**	**1,307.17**	**61.82**	**55.98**	**57.56**	**6.98**	**15.30**	**2,424.19**
Accumulated depreciation								
Balance as at April 1, 2022	-	-	-	-	-	-	-	-
Depreciation for the year	41.16	158.90	15.51	15.56	19.62	0.97	15.30	267.02
Balance as at March 31, 2023	**41.16**	**158.90**	**15.51**	**15.56**	**19.62**	**0.97**	**15.30**	**267.02**
Net block								
Balance as at March 31, 2023	**878.22**	**1,148.27**	**46.31**	**40.42**	**37.94**	**6.01**	**-**	**2,157.17**

3.1 Deemed cost

The Group 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.

3.2 Property, plant and equipment hypothecated as security

Refer to note 46 for information on property, plant and equipment hypothecated as security by the Group.

3.3 Contractual obligations

Refer to note 47 for details on contractual commitments for acquiring property, plant and equipment.

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

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4 Capital work-in-progress (CWIP)

	Amount
Balance as at April 1, 2022	302.53
Additions	18.39
Transfers	(316.95)
Balance as at March 31, 2023	**3.97**

4.1 **CWIP ageing schedule**
As at March 31, 2023

	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	3.97	-	-	-	3.97
Total	**3.97**	-	-	-	**3.97**

4.2 There are no projects as CWIP as at March 31, 2023 whose completion is overdue or cost of which has exceeds in comparison to its original plan.

4.3 CWIP of INR 66.10 lakhs has been capitalised under factory building and INR 265.28 lakhs has been capitalised under plant and equipment during the year ended March 31, 2023.

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(All amounts in INR lakhs, unless otherwise stated)

5 Right-of-use assets/ Leases 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	Buildings	Total
Gross Block				
As at April 1, 2022	559.67	47.66	320.11	927.44
Additions during the year	-	-	-	-
As at March 31, 2023	559.67	47.66	320.11	927.44
Accumulated amortisation				
As at April 1, 2022	5.73	14.02	79.45	99.20
Amortisation for the year	5.73	33.64	80.22	119.59
As at March 31, 2023	11.46	47.66	159.67	218.79
Net block				
As at March 31, 2023	548.21	-	160.44	708.65

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

	Building	Plant and equipment	Total
As at April 1, 2022	248.09	36.12	284.21
Additions during the year	-	-	-
Interest expense on lease liabilities	19.31	1.32	20.63
Payments during the year	(90.00)	(37.44)	(127.44)
As at March 31, 2023	177.40	-	177.40

	As at March 31, 2023
Non-current	95.14
Current	82.25
	177.39

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

	Year ended March 31, 2023
Interest expense on lease liabilities (Refer note 32)	20.63
Amortisation on right-of-use assets* (Refer note 33)	113.86

* Exclusive of leasehold land

5.4 Amounts recognised in the statement of cash flows

	Year ended March 31, 2023
Total cash outflows with respect to leases	127.44
Total	127.44

5.5 Right-of-use assets hypothecated as security

Refer to note 46 for information on right-of-use assets hypothecated as security by the Group.

5.6 In right-of-use assets, the group 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	Development costs	Total
Gross block			
Balance as at April 1, 2022(Note 6.1)	**35.86**	-	**35.86**
Additions	16.10	5.64	21.74
Disposals	(10.80)	-	(10.80)
Balance as at March 31, 2023	**41.16**	**5.64**	**46.80**
Accumulated amortisation			
Balance as at April 1, 2022	-	-	-
Amortisation for the year	20.23	1.18	21.41
Disposals	(1.30)	-	(1.30)
Balance as at March 31, 2023	**18.93**	**1.18**	**20.11**
Net block			
Balance as at March 31, 2023	22.23	4.46	26.69

6.1 Deemed cost

The Group 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.

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

1 **Corporate information**

Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) ("the Company" or "the Holding Company" or "the Parent Company") togerther with its subsidiaries (collectively, "the Group") was originally incorporated as a private limited company on July 16, 2017 and is converted into a public limited company on June 21, 2024, with Company identification no: U30305KA2016PLC095712. The Holding Company's registered office is at #538, 539, 542 & 543, 14th cross, 7th main, 4th phase, peenya industrial area, Bengaluru, Karnataka -560058.

The Group's main objective is to carry on the business of manufacturing products and components to be used in civil and defence aerospace sector.

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 Ind AS Consolidated Financial Statements of the Holding Company comprises the Special Purpose Consolidated Balance Sheet as at 31 March, 2023, the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Consolidated Statement of Cash Flows, the Special Purpose Consolidated Statement of Changes in Equity and Notes forming part of the Special Purpose Ind AS Consolidated Financial Statements for the year ended March 31, 2023 and summary of material accounting policies and explanatory notes (collectively referred as the 'Special Purpose Ind AS Consolidated Financial Statements') that have been prepared by the management of the Group for the purpose of preparation of the Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus , Red Herring Prospectus and Prospects (collectively referred as "Offer Documents") to be filed by the Holding 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 Holding Company.

The Special Purpose Ind AS Consolidated Financial Statements have been prepared by the management of the Holding 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").

The Special Purpose Ind AS Consolidated Financial Statements of the Group as at and for the year ended March 31, 2023 were approved by the Board of Directors at their meeting held on August 07, 2024.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2024 as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (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 31 March 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 Group 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 Ind AS Consolidated financial statements are prepared as per SEBI Communication. Further, these Special Purpose Ind AS Consolidated Financial Statements are not the statutory financial statements of the Group under the Act.

The Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2023 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 Ind AS Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in the Offer Documents in relation to proposed IPO. Hence this Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information.

All amounts disclosed in Special Purpose Ind AS Consolidated 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.

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(b) Basis of measurement

The special purpose consolidated 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 Group 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 consolidated 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.

2.2 Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024.
Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present:
(i) power over the investee,
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.
Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary,adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 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, 7.5 & 15 years
Furniture and fixtures	4 years
Computers	3 years
Office equipment	4 to 5 years
Vehicles	8 years
Leasehold improvements	Over useful life as per Schedule II or the remaining period of Lease term, whichever is lower

The Group, 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.

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(d) **Leases**

The Group 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

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

The Group 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: 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.

Traded goods: 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 basis.

(f) **Impairment of non-financial assets**

The Group 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 Group 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.

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(g) Foreign currencies

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

(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 Group 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.

(k) Provisions

General

Provisions are recognised when the Group 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 Group 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.

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Warranty provisions

The Group 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 Group has no obligation, other than the contribution payable to the provident fund. The Group 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 Group recognises expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group 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 indirectl 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 Group'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 Group 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

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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.

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 special purpose consolidated 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.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(q) Interest Income

Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

2.4 Critical accounting estimates and judgements

The Group 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 Group 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 Group 'would have to pay', which requires estimation when no observable rates are available. The Group 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 Group 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 Group'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 Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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(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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(All amounts in INR lakhs, unless otherwise stated)

7 Other non-current financial assets

	As at March 31, 2023
At amortised cost	
Security deposits	40.86
Bank deposits with remaining maturity more than 12 months	27.60
Total other non-current financial assets	**68.46**

Refer to note 39 for information about the Group's exposure to financial risks.

8 Other non-current assets

	As at March 31, 2023
Capital advances	18.73
Prepaid expenses	1.98
Total other non-current assets	**20.71**

9 Inventories

	As at March 31, 2023
(At lower of cost or net realisable value)	
Raw materials (including packing materials)	160.23
Stock-in-trade	45.70
Work-in-progress	1,091.14
Finished goods	280.16
Total inventories	**1,577.22**

9.1 Inventories hypothecated as security

Refer to note 46 for information on inventories hypothecated as security by the Group.

(All amounts in INR lakhs, unless otherwise stated)

10 Trade receivables

	As at March 31, 2023
Considered good - unsecured	3,319.97
Less: Loss allowance	(20.80)
Less: Liquidated damages	(86.16)
Trade receivables - net	**3,213.01**

10.1 Trade receivables ageing schedule

As at March 31, 2023

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	2,150.74	1,130.60	17.76	5.64	-	15.23	3,319.97
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	-	-	-	-	-	-	-
Sub total	**2,150.74**	**1,130.60**	**17.76**	**5.64**	-	**15.23**	**3,319.97**
Less: Expected credit loss allowance							(20.80)
Less: Liquidated damages							(86.16)
Total							**3,213.01**

10.2 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 receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

10.3 Trade receivables are non-interest bearing and are generally on terms of 30-120 days.

10.4 Refer to note 39 for information about the Group's exposure to financial risks.

10.5 Trade Receivables hypothecated as security
Refer to note 46 for information on trade receivables hypothecated as security by the Company.

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11 Cash and cash equivalents

	As at March 31, 2023
Balances with banks:	
In current accounts	116.53
In EEFC accounts	70.71
Cash on hand	0.32
Total cash and cash equivalents	**187.56**

Refer to note 46 for information on cash and cash equivalents hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.

12 Bank balances other than cash and cash equivalents

	As at March 31, 2023
At amortised cost	
Deposits with original maturity for more than 3 months but less than 12 months	33.99
Deposits held as margin money for guarantee	184.57
Earmarked Balances with Banks	0.00
Total bank balances other than cash and cash equivalents	**218.56**

Refer to note 46 for information on bank balances other than cash and cash equivalents hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.

13 Other current financial assets

	As at March 31, 2023
At amortised cost	
Interest accrued on deposits	0.24
Advances to related parties (Note 38.3)	5.00
Advances to employees	10.78
Other Receivables	8.51
Bank deposits with original maturity of more than 12 months but remining maturity is less than 12 months	513.01
Deposit with original maturity for more than 3 months but less than 12 months	62.09
Total other current financial assets	**599.63**

Refer to note 46 for information on other current financial assets hypothecated as security by the Group and note 39 for information about the Group's exposure to financial risks.

14 Tax assets

	As at March 31, 2023
14(a) Non-Current Income tax assets	
Advance income tax	4.01
Total current tax assets (net)	**4.01**

14(b) Current tax assets

	As at March 31, 2023
Advance income tax	-
Total current tax assets	-

Refer to note 46 for information on current tax assets hypothecated as security by the Group.

15 Other current assets

	As at March 31, 2023
Advances to suppliers	271.48
Balances with government authorities	160.16
Prepaid expenses	19.05
Government grants	30.10
Total other current assets	**480.79**

Refer to note 46 for information on other current assets hypothecated as security by the Group.

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16 Equity share capital

	As at March 31, 2023	
	Number of shares	Amount
Authorised		
Equity shares of INR 100 each	110,000	110.00
	110,000	110.00
Issued, subscribed and paid up		
Equity shares of INR 100 each, fully paid-up	104,230	104.23
Total	104,230	104.23

16.1 Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity shares	As at March 31, 2023	
	Number of shares	Amount
Outstanding at the beginning of the year	104,230	104.23
Outstanding at the end of the year	104,230	104.23

16.2 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.

16.3 Equity shares held by holding/ ultimate holding company and by their subsidiaries/ associates

No equity shares of the Company are held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company.

16.4 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, 2023	
	Number of shares	% of holding in the class
Equity shares of INR 100 each fully paid-up		
Rashmi Anil Kumar	35,439	34.00%
Ramakrishna Kamojhala	18,761	18.00%
Mani Puttan	18,761	18.00%
Preetham Shimoga	12,508	12.00%
Rajanikanth Balaraman	18,761	18.00%

16.5 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.

16.6 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.

