



PUNDARIKASHYAM AND ASSOCIATES

CHARTERED ACCOUNTANTS

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2. 7-310, Shop No. 204, Padma Towers, South Bypass Road, Ongole, 523001.
3. Flat No. 202, 2nd Floor, Vijaya Ganapathi Nilayam, Ayyappa Nagar, Murali Nagar, Near Masjid Junction,
Visakhapatnam, Andhra Pradesh - 530007.
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INDEPENDENT AUDITORS' REPORT

To

The Members of M/s. GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2024, and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and the loss and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B";



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

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

(h) The Company has not declared or paid any dividend during the year hence the compliance under section 123 of the Companies Act, 2013 is not required.

(i) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to database when using certain access rights, as described in note 2.8 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software(s) where the audit trail has been enabled.

For Pundarikashyam & Associates

Chartered Accountants

Firm Registration No.011330S

B. Surya Prakasa Rao



B. Surya Prakasa Rao
Partner

Membership No.205125

UDIN: 24205125BKADV4309

Place: Hyderabad

Date: 27-05-2024

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of **GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED** of even date)

In terms of the information and Explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

As required by Section 143(3) of the companies Act 2013, we report that:-

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its Property, Plant & Equipment or intangible assets or both during the year.

(e) No Proceedings have been initiated against the company for the holding of benami property under Benami Transactions (prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
2. a. As informed by the company, the physical verification of inventory has been conducted at reasonable intervals by the management.

b. The quarterly returns/Statements Filed by the company with banks/ financial institutions are in agreement with the books of the Company.
3. The company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.
4. There are no loans, investments, guarantees, and security in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the order is not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013.



6. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the order is not applicable to the Company.
7. (a). According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and any other statutory dues have generally been regularly deposited during the year.
- (b). In our opinion no undisputed amounts payable in respect of sales tax, service tax and value added tax ,Goods and Service tax, wealth tax , duty of customs, cess and other statutory dues which have remained outstanding as at 31st March' 2024 for a period of more than six months from the date they became payable except the following

S.No.	Statue	Financial Year	Section	Amount
1	Income Tax Act' 1961	2020-21	234E	11,200
2	Income Tax Act' 1961	2019-20	234E	1,50,800
3	Income Tax Act' 1961	2018-19	234E	20,000
4	Income Tax Act' 1961	Previous Years	234E	1,53,600

8. There are no transactions that are not recorded in the books of accounts to be surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act 1961.
9. (a) In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable
- (b). the Company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- (c). The term loans have been utilized for the purposes for which they were obtained.
- (d). The funds raised on a short term basis have not been utilized for long term Purposes.
- (e). The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries or joint ventures.
- (f). The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associates companies.
10. (a). In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (b). The company has not made any preferential allotment or private placement of shares / debentures during the year.



11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under Sub-Section (12) of section 143 of the Companies act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) No whistle-blower complaints received during the year by the Company.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. As per the provisions of the Companies Act 2013, there is no applicability of Internal Audit. However, the company has put in place Internal Controls to monitor the compliance in a timely manner to take corrective actions.
15. The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
16. (a) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
- (d) The group does not have any core investment Company.
Accordingly, the requirement to report on clause 3(xvi) of the order is not applicable to the Company.
17. The company has not incurred cash losses in the current financial year, however in company incurred cash losses amounting to Rs. 23.38 Lakhs in the immediately preceding Financial Year.
18. There has been no resignation of the statutory auditors during the year.



19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities , other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. (a) Second proviso to sub-section (5) of section 135 of the said Act is not applicable to the Company.
- (b) Provisions of sub section (6) of section 135 of the said Act is not applicable to the Company.
21. The accounts reported being standalone financials the requirement to report on clause 3(xxi) of the order is not applicable to the company.

For PUNDARIKASHYAM AND ASSOCIATES

Chartered Accountants

Firm Registration No. 011330S

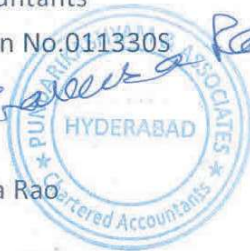
B. Surya Prakasa Rao
B. Surya Prakasa Rao
Partner

Membership No. 205125

UDIN: 24205125BKADV4309

Place: Hyderabad

Date: 27-05-2024



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s. Gee Pee Aerospace and Defence Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For PUNDARIKASHYAM AND ASSOCIATES

Chartered Accountants

Firm Registration No.0113305

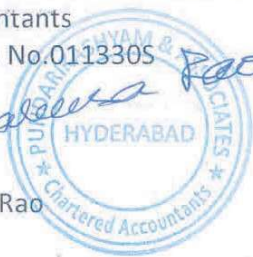
B. Surya Prakasa Rao
Partner

Membership No.205125

UDIN: 24205125BKADV4309

Place: Hyderabad

Date: 27-05-2024



includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted above, in our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter and Twelve months ended **31-Mar-2024** as well as year to date results for the period from **01-Apr-2023 to 31-Mar-2024**.

For Pundarikashyam & Associates
CHARTERED ACCOUNTANTS
Firm Registration No.011330S

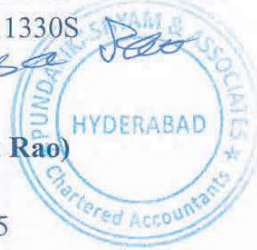
B. Surya Prakasa Rao
(CA. B. Surya Prakasa