16.7 Details of equity shares held by promoters at the end of the year

Promoter name	As at March 31, 2023		
Equity shares of INR 100 each fully paid-up	No. of shares	% of total shares	% change during the year
Rashmi Anil Kumar	35,439	34.00%	0.00%
Ramakrishna Kamojhala	18,761	18.00%	0.00%
Mani Puttan	18,761	18.00%	0.00%
Preetham Shimoga	12,508	12.00%	0.00%
Rajanikanth Balaraman	18,761	18.00%	0.00%
Total	104,230	100.00%	0.00%

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17 Other equity

	As at March 31, 2023
Reserves and surplus	
Retained earnings (Note 17.1)	4,780.07
Total other equity	**4,780.07**

17.1 Movement in reserves and surplus

	As at March 31, 2023
Retained earnings	
Opening balance	2,661.53
Profit for the year	2,281.18
Items of OCI recognised directly in retained earnings	
Remeasurements of post-employment defined benefit plans (net of tax)	(162.64)
Closing balance	**4,780.07**

17.2 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 and these can be utilised as per the Provisions of the Companies Act, 2013.

18 Non-current borrowings

	Notes	As at March 31, 2023
Secured		
Term loans		
From banks		
Indian Rupee loans	18.1(i)	62.77
USD loans	18.1(ii)	602.93
From financial institutions	18.1(iii)	113.09
		778.79
Less: Current maturities of long term debt		(319.80)
Total non-current borrowings		**458.99**

The details of financial and non financial assets hypothecated as security for borrowings are disclosed in Note 46.

Refer to note 39 for information about the Group's exposure to financial risks.

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18.1	Security details and terms of repayment	No. of instalments remaining as at March 31, 2023	Maturity date as at March 31, 2023	Interest rate (p.a.) as at March 31, 2023	As at March 31, 2023
(i)	**Indian Rupee term loans from banks**				
	-Secured by way of hypothecated of current assets of the firm both present and future	N.A.	N.A.	N.A.	12.5
	-Secured by way of hypothecated of machinery acquired out of loan availed	29	January 2025	11.30%	50.27
					62.77
(ii)	**USD term loans from banks**				
	-Secured by way of hypothecated of entire present and future movable fixed assets of the Company including plant and machinery, equipment, fixtures and commercial vehicles (excluding fixed assets funded by any other financial institution) on exclusive basis.	29	August 2025	Secured overnight financing rate plus 350 basis points (approx. 7.20%)	415.30
		56	November 2027		177.59
	Secured by way of hypothecated of Company's entire current asset both present and future	N.A.	Payable within 180 days	180 days Repo + 1.5% i.e., 8%	1,152.50
					1,745.39
(iii)	**Indian Rupee term loans from a financial institution**				
	-Secured by way of hypothecated of machinery purchased out of the term loan. Guarantee for the loan have been provided by the parent company as well as promoter directors.	24	March 2025	10.50%	104.52
		N.A.	March 2023	10.15%	-
	'-Secured by way of hypothecated of CNC vertical machining center	13	April 2024	10.50%	18.61
					123.13
(iv)	**Convertible Debentures**	N.A.	June 2023	0.01%	29.30

During the year ended March 31, 2018, the Company issued 15,000 debentures at a face value of INR 100 each and during the year ended March 31, 2019, the Company issued 15,000 debentures at a face value of INR 100 each. In the event of Company secures the participation from a financial investor, venture capitalist, private equity players etc for their growth plans in 3 years time, the existing debentures would be converted in to equity shares at the valuation set by the financial investors or venture capitalist. In case Company fails to secure the participation from the major investor, the Company shall be obliged to convert the debentures in to shares at nil discount in accordance with the registered valuer or chartered accountant, however the investor will have a right to ask for repayment of debentures along with the interest after 3 years. In such event, the Company is obliged to repay the principle along with the interest at nominal rate of 0.01% simple rate of interest. The fair value of the liability was determined as at April 1, 2021. The fair value of the liability, included in non-current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 9.25%.

Movement in carrying amount of liability during the year is as follows:	Amount
Carrying amount of liability as at April 1, 2022	26.64
Interest	2.66
Carrying amount of liability as at March 31, 2023	29.30

(v)	**Euro term loans from banks**				
	-Secured by way of hypothecated of Company's entire current asset both present and future	N.A.	June 2023	Secured overnight financing rate plus 175 basis points	265.33

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19 Other financial liabilities

	Non-current As at March 31, 2023	Current As at March 31, 2023
Security deposits	-	11.64
Salary Payable	-	319.49
Interest accrued and due on borrowings	-	0.02
Other payables	-	12.86
Total other financial liabilities	-	344.01

20 Provisions

	Non-current As at March 31, 2023	Current As at March 31, 2023
Provision for rework and warranty costs(Note 20.1)	-	89.34
Provision for employee benefits		
Gratuity (Note 37(b))	23.22	0.71
Longevity bonus	578.77	4.25
Compensated absences	-	28.75
Total provisions	601.99	123.05

20.1 Movement in Provision for rework and warranty costs

	Amount
As at April 1, 2022	34.40
Provision charged to profit and loss	88.94
Provisions utilised/reversed during the year	(34.00)
Balance as at March 31, 2023	89.34

21 Current borrowings

		As at March 31, 2023
Secured		
Term loans		
From banks		
Indian Rupee loans	18.1(i)	-
USD loans	18.1(ii)	1,152.50
Euro loans	18.1(v)	265.33
Current maturities of long term debts		
Term loans from banks		280.60
Term loans from financial institutions		39.20
Unsecured		
Current maturities of long term debts		
0.01% Convertible debentures		29.30
Total current borrowings		1,766.93

The details of financial and non financial assets hypothecated as security for borrowings are disclosed in Note 46.
Refer to note 39 for information about the Group's exposure to financial risks.

21.2 Net debt reconciliation

	Borrowings	Lease liabilities	Total
Net debt as at April 1, 2022	**1,711.69**	**284.21**	**1,995.90**
Cash flows	-	-	-
Proceeds from borrowings	5,597.70	-	**5,597.70**
Repayment of borrowings	(5,108.35)	-	**(5,108.35)**
Interest paid on borrowings	(169.31)	-	**(169.31)**
Interest paid on lease liabilities	-	(17.99)	**(17.99)**
Principal paid on lease liabilities	-	(108.13)	**(108.13)**
Non-cashflows			-
Interest expenses	156.88	19.31	**176.19**
Interest on guarantee liability	8.20	-	**8.20**
Loan processing fee	1.82	-	**1.82**
Exchange loss	25.10	-	**25.10**
Bank charges	0.03	-	**0.03**
Amortisation of loan processing charges	2.98	-	**2.98**
Prepaid loan processing charges adjusted through EIR	(1.64)	-	**(1.64)**
Adjustment of security deposit paid for borrowing	0.82	-	**0.82**
Net debt as at March 31, 2023	2,225.92	177.40	2,403.32

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22 Trade payables

	Note	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	22.1	166.18
Total outstanding dues of creditors other than micro enterprises and small enterprises		526.88
Total trade payables		**693.06**

Refer to note 39 for information about the Group's exposure to financial risks.

22.1 MSMED disclosure

Based on the information available with the Group, there are outstanding dues and payments made during the year ended March 31, 2023 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 year ended March 31, 2023 to any suppliers under the said Act.

Particulars	Note	As at March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal		163.04
Interest		3.14
Total		**166.18**
(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.		1.41
(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.		3.14

22.2 Trade payables ageing schedule

As at March 31, 2023

	Unbilled dues	Payables not due	tstanding for following periods from due date of paym				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	18.46	143.63	3.76	0.33	-	-	**166.18**
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	115.11	291.89	111.87	7.77	0.24	-	**526.88**
(iv) Disputed dues - Others		-	-	-	-	-	-
Total	**133.57**	**435.52**	**115.63**	**8.10**	**0.24**	-	**693.06**

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

23 Other current liabilities

	As at March 31, 2023
Statutory dues	68.51
Liabilities for corporate social responsibility	0.18
Advance from customers	1.02
Total other current liabilities	**69.71**

24 Current tax liabilities (net)

	As at March 31, 2023
Current tax payable	639.08
Less: Advance tax (including TDS receivables)	(438.16)
Total current tax liabilities (net)	**200.92**

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25 Revenue from operations

	Year ended March 31, 2023
Revenue from contracts with customers	
Sale of goods	8,968.04
Sale of services	290.04
	9,258.08
Other operating revenues	158.58
Total revenue from operations	**9,416.66**

Nature of goods

	Year ended March 31, 2023
Manufactured	
- Manufacturing of aerospace toolings and components	8,917.93
- Air purifiers	27.63
- AQMS	1.26
Trading	
- Air purifiers	10.84
- AQMS	10.38
Total	**8,968.04**

Nature of services

	Year ended March 31, 2023
Upgradation and rework services	290.04
Total	**290.04**

Other operating revenues

	Year ended March 31, 2023
Rental Income	22.52
Scrap sales	35.66
Duty drawbacks received*	28.20
Merchant exporter incentive*	29.62
Other sales	42.58
Total	**158.58**

* There are no unfulfilled conditions attached to recognition of duty drawbacks and merchant exporter incentive

25.1 Disaggregated revenue information

Geographic revenue

	Year ended March 31, 2023
Within India	452.06
Outside India	8,964.60
Total	**9,416.66**

Timing of revenue recognition

	Year ended March 31, 2023
Products and services transferred at a point in time	9,416.66
Total	**9,416.66**

25.2 Reconciliation of contract price with revenue during the year

	Year ended March 31, 2023
Revenue as per contract price	9,494.21
Adjustments:	
- Sales returns	(6.56)
- Liquidated damages	(70.99)
Revenue from contracts with customers	**9,416.66**

25.3 Performance obligations:

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.

(All amounts in INR lakhs, unless otherwise stated)

26 Other income

	Year ended March 31, 2023
Interest income	
On fixed deposits at amortised cost	38.46
On income taxes	0.59
Unwinding of discount on security deposits at amortised cost	2.42
Gains on foreign exchange transactions (net)	21.03
Government grants*	1.45
Profit on sale of assets	3.00
Guarantee fee income	0.00
Miscellaneous income	9.45
Total other income	**76.40**

*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.

27 Cost of materials consumed

	Year ended March 31, 2023
Inventories of raw materials at the beginning of the year	211.00
Add: Purchases	2,898.39
Less: Inventories of raw materials at the end of the year	(134.26)
Total cost of materials consumed	**2,975.13**

28 Purchases of stock-in-trade

	Year ended March 31, 2023
Purchases of stock-in-trade	104.90
Total purchases of stock-in-trade	**104.90**

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended March 31, 2023
Inventories at the beginning of the year	
- Stock-in-trade	-
- Work-in-progress	261.35
- Finished goods	-
	261.35
Inventories at the end of the year	
- Stock-in-trade	71.65
- Work-in-progress	1,091.14
- Finished goods	280.16
	1,442.95
Net increase	**(1,181.60)**

30 Subcontractor charges

	Year ended March 31, 2023
Subcontractor charges	741.34
Total subcontractor charges	**741.34**

31 Employee benefits expense

	Year ended March 31, 2023
Salaries, wages and bonus	1,454.29
Contribution to provident and other funds[(refer note 37(a)]	40.83
Gratuity expenses[refer note 37(b)]	11.45
Staff welfare expenses	54.23
Total employee benefits expenses	**1,560.80**

32 Finance costs

	Year ended March 31, 2023
Interest on borrowings at amortised cost	126.59
Interest on income tax	37.82
Interest on lease liabilities	20.63
Interest on delayed payments to micro enterprises and small enterprises	1.41
Loan processing fee	1.82
Total finance costs	**188.27**

Refer to note 38.2 for interest on borrowings from related parties.

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33 Depreciation and amortisation expenses

	Year ended March 31, 2023
Depreciation on property, plant and equipment	267.02
Amortisation of lease hold land	5.73
Amortisation on right-of-use assets	113.86
Amortisation on intangible assets	21.41
Total depreciation and amortisation expenses	**408.02**

34 Other expenses

	Year ended March 31, 2023
Stores and spares consumed	115.00
Manpower support cost	197.31
Utilities	102.25
Repairs and maintenance	
Factory and building	36.52
Plant and machineries	13.80
Others	3.41
Factory expenses	10.10
Freight outward	76.61
Security charges	28.81
Printing and stationery	13.40
Information technology expenses	23.08
Insurance	10.55
Legal and professional charges	746.71
Recruitment cost	4.19
Audit fee(Note 34.1)	3.95
Sales promotion	123.96
Expected credit loss allowance	6.18
Travelling and conveyance	76.83
Communication expenses	7.00
Rates and taxes	40.34
Bank charges	12.83
Rework and warranty costs	88.94
Miscellaneous expenses	18.06
Total other expenses	**1,759.83**

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

	Year ended March 31, 2023
Audit fee	
As auditor:	
Statutory audit	2.95
Tax audit and others	1.00
Total audit fee	**3.95**

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35 Income tax

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

	Year ended March 31, 2023
- Current tax	577.45
- Deferred tax	16.10
Income tax expense reported in the statement of profit or loss	**593.55**

35.2 Reconciliation of tax charge	Year ended March 31, 2023
Profit before tax	3,009.42
Income tax expense at tax rates applicable	25.17%
Expected income tax expense/ (benefit) at statutory tax rate	757.47
Tax effects of:	-
'Interest on MSME	0.04
Disallowances u/s 37	6.50
Income tax relating to remeasurements of post-employment defined benefit plans	61.64
Interest on income tax	9.52
Others adjustments	(241.62)
Income tax expense	**593.55**

35.3 Deferred tax relates to the following:

	As at March 31, 2023
Deferred tax assets	
Property, plant and equipment and intangible assets	5.73
Provisions	39.33
Trade receivables	4.79
Lease liabilities	44.65
Others	21.78
	116.28
Deferred tax liabilities	
Property, plant and equipment and intangible assets	(14.47)
Right-of-use assets	(40.38)
Borrowings	(0.59)
Others	(6.90)
	(62.34)
Deferred tax assets (net)	**53.93**

35.4 **Deferred tax assets/liabilties (net)**
Reconciliation of deferred tax assets (net):

	As at March 31, 2023
Opening balance	27.89
Tax credit recognised in statement of profit and loss	39.77
Total	**67.66**

Reconciliation of deferred tax liabilities (net):

	As at March 31, 2023
Opening balance	47.33
Tax expense recognised in statement of profit and loss	(61.07)
Total	**(13.74)**

Unused tax credits for which no deferred tax asset is recognised	As at March 31, 2023
Minimum alternate tax credit	552.69

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36 Earnings per equity share

		Year ended March 31, 2023
(a)	**Earnings used in calculating earnings per equity share**	
	Basic earnings per share	
	Profit attributable to equity shareholders as per statement of profit and loss	2,281.18
	Diluted earnings per share	
	Profit attributable to equity shareholders as per statement of profit and loss	2,281.18
(b)	**Weighted average number of shares used as denominator**	
	Equity shares outstanding as at April 1	104,230
	Add: Increase in shares due to converison of debentures*	408
	Add: Impact of share split as on December 23, 2023 (Note 16.1(a))*	1,988,122
	Add: Bonus shares issued on December 28, 2023 (Note 16.1(b))*	41,855,200
	Weighted average number of equity shares outstanding during the year for basic EPS	**43,947,960**
	Adjustments for calculation of diluted EPS:	
	Convertible debentures	136
	Weighted average number of equity shares adjusted for the effect of dilution	43,948,096

***Refer to Note 49 for details on the conversion of debentures, share splits, and the issuance of bonus shares.**

(c) **Information regarding the classification of securities**

Convertible debentures

The Group has issued 30,000 convertible debentures issued during the financial year ended March 31, 2019 are considered to be potential equity shares of 544 shares and have been included in the determination of diluted earnings per share from their date of issue.

(d) EPS

Basic earnings per equity share (INR)	5.19
Diluted earnings per equity share (INR)	5.19

37 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, 2023
Employer's contribution to provident fund	38.39
Employer's contribution to Employee State Insurance	2.44

Defined benefit plan- Gratuity

(b) **Information regarding gratuity plan**

The Group 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, 2023
Balance as at the beginning of the year	15.23
Interest cost	1.10
Benefits paid during the year	(1.18)
Current service cost	10.35
Included in profit and loss (Note 31)	10.27
Remeasurement loss/(gain)	
Actuarial loss/(gain) arising from:	
Changes in demographic assumptions	-
Changes in financial assumptions	(0.03)
Experience adjustments	(1.54)
Included in other comprehensive income	(1.57)
Balance as at the end of the year	23.93
Classified as:	
Non-current	23.22
Current	0.71
	23.93

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(d) Actuarial assumptions

	As at March 31, 2023
Discount rate (per annum)	7.53%
Rate of future increase in salary	12.00%
Expected return on planned assets	0.00%
Attrition rate	
Employee served for 4 years and below	20.00%
Employee served 5 years and above	5.00%

The weighted-average duration of the defined benefit obligation as at March 31, 2023 was 14.27 - 15.04 years for gratuity plan.

(e) Sensitivity analysis

	As at March 31, 2023
Discount rate	
1% increase	(2.55)
1% decrease	3.11
Future increase in salary	
1% increase	2.85
1% decrease	(2.40)
Attrition rate	
1% increase	(1.33)
1% decrease	1.53

(f) Maturity analysis

	As at March 31, 2023
Within one year	0.71
Between one and two years	0.78
Between two and three years	0.47
Between three and four years	0.36
Between four and five years	0.29
Between five and ten years	1.28
Later than ten years	19.17

(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 March 31, 2023**
Balance as at the beginning of the year	166.75
Interest cost	12.59
Benefits paid during the year	-
Current service cost	182.13
Actuarial (Gains)/Loss	221.55
Incremental obligation on termination*	-
Balance as at the end of the year	**583.02**

Actuarial assumptions

Discount rate (per annum)	7.52%/7.57%
Expected return on Assets	0.00%
Rate of future increase in salary	12.00%
Attrition rate	5.00%

Classified as:	
Non-current	578.77
Current	4.25

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38 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:

38.1 Names of related parties and description of relationship:

	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest As at March 31, 2023
Subsidiaries			
Innomech Aerospace Toolings Private Limited	India	Manufacture of aerospace tools	99.99%
Unimech Healthcare Private Limited (Upto December 18, 2023)	India	Trading of healthcare products	99.99%

Key Management Personnel (KMP)
(Directors)
Mr. Anil Kumar Puttan
Mr. Ramakrishna Kamojhala
Mr. Mani Puttan
Mr. Preetham Shimoga
Mr. Rajanikanth Balaraman

Relatives of KMP
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

Individuals having significant interest
Mrs. Rashmi Anil Kumar Puttan

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

	Particulars	As at March 31, 2023
	Key Management Personnel	
(a)	**Employee Benefit expenses**	
	Remuneration*	
	Mr. Anil Kumar Puttan	49.80
	Mr. Mani Puttan	49.80
	Mr. Preetham Shimoga	49.80
	Mr. Rajanikanth Balaraman	49.80
	Mr. Ramakrishna Kamojhala	108.75
(b)	**Relatives of KMP**	
	Mrs. Rashmi Anil Kumar Puttan	49.80
	Mrs. Savitha K Nayar	49.80
	Mrs. Shruthi C S	19.80
	Mrs. Mamatha Kumar	17.70
	Mr. P Sathyanarayana	19.80
	Mrs. Sulochana T	19.80
	Mrs. Meenakshi K K	9.15
(b)	**Directors' loan - Borrowed (or Repaid)**	
	Mr. Ramakrishna Kamojhala	-
(c)	**Interest on borrowings (as per effective interest rate)**	
	Mr. Ramakrishna Kamojhala	-

*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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38.3 Outstanding balances in relation to related parties

	Particulars	As at March 31, 2023
	Key Management Personnel	
(a)	**Advances receivable**	
	Mr. Anil Kumar Puttan	5.00
(b)	**Employee benefits payable**	
	Mr. Anil Kumar Puttan	-
	Mr. Mani Puttan	9.05
	Mr. Preetham Shimoga	8.59
	Mr. Ramakrishna Kamojhala	60.96
	Mr. Rajanikanth Balaraman	20.52
(c)	**Relatives of Directors**	
	Mrs. Rashmi Anil Kumar Puttan	24.11
	Mrs. Mamatha Kumar	15.93
	Mrs. Meenakshi K K	8.24
	Mrs. Savitha K Nayar	25.02
	Mr. P Sathyanarayana	17.82
	Mrs. Sulochana T	17.82
(c)	**Other Payables**	
	Mr. Anil Kumar Puttan	0.46
	Mr. Preetham Shimoga	0.41
	Mr. Ramakrishna Kamojhala	-

38.4 Terms and conditions of transactions with related parties

Transactions with related parties were made in the ordinary course of business. Outstanding balances at the year-end with related parties are unsecured and interest free to be settled in cash.

39 Financial risk management objectives and policies

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

39.2 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 Group is exposed to market risk primarily related to foreign exchange rate risk (currency risk) and interest rate risk. Thus the Group'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 Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group manages its interest rate risk by having a balanced portfolio of fixed borrowings amounting to INR 144.52 lakhs and variable rate borrowings amounting to INR 2,508.33 lakhs.

Interest rate sensitivity

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

Particulars	As at	Closing balance	Impact on profit before tax	
			1% Increase	1% Decrease
Variable rate borrowings	March 31, 2023	2,073.49	20.73	(20.73)

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(b) Foreign currency risk

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

Foreign currency sensitivity

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

Particulars	As at March 31, 2023	
	Amount in foreign currency	Amount
USD receivable	33.96	2,790.14
USD payable	(550.43)	(45,218.06)
GBP receivable	-	-
GBP payable	4.13	369.14
Euro receivable	(2.97)	(265.68)
Euro payable	-	-

	Impact on profit before tax As at March 31, 2023
USD sensitivity	(424.28)
INR/USD - increase by 1%	424.28
INR/USD - decrease by 1%	
GBP sensitivity	
INR/GBP - increase by 1%	3.69
INR/GBP - decrease by 1%	(3.69)
EURO sensitivity	
INR/EURO - increase by 1%	(2.66)
INR/EURO - decrease by 1%	2.66

39.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group'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 Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Group 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 Group 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 Group does not foresee any credit risks on other financial assets.

To manage the credit risks arising from customers, the Group 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, 2023**
Opening balance	14.62
Changes in loss allowance:	
Expected credit loss allowance	6.18
Closing balance	**20.80**

The movement in provision for liquidated damages is as follows :

Particulars	**As at March 31, 2023**
Opening balance	15.17
Changes during the year	70.99
Closing balance	**86.16**

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39.4 Liquidity risk

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

(a) Maturities of financial liabilities

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

As at March 31, 2023 Particulars	Notes	Carrying amount	Contractual cash flows			
			0-1 year	1-3 years	3-5 years	Total
Current borrowings	21	1,766.93	1,766.93	-	-	1,766.93
Long-term borrowings	18	458.99		452.81	25.80	478.61
Lease liabilities	5.2	177.39	177.39	-	-	177.39
Trade payables	22	693.06	693.06	-	-	693.06
Other financial liabilities	19	344.01	344.01	-	-	344.01
Total		**3,440.38**	**2,981.39**	**452.81**	**25.80**	**3,460.00**

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

(All amounts in INR lakhs, unless otherwise stated)

40 Fair value measurements

40.1 The carrying amounts of financial assets and liabilities by categories

At amortised cost

Particulars	Notes	As at March 31, 2023
Financial assets		
Trade receivables	10	3,213.01
Cash and cash equivalents	11	187.56
Bank balances other than cash and cash equivalents	12	218.56
Other financial assets (non-current)	7	68.46
Other financial assets (current)	13	599.63
Total financial assets		**4,287.22**
Financial liabilities*		
Borrowings (non-current)	18	458.99
Borrowings (current)	21	1,766.93
Trade payables	22	693.06
Other financial liabilities (current)	19	344.01
Total financial liabilities		**3,262.99**

*Excluding lease liabilities

40.2 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).

40.2 Methods and assumptions

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

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(Formerly Unimech Aerospace and Manufacturing Private Limited)
Notes forming part of the Special Purpose Consolidated Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

41 Other regulatory information

41.1 **Title deeds of immovable properties not held in name of the Group**
The Group does not have any immovable properties whose title deeds are not held in the name of the Group

41.2 **Details of benami property held**
The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

41.3 **Borrowings secured against current assets**
The Group has borrowings from banks or financial institutions on the basis of security of current assets.

41.4 **Wilful defaulter**
The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

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

41.6 **Registration of charges or satisfaction with Registrar of Companies**
The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

41.7 **Compliance with number of layers of companies**
The Group 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.

41.8 **Compliance with approved scheme(s) of arrangements**
The Group has not entered into any scheme(s) of arrangement which has an accounting impact on current or previous financial year.

41.9 **Utilisation of borrowed funds and share premium:**

No funds have been advanced or loaned or invested by the Group 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 Group (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group 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 Group 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.

41.10 **Undisclosed income**
The Group 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.

41.11 **Details of crypto currency or virtual currency**
The Group has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

41.12 **Utilisation of borrowings availed from banks and financial institutions**
The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such borrowings were taken.

MSKA & ASSOCIATES ★ Chartered Accountants ★

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

42 Corporate Social Responsibility

Particulars	Year ended March 31, 2023
Amount required to be spent by the respective entities in the Group during the year	-
Amount of expenditure incurred	17.77
Shortfall at the end of the year	-
Total of previous years shortfall	-
Reason for Shortfall	-
Nature of CSR activities	Plantation and skill-development

Note - The Company was not able to transfer the accumulated funds to CSR bank account till the previous year due to closure of Axis bank account. All the accumulated funds amounting to INR 0.25 lakhs (till March 31, 2021) had been transferred to "Axis Bank - 919020075634644" on March 28, 2022. Further, current year provision amounting to INR 17.77 lakhs had been created on March 31, 2022 and yet to transfer to the specified bank account. However, whole amount stands unspent till March 31, 2022 and estimated to spend all the monies in bank by September 30, 2022.

MSKA & ASSOCIATES ★ Chartered Accountants ★

UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Private Limited
(Formerly Unimech Aerospace and Manufacturing Private Limited)
Notes forming part of the Special Purpose Consolidated Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

43 Statutory Group information

Balance as at March 31, 2023

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Unimech Aerospace and Manufacturing Private Limited	48.72%	2,379.86	9.33%	212.75	-12.68%	20.62	11.02%	233.37
Subsidiaries								
Indian								
Innomech Aerospace Toolings Private Limited	58.08%	2,836.67	93.87%	2,141.31	112.69%	(183.27)	92.42%	1,958.05
Unimech Healthcare Private Limited	-1.47%	(71.85)	-3.19%	(72.85)	0.00%	-	-3.44%	(72.85)
Less: Elimination entries	-5.33%	(260.38)	(0.00)	(0.01)	-0.01%	0.01	0.00%	(0.02)
Total	51.28%	**2,504.44**	**90.7%**	**2,068.45**	**112.68%**	**(183.26)**	**88.98%**	**1,885.18**
Total	**100.00%**	**4,884.30**	**100.00%**	**2,281.20**	**100.00%**	**(162.64)**	**100.00%**	**2,118.55**

(All amounts in INR lakhs, unless otherwise stated)

44 Capital management

The Group'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 other stakeholders, and

(b) to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group 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, 2023
Total equity	(i)	**4,884.30**
Total debt		2,403.31
Less: cash and cash equivalents		(187.56)
Net debt	(ii)	**2,215.75**
Debt-to-capital ratio	(ii)/ (i)	0.45

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023.

45 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.

46 Assets hypothecated as security

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

	As at March 31, 2023
Non-current assets	
Land (right-of-use assets)	548.21
Factory building	878.22
Plant and machinery	1,148.03
Furniture and fixtures	24.68
Computers	12.93
Office equipment	21.15
Total non-current assets hypothecated as security	**2,633.22**
Current assets	
Inventories	1,577.22
Trade receivables	3,213.01
Cash and cash equivalents	187.56
Bank balances other than cash and cash equivalents	218.56
Other financial assets	599.63
Current tax assets (net)	-
Other current assets	480.79
Total current assets hypothecated as security	**6,276.77**
Total assets hypothecated as security	**8,909.99**

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

47 Commitments

	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
Property plant and equipment	564.41
	564.41

48 Segment Reporting

(a) The Group'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 to note 25.1 for breakup of the Group's revenue by primary geographical market.

(c) During the year ended March 31, 2023, revenue from operations of four customers represented approximately 47.18% , 18.20% , 12.15% and 11.41% of the Group's revenue from operations.

49 Subsequent events

i) The Holding Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 04, 2024 and Consequently the name of the Holding Company has changed to Unimech Aerospace and Manufacturing Limited pursuant to a fresh certificate of incorporation issued by ROC on June 21, 2024.

ii) The Holding Company has incorporated a new wholly owned subsidiary in the United States of America by the name of Unimech Global Manufacturing Solutions Inc for which the certificate of incorporation was issued on May 29, 2024

iii) The Holding Company has constituted an audit committee on July 3, 2024 as mandated under the Provisions of the Companies Act, 2013 and relevant rules thereunder.

iv) Pursuant to the Shareholders resolution dated December 23, 2023, the Company split 1,10,000 equity shares of INR 100 each divided into 22,00,000 equity shares of INR 5 each and increased authorized share capital of the Company from INR 110.00 lakhs to INR 3,000.00 lakhs by addtional creation of 5,78,00,000 equity share of INR 5 each.

v) Pursuant to the Shareholders resolution dated December 27, 2023, the Company has issued 419,09,600 equity shares having face value of INR 5 each by way of bonus issue to its shareholders by utilising an amount of INR 2,095.48 lakhs from the balance in retained earnings and securities premium in the ratio of 1:20.

vi) The Company raised money by way of Preferential Allotment of 36,67,090 equity shares of face value Rs 5/- each at a price of Rs 681.74 /-per share (Including a premium of Rs 676.74 per share) aggregating to Rs 250 Crores.

vii) The Company has converted the compulsory convertable debentures of 30,000 in to 544 equity shares during FY 2023-24.

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

Pankaj S Bhauwala
Partner
Membership No: 233552

MSKA & ASSOCIATES Chartered Accountants

Place: Bengaluru
Date: August 07,2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281
Place: Bengaluru
Date: August 07,2024

Place: Bengaluru
Date: August 07,2024

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

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 STANDALONE FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Standalone 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 Ind AS Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Standalone Financial Statements, including the disclosures, and whether the Special Purpose Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKV3495

MSKA & ASSOCIATES ★ Chartered Accountants ★

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 Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited)

Report on the Audit of the Special Purpose Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying Special Purpose Ind AS Standalone Financial Statements of Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited), which comprise the Standalone Balance Sheet as at March 31, 2023, Standalone Statement of Profit and Loss, including Other Comprehensive Income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Special Purpose Ind AS Standalone Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Ind AS Standalone Financial Statements"). The Special Purpose Ind AS Standalone 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 Ind AS Standalone Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Ind AS Standalone Financial Statements of the Company as at March 31, 2023, are prepared in all material aspects, in accordance with the basis set out in Note 2.1 to the Special Purpose Ind AS Standalone 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Standalone 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.

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

We draw attention to Note 2.1 to the Special Purpose Ind AS Standalone Financial Statements, which describe the basis of accounting of the Special Purpose Ind AS Standalone Financial Statements. These Special Purpose Ind AS Standalone Financial Statements are prepared by the management of the Company, solely for the purpose of the preparation of Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") to be filed in connection with its proposed Initial Public Offering ('IPO') of equity shares the Company 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 "SEBI 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 Ind AS Standalone Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Company's Board of Directors for their use 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 Ind AS Standalone Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Ind AS Standalone Financial Statements in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Standalone 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 Ind AS Standalone Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Ind AS Standalone 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.

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

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

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

Other Matters

a. The Company has prepared a separate set of General purpose standalone financial statements for the year ended March 31, 2023 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 auditor have issued a standalone auditor's report to the shareholders of the Company dated September 29, 2023 expressed an unmodified opinion on those financial statements.

b. As informed to us by the management of the Company, the predecessor auditor do 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, 2023 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 Ind AS Standalone Financial Statements of the Company for the year ended March 31, 2023.

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c. The Special Purpose Standalone Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Standalone 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 the Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements.

Our opinion is not modified in respect of these matters.

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

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKV3495

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 STANDALONE FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Standalone 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 Ind AS Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Standalone Financial Statements, including the disclosures, and whether the Special Purpose Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKV3495

Place: Bengaluru
Date: August 7, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Unimech Aerospace and Manufacturing Limited (formerly known as Unimech Aerospace and Manufacturing Private Limited)

Report on the Audit of the Special Purpose Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying Special Purpose Ind AS Standalone Financial Statements of Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited), which comprise the Standalone Balance Sheet as at March 31, 2023, Standalone Statement of Profit and Loss, including Other Comprehensive Income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Special Purpose Ind AS Standalone Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (hereinafter referred to as "the Special Purpose Ind AS Standalone Financial Statements"). The Special Purpose Ind AS Standalone 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 Ind AS Standalone Financial Statements.

In our opinion and to the best of information and explanations given to us, the accompanying Special Purpose Ind AS Standalone Financial Statements of the Company as at March 31, 2023, are prepared in all material aspects, in accordance with the basis set out in Note 2.1 to the Special Purpose Ind AS Standalone 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 SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Standalone 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.

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

We draw attention to Note 2.1 to the Special Purpose Ind AS Standalone Financial Statements, which describe the basis of accounting of the Special Purpose Ind AS Standalone Financial Statements. These Special Purpose Ind AS Standalone Financial Statements are prepared by the management of the Company, solely for the purpose of the preparation of Restated Consolidated Financial Information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") to be filed in connection with its proposed Initial Public Offering ('IPO') of equity shares the Company 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 "SEBI 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 Ind AS Standalone Financial Statements may not be suitable for another purpose.

Our report is intended solely for the use of Company's Board of Directors for their use 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 Ind AS Standalone Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Ind AS Standalone Financial Statements in accordance with the basis stated in Note 2.1 to the Special Purpose Ind AS Standalone 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 Ind AS Standalone Financial Statements that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Ind AS Standalone 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.

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

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

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

Other Matters

a. The Company has prepared a separate set of General purpose standalone financial statements for the year ended March 31, 2023 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 auditor have issued a standalone auditor's report to the shareholders of the Company dated September 29, 2023 expressed an unmodified opinion on those financial statements.

b. As informed to us by the management of the Company, the predecessor auditor do 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, 2023 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 Ind AS Standalone Financial Statements of the Company for the year ended March 31, 2023.

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c. The Special Purpose Standalone Financial Statements for the year ended March 31, 2023 has been prepared by the management in accordance with the basis stated in Note 2.1 to the Special Purpose Standalone 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 the Company. Accordingly, the management has not presented the corresponding comparative figures in these financial statements.

Our opinion is not modified in respect of these matters.

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

Venkat

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKV3495

MSKA & ASSOCIATES ★ Chartered Accountants ★

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

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE IND AS STANDALONE FINANCIAL STATEMENTS OF UNIMECH AEROSPACE AND MANUFACTURING LIMITED (FORMERLY KNOWN AS UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED)

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

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

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

- 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 Ind AS Standalone 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 Ind AS Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS Standalone Financial Statements, including the disclosures, and whether the Special Purpose Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Pankaj S Bhauwala
Partner
Membership No. 233552
UDIN: 24233552BKBKKV3495

Place: Bengaluru
Date: August 7, 2024

MSKA & ASSOCIATES * Chartered Accountants *

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Special Purpose Standalone Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	3	330.59
Capital work-in-progress	4	3.97
Right-of-use assets	5	160.44
Intangible assets	6	4.04
Financial assets		
Investments	7	260.34
Other financial assets	9	49.49
Non-Current Income tax assets	16(a)	4.00
Deferred tax assets (net)	36	67.50
Other non-current assets	10	20.71
Total non-current assets		**901.08**
Current assets		
Inventories	11	404.02
Financial assets		
Loans	8	754.38
Trade receivables	12	834.95
Cash and cash equivalents	13	99.76
Bank balances other than cash and cash equivalents	14	218.56
Other financial assets	15	71.48
Current tax assets (net)	16(b)	-
Other current assets	17	204.40
Total current assets		**2,587.55**
Total assets		**3,488.63**
Equity and liabilities		
Equity		
Equity share capital	18	104.23
Other equity	19	2,275.63
Total equity		**2,379.86**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	20	29.68
Lease liabilities	5	95.15
Other financial liabilities	21	85.52
Deferred tax liabilities (net)	36	-
Provisions	22	115.47
Total non-current liabilities		**325.82**
Current liabilities		
Financial liabilities		
Borrowings	23	333.83
Lease liabilities	5	82.25
Trade payables	24	
Total outstanding dues of micro enterprises and small enterprises		39.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		119.85
Other financial liabilities	21	140.74
Other current liabilities	25	16.03
Provisions	22	38.26
Current tax liabilities (net)	26	12.28
Total current liabilities		**782.95**
Total liabilities		**1,108.77**
Total equity and liabilities		**3,488.63**

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

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

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U30305KA2016PLC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Krishnappayya Desai
Company Secretary
Membership No.: A61281
Place: Bengaluru
Date: August 07, 2024

Anil Kumar Puttan
Director
DIN: 07683267

Place: Bengaluru
Date: August 07, 2024

MSKA & ASSOCIATES ★ Chartered Accountants ★

UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Special Purpose Standalone Statement of Profit and Loss for the year ended March 31,2023
(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2023
Income		
Revenue from operations	27	2,841.36
Other income	28	144.50
Total income		2,985.86
Expenses		
Cost of materials consumed	29	910.88
Changes in inventories of finished goods and work-in-progress	30	(179.11)
Subcontractors charges	31	271.17
Employee benefits expense	32	591.06
Finance costs	33	54.33
Depreciation and amortisation expenses	34	193.89
Other expenses	35	883.62
Total expenses		2,725.84
Profit before tax		260.02
Income tax expense/(credit)	36	
Current tax		92.08
Deferred tax		(44.80)
Total income tax expense		47.28
Profit for the year		212.74
Other comprehensive income		
Item that will not be reclassified to profit or loss	38	
Remeasurements of post-employment defined benefit plans		25.81
Income tax relating to the above item		(5.19)
Other comprehensive income for the year		20.62
Total comprehensive income for the year		233.36
Earnings per equity share	37	
Basic (INR)		0.48
Diluted (INR)		0.48

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

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

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U30305KA2016PLC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281

Place: Bengaluru
Date: August 07, 2024

Place: Bengaluru
Date: August 07, 2024

MSKA & ASSOCIATES ★ Chartered Accountants ★

UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Special Purpose Standalone Statement of Cash Flows for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2023
Cash flows from operating activities	
Profit/ (Loss) before tax	260.02
Adjustments for:	
Depreciation and amortisation expenses	193.89
Unrealised foreign exchange gain/loss	16.52
Expected credit loss allowance	10.68
Finance costs	54.33
Interest income	(50.90)
Guarantee Income	(51.80)
(Profit)/ Loss on sale of Property, plant and equipment/ Intangibles	(3.00)
Operating profit before working capital changes	**429.74**
Changes in operating assets and liabilities	
Decrease/ (increase) in inventories	(8.24)
Decrease/ (increase) in trade receivables	(167.35)
Decrease/ (increase) in loans	(67.88)
Decrease/(increase) in other financial assets	105.69
Decrease/(increase) in other current assets	107.50
Decrease/(increase) in other non current assets	(20.71)
Increase/ (decrease) in trade payables	(69.80)
Increase/ (decrease) in other current liabilities	(36.60)
Increase / (decrease) in provisions	21.73
Increase/ (decrease) in other financial liabilities	63.37
Cash generated from operations	**357.45**
Income taxes paid	(57.88)
Net cash flows from operating activities (A)	**299.57**
Cash flows from investing activities	
Payments for acquisition of property, plant and equipment	(79.35)
Payments for acquisition of intangible assets	(3.60)
Proceeds from sale of intangible assets	12.50
Proceeds from sale of bank deposits	7.94
Payments for purchase of investments	(101.00)
Interest received	48.66
Net cash flows used in investing activities (B)	**(114.85)**
Cash flows from financing activities	
Proceeds/ (repayment) of borrowings	(71.72)
Finance costs paid	(30.38)
Principal paid on lease liabilities	(70.69)
Interest paid on lease liabilities	(19.31)
Net cash flows used in financing activities (C)	**(192.10)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7.38)
Cash and cash equivalents at the beginning of the year	106.88
Effects of exchange rate changes on cash and cash equivalents	0.26
Cash and cash equivalents at the end of the year	**99.76**

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

Cash and cash equivalents comprise

Balances with banks:	
On current accounts	60.74
In EEFC accounts	38.71
Cash on hand	0.31
Total cash and cash equivalents at end of the year	**99.76**

Refer to note 23.1 for reconciliation of movements of liabilities to cash flows arising from financing activities.

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

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

Pankaj S Bhauwala
Partner
Membership No: 233552

MSKA & ASSOCIATES Chartered Accountants

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U30305KA2016PLC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

Place: Bengaluru
Date: August 07, 2024

Place: Bengaluru
Date: August 07, 2024

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Special Purpose Standalone Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

(A) Equity share capital (Note 18)
Equity shares of INR 100 each issued, subscribed and fully paid

	Year ended March 31, 2023	
	No. of shares	Amount
Balance as at April 1, 2022	104,230	104.23
Balance as at March 31, 2023	**104,230**	**104.23**

(B) Other equity (Note 19)
Reserves and surplus - Retained earnings

	Amount
Balance as at April 1, 2022 (Note 19.1)	2,042.27
Profit for the year	212.74
Other comprehensive income for the year, net of tax	20.62
Total comprehensive income for the year	**233.36**
Balance as at March 31, 2023	**2,275.63**

The accompanying notes are an integral part of the special purpose standalone 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
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U30305KA2016PLC095712

Pankaj S Bhauwala
Partner
Membership No: 233552

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

MSKA & ASSOCIATES Chartered Accountants

Krishnappayya Desai
Company Secretary
Membership No.: A61281

UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

Place: Bengaluru
Date: August 07, 2024

Place: Bengaluru
Date: August 07, 2024

Place: Bengaluru
Date: August 07, 2024

1 Corporate information

Unimech Aerospace and Manufacturing Limited (Formerly known as Unimech Aerospace and Manufacturing Private Limited) ("the Company") was originally incorporated as a private limited company on July 16, 2017 and is converted into a public limited company on June 21, 2024, with Company identification no: U30305KA2016PLC095712. The Company's registered office is at #538,539,542&543, 14th cross, 7th main, 4th phase, peenya industrial area, Bengaluru, Karnataka -560058.

The Company's main objective is to carry on the business of manufacturing toolings and components to be used in the aerospace sector.

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 Ind AS Financial Statements of the Company comprises the Special Purpose Standalone Balance Sheet as at March 31, 2023, 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, 2023 and summary of material accounting policies and explanatory notes (collectively referred as, the 'Special Purpose Standalone Ind AS 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 Ind AS 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 Ind AS Financial Statements of the Company as at and for the year ended March 31, 2023 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 Standalone Ind AS Financial Statements are not the statutory financial statements of the Company under the Act.

The Special Purpose Standalone Ind AS Financial Statements as at and for the year ended March 31, 2023 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 Ind AS 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 Ind AS 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.

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

(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.

2.2 Summary of material accounting policies

(a) Property, plant and equipment

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
Plant and equipment	4 to 7.5 years
Furniture and fixtures	4 years
Computers	3 years
Office equipment	4 to 5 years
Vehicles	8 years
Leasehold improvements	Over useful life as per Schedule II or the remaining period of Lease term, whichever is lower

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, 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.

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

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.

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: 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.

(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.

(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.

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(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.

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.

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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.

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the special purpose 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.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

(q) Investment in subsidiaries

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the special purpose standalone statement of profit and loss. On diposalof investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the special purpose standalone statement of profit and loss.

(r) Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

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.

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(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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Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

	Plant, Machinery and equipment	Furniture and fixtures	Computers	Office equipment	Vehicles	Leasehold improvements	Total
Gross block							
Balance as at April 1, 2022(Note 3.1)	**299.12**	**7.60**	**9.52**	**20.51**	**6.98**	**15.30**	**359.03**
Additions	17.89	21.39	27.54	8.56	-	-	75.38
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	**317.01**	**28.99**	**37.06**	**29.07**	**6.98**	**15.30**	**434.41**
Accumulated depreciation							
Balance as at April 1, 2022	-	-	-	-	-	-	-
Depreciation for the year	58.33	7.36	9.58	12.28	0.97	15.30	103.82
Balance as at March 31, 2023	**58.33**	**7.36**	**9.58**	**12.28**	**0.97**	**15.30**	**103.82**
Net block							
Balance as at March 31, 2023	**258.68**	**21.63**	**27.48**	**16.79**	**6.01**	-	**330.59**

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, 2022 measured as per the Indian GAAP as its deemed cost as on April 1, 2022.

3.2 Property, plant and equipment hypothecated as security

Refer to note 47 for information on property, plant and equipment hypothecated as security by the Company.

3.3 Contractual obligations

Refer to note 48 for details on contractual commitments for acquiring property, plant and equipment.

4 **Capital work-in-progress (CWIP)**

Particulars	Amount
Balance as at April 1, 2022	-
Additions	18.39
Transfers	(14.42)
Balance as at March 31, 2023	**3.97**

4.1 **CWIP ageing schedule**
As at March 31, 2023

Particulars	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	3.97	-	-	-	3.97
Total	**3.97**	-	-	-	**3.97**

4.2 There are no projects as CWIP as at March 31, 2023 whose completion is overdue or cost of which has exceeds in comparison to its original plan.

4.3 CWIP of INR 14.42 lakhs has been capitalised under plant and equipment during the year ended March 31, 2023.

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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:

	Buildings
Gross block	
As at April 1, 2022	320.11
Additions during the year	-
As at March 31, 2023	320.11
Accumulated amortisation	
As at April 1, 2022	79.45
Amortisation for the year	80.22
As at March 31, 2023	159.67
Net Block	
As at March 31, 2023	160.44

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

	Amount
As at April 1, 2022	248.09
Additions during the year	-
Interest expense on lease liabilities	19.31
Payments during the year	(90.00)
As at March 31, 2023	177.40

	As at March 31, 2023
Non-current	95.15
Current	82.25
Total	177.40

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

	Year ended March 31, 2023
Interest expense on lease liabilities (Refer note 33)	19.31
Amortisation of right-of-use assets* (Refer note 34)	80.22

* Exclusive of leasehold land

5.4 Amounts recognised in the statement of cash flows

	Year ended March 31, 2023
Total cash outflows with respect to leases	90.00
Total	90.00

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(All amounts in INR lakhs, unless otherwise stated)

6 Intangible assets

	Software
Gross block	
Balance as at April 1, 2022(Note 6.1)	**19.80**
Additions	3.60
Disposals	(10.80)
Balance as at March 31, 2023	**12.60**
Accumulated amortisation	
Balance as at April 1, 2022	-
Amortisation for the year	9.86
Disposals	(1.30)
Balance as at March 31, 2023	**8.56**
Net block	
Balance as at March 31, 2023	**4.04**

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, 2022 measured as per the Indian GAAP as its deemed cost as on April 1, 2022.

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Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

7 Investments

	As at March 31, 2023
Non-current investments	
Investment in equity instruments (fully paid-up)	
Investment in subsidiaries	
Unquoted equity shares	
Innomech Aerospace Toolings Private Limited 1,00,999 equity shares of INR 100 each fully paid-up in Innomech Aerospace Toolings Private Limited	259.34
Unimech Healthcare Private Limited (Refer note 7.2) 999 equity shares of INR 100 each fully paid-up in Unimech Healthcare Private Limited	1.00
Total non-current investments	**260.34**
Aggregated amount of unquoted investments	260.34

7.1 The Company had incorporated Innomech Aerospace Toolings Private Limited on October 26, 2018 at Aerospace Park SEZ, Devanhalli, Bengaluru. This entity is a wholly owned by the Company and intially subscribed 999 shares at INR 100 each. The minority share of 1 share @ INR 100 is held by Anil Kumar Puttan (Nominee share holder). Further, during FY 22-23, the company additionally subscribed 1,00,000 shares at INR 100 each

7.2 The Company had incorporated a new subsidiary company by name Unimech Healthcare Private Limited on April 27, 2022 in Peenya Industrial Area, Bengaluru. This entity is wholly owned by the Company and having 999 shares @ INR 100 each subscribed. The minority share of 1@ INR 100 is held by Ramakrishna Kamojhala (Nominee share holder). The said investment was disposed during the year ended March 31, 2024.

7.3 The cost of investments in Innomech Aerospace Toolings Private Limited includes an amount of Rs. 158.33 Lakhs relating to fair value of guarantees issued by the Company to various Banks and Financial Institutions for borrowings availed by Innomech Aerospace Toolings Private Limited.

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(All amounts in INR lakhs, unless otherwise stated)

8 Loans

	As at March 31, 2023	
	Non Current	Current
At amortised cost		
Loans to related parties (Note 39.3)		
Unsecured, considered good		754.38
Total loans	-	754.38

8.1 The following disclosures shall be made where loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

Particulars					As at March 31, 2023	
Type of borrower	Loans or advances granted individually or jointly with any other person. (Individually / Jointly)	Rate of Interest	Repayable on demand (Yes / No)	Terms or period of repayment is specified (Yes / No)	Amount outstanding	% of total
Subsidiaries	Individually	6%	Yes	No	754.38	100%
Total					754.38	100%

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

(All amounts in INR lakhs, unless otherwise stated)

9 Other non-current financial assets

	As at March 31, 2023
At amortised cost	
Security deposits	21.89
Bank deposits with remaining maturity more than 12 months	27.60
Total other financial assets	**49.49**

Refer to note 40 for information about the Company's exposure to financial risks.

10 Other non-current assets

	As at March 31, 2023
At amortised cost	
Capital advances	18.73
Prepaid expenses	1.98
Total other non-current assets	**20.71**

11 Inventories

	As at March 31, 2023
(At lower of cost or net realisable value)	
Raw materials (including packing materials)	40.13
Work-in-progress	339.60
Finished goods	24.29
Total inventories	**404.02**

11.1 Inventories hypothecated as security

Refer to note 47 for information on inventories hypothecated as security by the Company.

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(All amounts in INR lakhs, unless otherwise stated)

12 Trade receivables

	As at March 31, 2023
Considered good - unsecured	861.41
Less: Loss allowance	(19.02)
Less: Liquidated damages	(7.44)
Trade receivables - net	**834.95**
Amounts due from related parties out of the above trade receivables (Note 39.3(b))	40.80

12.1 Trade receivables ageing schedule
As at March 31, 2023

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	481.25	346.70	17.76	0.47	-	15.23	861.41
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	-	-	-	-	-	-	-
Sub total	**481.25**	**346.70**	**17.76**	**0.47**	-	**15.23**	**861.41**
Less: Expected credit loss allowance							(19.02)
Less: Liquidated damages							(7.44)
Total							**834.95**

12.2 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 receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

12.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

12.4 Refer to note 40 for information about the Company's exposure to financial risks.

12.5 Refer to note 47 for information on trade receivables hypothecated as security by the Company.

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13 Cash and cash equivalents

	As at March 31, 2023
Balances with banks:	
In current accounts	60.74
In EEFC accounts	38.71
Cash on hand	0.31
Total cash and cash equivalents	**99.76**

Refer to note 47 for information on cash and cash equivalents hypothecated as security by the Company and note 40 for information about the Company's exposure to financial risks.

14 Bank balances other than cash and cash equivalents

	As at March 31, 2023
At amortised cost	
Deposit with original maturity for more than 3 months but less than 12 months	33.99
Deposits held as margin money for guarantee	184.57
Earmarked Balances with Banks	-
Total bank balances other than cash and cash equivalents	**218.56**

Refer to note 47 for information on bank balanaces other than cash and cash equivalents hypothecated as security by the Company and note 40 for information about the Company's exposure to financial risks.

15 Other financial assets

	As at March 31, 2023
Current	
At amortised ost	
Advances to employees	0.88
Other Receivables	8.51
Deposit with original maturity for more than 3 months but less than 12 months	62.09
Total other financial assets	**71.48**

Refer to note 47 for information on other current financial assets hypothecated as security by the Company and note 40 for information about the Company's exposure to financial risks.

16 Tax Assets

16(a) Non-Current Income tax assets

	As at March 31, 2023
Advance income tax	4.00
Total Income tax assets	**4.00**

16(b) Current tax assets

	As at March 31, 2023
Advance income tax (Net of Provision for Income tax: NIL)	-
Total current tax assets	-

Refer to note 47 for information on current tax assets hypothecated as security by the Company.

17 Other current assets

	As at March 31, 2023
Advances to suppliers	108.97
Balances with government authorities	60.01
Prepaid expenses	5.32
Government grants	30.10
Total other current assets	**204.40**

Refer to note 47 for information on other current assets hypothecated as security by the Company.

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(All amounts in INR lakhs, unless otherwise stated)

18 Equity share capital

	As at March 31, 2023	
	Number of shares	Amount
Authorised		
Equity shares of INR 100 each	110,000	110.00
	110,000	110.00
Issued, subscribed and paid up		
Equity shares of INR 100 each, fully paid-up	104,230	104.23
Total	104,230	104.23

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

Equity shares	As at March 31, 2023	
	Number of shares	Amount
Outstanding at the beginning of the year	104,230	104.23
Outstanding at the end of the year	104,230	104.23

18.2 **Rights, preferences and restrictions attached to 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.

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

No equity shares of the Company are held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company.

18.4 **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, 2023	
	Number of shares	% of holding in the class
Equity shares of INR 100 each fully paid-up		
Rashmi Anil Kumar	35,439	34.00%
Ramakrishna Kamojhala	18,761	18.00%
Mani Puttan	18,761	18.00%
Preetham Shimoga	12,508	12.00%
Rajanikanth Balaraman	18,761	18.00%

18.5 **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.

18.6 **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.

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

Promoter name	As at March 31, 2023		
Equity shares of INR 100 each fully paid-up	No. of shares	% of total shares	% change during the year
Rashmi Anil Kumar	35,439	34.00%	0.00%
Ramakrishna Kamojhala	18,761	18.00%	0.00%
Mani Puttan	18,761	18.00%	0.00%
Preetham Shimoga	12,508	12.00%	0.00%
Rajanikanth Balaraman	18,761	18.00%	0.00%
Total	104,230	100.00%	0.00%

19 **Other equity**

	As at March 31, 2023
Reserves and surplus	
Retained earnings (Note 19.1)	2,275.63
Total other equity	2,275.63

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19.1 Movement in reserves and surplus

	As at March 31, 2023
Retained earnings	
Opening balance	2,042.27
Profit for the year	212.74
Items of OCI recognised directly in retained earnings	
Remeasurements of post-employment defined benefit plans (net of tax)	20.62
Closing balance	2,275.63

19.2 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 and these can be utilised as per the Provisions of

20 Non-current borrowings

Particulars	Notes	As at March 31, 2023
Secured		
Term loans		
From bank	20.1(i)	50.27
From a financial institution	20.1(ii)	18.61
Unsecured		
Debentures	20.1(iii)	
0.01% Convertible debentures		-
Less: Current maturities of long term debts		(39.20)
Total non-current borrowings		29.68

The details of financial and non-financial assets hypothecated as security for borrowings are disclosed in note 47.

Refer to note 40 for information about the Company's exposure to financial risks.

20.1 Security details and terms of repayment

	No. of instalments remaining as at March 31, 2023	Maturity date as at March 31, 2023	Interest rate (p.a.) as at March 31, 2023	As at March 31, 2023
(i) Term loan from bank -Secured by way of hypothecated of machinery acquired out of loan availed	17	August 2025	Floating interest rate Linked to Repo rate	50.27
(ii) Term loan from a financial institution -Secured by way of hypothecated of CNC Vertical Machining Center	13	April 2024	10.50%	18.61
(iii) Convertible Debentures	N.A.	June 2023	0.01%	29.30

During the year ended March 31, 2018, the Company issued 15,000 debentures at a face value of INR 100 each and during the year ended March 31, 2019, the Company issued 15,000 debentures at a face value of INR 100 each. In the event of Company secures the participation from a financial investor, venture capitalist, private equity players etc for their growth plans in 3 years time, the existing debentures would be converted in to equity shares at the valuation set by the financial investors or venture capitalist. In case Company fails to secure the participation from the major investor, the Company shall be obliged to convert the debentures in to shares at nil discount in accordance with the registered valuer or chartered accountant, however the investor will have a right to ask for repayment of debentures along with the interest after 3 years. In such event, the Company is obliged to repay the principle along with the interest at nominal rate of 0.01% simple rate of interest. The fair value of the liability was determined as at April 1, 2021. The fair value of the liability, included in non-current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 9.25%.

Movement in carrying amount of liability during the year is as follows:	Amount
Carrying amount of liability as at April 1, 2022	26.64
	2.66
Carrying amount of liability as at March 31, 2023	29.30

(iv) Euro term loans from banks -Secured by way of hypothecated of Company's entire current asset both present and future	N.A.	Payable within 180 days	6 months LIBOR+1.75%	265.33

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20.2 Disclosure on bank guarantees

The company has given corporate guarantee for the loans availed by Innomech Aerospace Toolings Private Limited, a wholly owned subsidiary of the Company, to the extent of INR 1,387.50 lakhs to M/s Axis Bank Limited, Bangalore.

21 Other financial liabilities

Particulars	Non-current As at March 31, 2023	Current As at March 31, 2023
Security deposits	-	11.64
Salary payable	-	118.68
Guarantee Liability	85.52	-
Interest accrued and due on borrowings	-	0.02
Other payables	-	10.40
Total	**85.52**	**140.74**

Refer to note 39.3 for information relating to other payables to related parties.

22 Provisions

Particulars	Non-current As at March 31, 2023	Current As at March 31, 2023
Provision for rework and warranty costs	-	18.87
Provision for employee benefits		
Gratuity (Note 38(b))	13.78	0.70
Longevity bonus	101.69	3.49
Compensated absences	-	15.20
Total provisions	**115.47**	**38.26**

22.1 Movement in Provision for rework and warranty costs

	Amount
As at April 1, 2022	**8.54**
Provision charged to Statement of profit and loss	30.11
Provisions utilised/reversed during the year	(19.78)
Balance as at March 31, 2023	**18.87**

23 Current borrowings

Particulars	Notes	As at March 31, 2023
Secured		
Term Loan		
From bank		-
Euro loans	20.1(iv)	265.33
Current maturities of long term debts		
Term loan from bank		20.87
Term loan from a financial institution		18.33
Unsecured		
Current maturities of long term debts		
0.01% Convertible debentures		29.30
Total current borrowings		**333.83**

The details of financial and non-financial assets hypothecated as security for borrowings are disclosed in Note 47.

Refer to note 40 for information about the Company's exposure to financial risks.

23.1 Net debt Reconciliation

	Borrowings	Lease liabilities	Total
Net debt as at April 1, 2022	**436.76**	**248.09**	684.85
Cash flows:			
Proceeds from borrowings	1,008.50	-	1,008.50
Repayment of borrowings	(1,080.22)	-	(1,080.22)
Interest paid on borrowings	(30.38)	-	(30.38)
Interest paid on lease liabilities	-	(19.31)	(19.31)
Principal paid on lease liabilities	-	(70.69)	(70.69)
Non-cash flows:			-
Interest expenses	20.36	19.31	39.67
Interest on guarantee liability	8.20	-	8.20
Exchange loss	(4.54)	-	(4.54)
Bank charges	0.03	-	0.03
Loan processing fee	1.82	-	1.82
Amortisation of loan processing charges	2.98	-	2.98
Net debt as at March 31, 2023	**363.51**	**177.40**	**540.91**

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24 Trade payables

	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	39.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	119.85
Total trade payables	**159.56**

Refer to note 40 for information about the Company's exposure to financial risks.

24.1 MSMED disclosure

Based on the information available with the Company, there are outstanding dues and payments made during the year ended March 31, 2023 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 year ended March 31, 2023 to any suppliers under the said Act.

Particulars	As at March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal	37.01
Interest	2.70
Total	39.71
(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.	1.39
(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.	2.70

Note: Company has not received any letter with regard to MSME status from any creditors, hence the company has not classified any dues payable to MSME. Company do not have any dues beyond 3 years and there are no disputed payables at the year end.

24.2 Trade payables ageing schedule

As at March 31, 2023

			Outstanding for following periods from due date of payment				
	Unbilled dues	Payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	36.40	2.99	0.33	-	-	39.71
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	9.76	80.93	26.78	2.13	0.24	-	119.85
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	**9.76**	**117.33**	**29.77**	**2.46**	**0.24**	**-**	**159.56**

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

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25 Other current liabilities

	As at March 31, 2023
At amortised cost	
Statutory dues payable	15.01
Liabilities for corporate social responsibility	-
Advance from customers	1.02
Total other current liabilities	**16.03**

25.1 Advance from Customers includes advances from related party of INR Nil

26 Current tax liabilities (net)

	As at March 31, 2023
Current tax payable	92.08
Less: Advance tax	(79.80)
Total current tax liabilities (net)	**12.28**

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(All amounts in INR lakhs, unless otherwise stated)

27 Revenue from operations

	Year ended March 31, 2023
Revenue from contracts with customers	
Sale of goods	2,335.29
Sale of services	322.41
	2,657.70
Other operating revenues	183.66
Total revenue from operations	**2,841.36**

Nature of products

	Year ended March 31, 2023
Manufacturing of aerospace toolings and components	2,335.29
Total	**2,335.29**

Nature of services

	Year ended March 31, 2023
Cross Charges	280.00
Job work	42.41
Total	**322.41**

Other operating revenues

	Year ended March 31, 2023
Rental Income	59.96
Scrap sales	23.41
Duty drawbacks received*	28.09
Merchant exporter incentive*	29.62
Other sales	42.58
Total	**183.66**

* There are no unfulfilled conditions attached to recognition of duty drawbacks and merchant exporter incentive

27.1 Disaggregate revenue information

Geographic revenue

	Year ended March 31, 2023
Within India	741.87
Outside India	2,099.49
Total	**2,841.36**

Timing of revenue recognition

	Year ended March 31, 2023
Products and services transferred at a point in time	2,841.36
Total	**2,841.36**

27.2 Reconciliation of contract price with revenue during the year

	Year ended March 31, 2023
Revenue as per contract price	2,847.61
Adjustments:	
- Liquidated damages	(6.25)
Revenue from contracts with customers	**2,841.36**

27.3 Performance obligations:

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 over a period of time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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28 Other income

	Notes	Year ended March 31, 2023
Interest income		
On fixed deposits at amortised cost		15.96
On loans to related parties at amortised cost		32.70
On income taxes		0.59
Unwinding of discount on security deposits at amortised cost		1.65
Gains on foreign exchange transactions (net)		32.45
Government grants*		1.45
Profit on sale of assets		3.00
Guarantee fee income [Refer note 39 (a)]		51.80
Miscellaneous income		4.90
Total other income		**144.50**

Refer to note 39.2 for interest on loans and guarantees to related parties.

*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.

29 Cost of materials consumed

	Year ended March 31, 2023
Inventories of raw materials at the beginning of the year	211.00
Add: Purchases	740.01
Less: Inventories of raw materials at the end of the year	(40.13)
Total cost of materials consumed	**910.88**

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

	Year ended March 31, 2023
Inventories at the beginning of the year	
-Work-in-progress	184.78
	184.78
Less: Inventories at the end of the year	
-Finished goods	24.29
-Work-in-progress	339.60
	363.89
Net increase	**(179.11)**

31 Subcontractor charges

	Year ended March 31, 2023
Subcontractor charges	271.17
Total subcontractors charges	**271.17**

32 Employee benefits expense

	Year ended March 31, 2023
Salaries, wages and bonus	537.62
Contribution to provident fund and other funds (defined contribution plans)[refer note 38(a)]	16.22
Gratuity expenses [refer note 38(b)]	6.01
Staff welfare expenses	31.21
Total employee benefits expenses	**591.06**

33 Finance costs

	Notes	Year ended March 31, 2023
Interest on borrowings		20.36
Interest on income tax		3.25
Interest on lease liabilities	5.3	19.31
Interest on delayed payments to micro enterprises and small enterprises		1.39
Interest on guarantee liability		8.20
Loan processing fee		1.82
Total finance costs		**54.33**

Refer to note 39.2 for interest on guarantees to related parties.

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34 Depreciation and amortisation expense

		Year ended March 31, 2023
Depreciation on property, plant and equipment	3	103.81
Amortisation on right-of-use assets	5.3	80.22
Amortisation on intangible assets	6	9.86
Total depreciation and amortisation expense		**193.89**

35 Other expenses

	Year ended March 31, 2023
Stores and spares consumed	37.70
Manpower support cost	173.84
Utilities	34.88
Repairs and maintenance	
Factory and Building	3.58
Plant and machineries	3.02
Others	2.03
Factory expenses	10.10
Freight outward	74.75
Security charges	13.24
Printing and stationery	7.93
Information technology expenses	17.15
Insurance	7.45
Legal and professional charges	293.75
Recruitment cost	4.19
Audit fee(Note 35.1)	0.75
Sales promotion	89.80
Expected credit loss allowance	4.43
Travelling and conveyance	41.24
Communication expenses	3.15
Rates and taxes	22.65
Bank charges	1.69
Rework and warranty costs	30.11
Miscellaneous expenses	6.19
Total	**883.62**

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

	Year ended March 31, 2023
Audit fee	
As auditor:	
Statutory audit	0.75
Total audit fee	**0.75**

36 Income tax

36.1 Income tax expense

	Year ended March 31, 2023
Current tax	92.08
Deferred tax	(44.80)
Income tax expense reported in the statement of profit or loss	**47.28**

36.2 Reconciliation of tax charge

	Year ended March 31, 2023
Profit before tax	260.02
Income tax expense at tax rates applicable	25.17%
Expected income tax expense/ (benefit) at statutory tax rate	**65.44**
Tax effects of:	
- Item not deductible for tax	
'Interest on MSME	0.04
Income tax relating to remeasurements of post-employment defined benefit plans	6.50
Interest on income tax	0.82
Others adjustments	(25.52)
Income tax expense	**47.28**

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(All amounts in INR lakhs, unless otherwise stated)

36.3 Deferred tax relates to the following:

	As at March 31, 2023
Deferred tax assets	
Property, plant and equipment and intangible asset	5.73
Provisions	38.69
Trade receivables	4.79
Lease liabilities	44.65
Others	21.53
	115.38

	As at March 31, 2023
Deferred tax liabilities	
Property, plant and equipment and intangible assets	-
Right-of-use assets	(40.38)
Borrowings	(0.59)
Others	(6.92)
	(47.89)
Deferred tax assets/(liabilities), net	67.50

36.4 Reconciliation of deferred tax assets/ (liabilities) (net):

	As at March 31, 2023
Opening balance	27.89
Tax asset/(liability) recognised in Statement of Profit and Loss	39.61
Total	67.50

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37 Earnings/ (Loss) per equity share

		Year ended March 31, 2023
(a)	Earnings/ (Loss) used in calculating earnings per equity share	
	Basic earnings per share	
	Profit/(Loss) attributable to equity shareholders as per statement of profit and loss	212.74
	Diluted/ (Loss) earnings per share	
	Profit/(Loss) attributable to equity shareholders as per statement of profit and loss	212.74
(b)	**Weighted average number shares used as denominator**	
	Equity shares outstanding as at April 1	104,230
	Add: Impact of conversion of Convertible Debentures*	408
	Add: Impact of share split as on December 23, 2023 *	1,988,122
	Add: Bonus shares issued on December 27, 2023 *	41,855,200
	Weighted average number of equity shares outstanding during the year for basic EPS	**43,947,960**
	Adjustments for calculation of diluted EPS:	
	Add: Convertible debentures	136
	Weighted average number of equity shares adjusted for the effect of dilution	**43,948,096**

***Refer to Note 50 for details on the conversion of debentures, share splits, and the issuance of bonus shares.**

(c) **Information regarding the classification of securities**
Convertible debentures
The Company has issued 30,000 convertible debentures issued during the financial year ended March 31, 2019 are considered to be potential equity shares of 544 shares and have been included in the determination of diluted earnings per share from their date of issue.

(d) **EPS**

Basic earnings per equity share (INR)	0.48
Diluted earnings per equity share (INR)	0.48

38 **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, 2023
Employer's contribution to provident fund	15.40
Employer's contribution to Employee State Insurance	0.82
	16.22

Defined benefit plan- 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.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The present value of the defined benefit obligiation and the relevant service cost are measured using projected Unit Credit Methos, with actuarial valution being carried out at each Balance sheet date.

(c) **Reconciliation of defined benefit obligation**

Particulars	**As at March 31, 2023**
Balance as at the beginning of the year	**12.25**
Interest cost	0.88
Benefits paid during the year	(1.18)
Current service cost	5.13
Included in profit and loss	**4.83**

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(All amounts in INR lakhs, unless otherwise stated)

Remeasurement loss/(gain)	
Actuarial loss/(gain) arising from:	
Changes in demographic assumptions	-
Changes in financial assumptions	(0.01)
Experience adjustments	(2.59)
Included in other comprehensive income	**(2.60)**
Balance as at the end of the year	14.48
Classified as:	
Non-current	13.78
Current	0.70
	14.48

(d) Actuarial assumptions

	As at March 31, 2023
Discount rate (per annum)	7.53%
Rate of future increase in salary	12.00%
Expected return on planned assets	0.00%
Attrition rate	
Employee served for 5 years and below	20.00%
Employee served above 5 years	5.00%

The weighted-average duration of the defined benefit obligation as at March 31, 2023 was 14.27 years for gratuity plan.

(e) Sensitivity analysis

	As at March 31, 2023
Discount rate	
1% increase	(1.50)
1% decrease	1.82
Future increase in salary	
1% increase	1.66
1% decrease	(1.41)
Attrition rate	
1% increase	(0.71)
1% decrease	0.82

(f) Maturity analysis

Particulars	As at March 31, 2023
Within one year	0.70
Between one and two years	0.77
Between two and three years	0.46
Between three and four years	0.35
Between four and five years	0.28
Between five and ten years	1.25
Later than ten years	10.66

(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 March 31, 2023
Balance as at the beginning of the year	**75.50**
Interest cost	5.68
Benefits paid during the year	-
Current service cost	47.21
Actuarial (Gains)/Loss	(23.21)
Incremental obligation on termination*	-
Balance as at the end of the year	**105.18**

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

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED ★ BENGALURU 560 058

(All amounts in INR lakhs, unless otherwise stated)

Actuarial assumptions	As at March 31, 2023
Discount rate (per annum)	7.52%
Expected return on Assets	0.00%
Rate of future increase in salary	12.00%
Attrition rate	5.00%
Classified as:	
Non-current	101.69
Current	3.49

39 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:

39 Names of related parties and description of relationship:

Particulars	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest As at March 31, 2023
Subsidiaries			
Innomech Aerospace Toolings Private Limited	India	Manufacture of aerospace tools	99.99%
Unimech Healthcare Private Limited (Upto December 18, 2023)	India	Trading of healthcare products	99.99%

Key Management Personnel (KMP) and their relatives (Directors)

Mr. Anil Kumar Puttan
Mr. Ramakrishna Kamojhala
Mr. Mani Puttan
Mr. Preetham Shimoga
Mr. Rajanikanth Balaraman

Individuals having significant interest

Mrs. Rashmi Anil Kumar Puttan

Relatives of KMP

Mrs. Savitha K Nayar
Mrs. Shruthi C S
Miss. Mamatha

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

Particulars	Year ended March 31, 2023
(a) Subsidiaries	
Sale of products and services	
Innomech Aerospace Toolings Private Limited	288.93
Unimech Healthcare Private Limited	92.92
Loans given	
Innomech Aerospace Toolings Private Limited	857.39
Unimech Healthcare Private Limited	237.27
Loans repaid	
Innomech Aerospace Toolings Private Limited	1,025.13
Unimech Healthcare Private Limited	-
Interest income	
Innomech Aerospace Toolings Private Limited	30.00
Unimech Healthcare Private Limited	2.41
Guarantee fee income	51.80
Innomech Aerospace Toolings Private Limited	

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(b) Key Management Personnel and relatives

Employee Benefit expenses	
Remuneration*	
Mr. Ramakrishna Kamojhala	108.75
Mr. Rajanikanth Balaraman	15.00
Mrs. Savitha K Nayar	16.00
Mrs. Shruthi C S	17.25

*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.

(c) **People having significant interest**

Consultancy Payable	
Remuneration	
Mrs. Rashmi Anil Kumar Puttan	14.00

39 **Outstanding balances in relation to related**

Particulars	**As at March 31, 2023**
(a) Key Management Personnel	
Remuneration payable	
Mr. Ramakrishna Kamojhala	60.96
Mr. Rajanikanth Balaraman	2.70
Other payables	
Mr. Anil Kumar Puttan	0.46
Mr. Preetham Shimoga	0.41
(b) People having significant interest	
Remuneration Payable	
Mrs. Rashmi Anil Kumar Puttan	1.52
(c) Subsidiaries	
Loans	
Innomech Aerospace Toolings Private Limited	517.11
Unimech Healthcare Private Limited	237.27
Trade receivables	
Innomech Aerospace Toolings Private Limited	33.17
Unimech Healthcare Private Limited	7.63

39 **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.

40 The borrowings of the Company are secured by personal guarantees of Directors of the Company. Further, the Company has also given guarantee for various borrowing arrangements entered into by Innomech Aerospace Toolings Private Limited which is an wholly owned subsidiary of the Company.

40 **Financial risk management objectives and policies**

40 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.

40 **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 long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Company manages its interest rate risk by having a balanced portfolio of fixed borrowings amounting to INR 47.91 lakhs and variable rate borrowings amounting to INR 315.60 lakhs

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(All amounts in INR lakhs, unless otherwise stated)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and 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	Impact on Profit before tax	
			1% Increase	1% Decrease
Variable rate borrowings	March 31, 2023	315.60	3.16	(3.16)

(b) Foreign currency risk

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

Particulars	As at March 31, 2023	
	Amount in foreign currency	Amount
USD receivable	3.72	305.73
USD payable	(0.09)	(7.75)
EURO receivable	4.13	369.21
EURO payable	(2.97)	(265.33)

Foreign currency sensitivity Particulars	Impact on Profit before tax Year ended March 31, 2023
USD sensitivity	
INR/USD - increase by 1%	2.98
INR/USD - decrease by 1%	(2.98)
GBP sensitivity	
INR/GBP - increase by 1%	-
INR/GBP - decrease by 1%	-
EURO sensitivity	
INR/EURO - increase by 1%	1.04
INR/EURO - decrease by 1%	(1.04)

40 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 and other factors.

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 a foll

Particulars	As at March 31, 2023
Opening balance	14.59
Changes in loss allowance:	
Expected credit loss allowance	4.43
Additional provision(net)	-
Recoveries	-
Write off as bad debts	-
Closing Balance	**19.02**

40 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, 2023

Particulars	Notes	Carrying amount	Contractual cash flows 0-1 year	1-3 years	3-5 years	More than 5 years	Total
Current borrowings	23	333.83	333.83	-	-	-	333.83
Long-term borrowings	20	29.68	-	31.07	-	-	31.07
Lease liabilities	5.2	177.40	82.25	95.15	-	-	177.40
Trade payables	24	159.56	159.56	-	-	-	159.56
Other financial liabilities	21	226.26	226.26	-	-	-	226.26
Total		**926.73**	**801.90**	**126.22**	-	-	**928.12**

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(All amounts in INR lakhs, unless otherwise stated)

41 Fair value measurements

41.1 The carrying amounts of financial assets and liabilities by categories

At amortised cost

Particulars	Notes	As at March 31, 2023
Financial assets		
Trade receivables	12	834.95
Cash and cash equivalents	13	99.76
Bank balances other than cash and cash equivalents	14	218.56
Loans (current)	8	754.38
Other financial assets (non-current)	9	49.49
Other financial assets (current)	15	71.48
Total financial assets		**2,028.62**
Financial liabilities*		
Borrowings (non-current)	20	29.68
Borrowings (current)	23	333.83
Trade payables	24	119.85
Other financial liabilities (non-current)	21	85.52
Other financial liabilities (current)	21	140.74
Total financial liabilities		**709.62**

*Excluding lease liabilities

41.2 **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).

41.3 **Methods and assumptions**

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

42 Other regulatory information

42.1 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.

42.2 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.

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

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

42.5 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.

42.6 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.

42.7 Compliance with number of layers of companies
The Group 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.

42.8 Compliance with approved scheme(s) of arrangements
The Company has not entered into any scheme(s) of arrangement which has an accounting impact on current or previous financial year.

42.9 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.

42.10 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.

42.11 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.

42.12 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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43 Corporate Social Responsibility

Particulars	Year ended March 31, 2023
Amount required to be spent by the Company during the year	-
Amount of expenditure incurred	-
Shortfall at the end of the year	17.77
Total of previous years shortfall	-
Reason for Shortfall	-
Nature of CSR activities	Plantation and skill-development

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN:U30305KA2016PLC095712
Notes forming part of the Special Purpose Standalone Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

44 Ratio analysis

S No.	Ratio	Formula	As at March 31, 2023		Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	As at March 31, 2023		
(a)	Current ratio	Current assets(i) / Current liabilities(ii)	2,587.55	782.95	3.30	4.16%	
(b)	Debt-equity ratio	Total debt(iii) / Shareholder's equity	540.91	2,379.86	0.23	-28.76%	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)	380.81	196.74	1.94	107.55%	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 shareholder's equity	212.74	2,263.18	0.09	-277.20%	Due to increase in profit which in turn due to significant business growth.
(e)	Inventory turnover ratio	COGS / Average inventory	731.77	399.90	1.83	166.17%	Due to increase in inventory which is due to increase in business orders
(f)	Trade receivables turnover ratio	Net credit sales / Average trade receivables	2,841.36	765.76	3.71	52.50%	Due to higher sales in the current year
(g)	Trade payables turnover ratio	Net credit purchases / Average trade payables	740.01	154.50	4.79	100.27%	Due to the increase in sales demand which has led to an increase in purchases, resulting in higher payables.
(h)	Net capital turnover ratio	Net sales / Working capital	2,841.36	1,804.60	1.57	66.86%	Due to growth in working capital and sales araising from growth in business and orders.
(i)	Net profit ratio	Net profit / Net sales	212.74	2,841.36	0.07	-204.17%	Due to growth in working capital and sales araising from growth in business and orders.
(j)	Return on capital employed	EBIT / Capital employed(vi)	314.35	2,920.77	0.11	-345.63%	Due to growth in business and profit.
(k)	Return on investment	Other income (excluding dividend) / Average cash and cash equivalents and other marketable securities	144.50	103.32	1.40	-33.91%	Due to increase in closing bank balances and decrease in other income

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
(ii) Current liabilities = Current borrowings + Trade payables + Other financial liabilities + Current tax (liabilities) + Provisions + Other current liabilities + Current lease liabilities
(iii) Total debts = Non-current borrowings + Current borrowings + Current maturities of long-term borrowings + Non-current lease liabilities + Current lease liabilities
(iv) Earnings for debt Service = Net Profit after taxes + Non-cash operating expenses + Interest (including interest on 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)

45 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 other stakeholders, and

(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, 2023
Total equity	(i)	2,379.86
Total debt		540.91
Less: Cash and cash equivalents		(99.76)
Net debt	(ii)	**441.15**
Debt-to-capital ratio	(ii)/ (i)	0.19

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023

46 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.

47 Assets hypothecated as security

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

	As at March 31, 2023
Non-current assets	
Plant and equipment	258.68
Total non-current assets hypothecated as security	**258.68**
Current assets	
Inventories	404.02
Loans	754.38
Trade receivables	834.95
Cash and cash equivalents	99.76
Bank balances other than cash and cash equivalents	218.56
Other financial assets	71.48
Other current assets	204.40
Total current assets hypothecated as security	**2,587.55**
Total assets hypothecated as security	**2,846.23**

48 Commitments

	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for:	
Property plant and equipment	2.78
	2.78

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UNIMECH AEROSPACE AND MANUFACTURING LIMITED BENGALURU 560 058

Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
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Notes forming part of the Special Purpose Standalone Financial Statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

49 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 to note 27.1 for breakup of the Company's revenue by primary geographical market.

(c) During the year ended 31 March 2023, revenue from operations of two customers represented approximately 60.32% and 10.17% of the Company's revenue from operations.

50 Subsequent events

i) The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on March 04, 2024 and Consequently the name of the Company has changed to Unimech Aerospace and Manufacturing Limited pursuant to a fresh certificate of incorporation issued by ROC on June 21, 2024.

ii) The Company has incorporated a new wholly owned subsidiary in the United States of America by the name of Unimech Global Manufacturing Solutions Inc for which the certificate of incorporation was issued on May 29, 2024

iii) The Company has constituted an audit committee on July 3, 2024 as mandated under the Provisions of the Companies Act, 2013 and relevant rules thereunder.

iv) Pursuant to the Shareholders resolution dated December 23, 2023, the Company split 1,10,000 equity shares of INR 100 each divided into 22,00,000 equity shares of INR 5 each and increased authorized share capital of the Company from INR 110.00 lakhs to INR 3,000.00 lakhs by addtional creation of 5,78,00,000 equity share of INR 5 each.

v) Pursuant to the Shareholders resolution dated December 27, 2023, the Company has issued 419,09,600 equity shares having face value of INR 5 each by way of bonus issue to its shareholders by utilising an amount of INR 2,095.48 lakhs from the balance in retained earnings and securities premium in the ratio of 1:20.

vi) The Company raised money by way of Preferential Allotment of 36,67,090 equity shares of face value Rs 5/- each at a price of Rs 681.74 /-per share (Including a premium of Rs 676.74 per share) aggregating to Rs 250 Crores.

vii) The Company has converted the compulsory convertable debentures of 30,000 in to 544 equity shares during FY 2023-24.

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

Pankaj S Bhauwala
Partner
Membership No: 233552

Place: Bengaluru
Date: August 07, 2024

For and on behalf of the Board of Directors
Unimech Aerospace and Manufacturing Limited
(formerly Unimech Aerospace and Manufacturing Private Limited)
CIN: U30305KA2016PLC095712

Ramakrishna Kamojhala
Director and CFO
DIN: 07004517

Anil Kumar Puttan
Director
DIN: 07683267

Krishnappayya Desai
Company Secretary
Membership No.: A61281

Place: Bengaluru
Date: August 07, 2024

Place: Bengaluru
Date: August 07, 2024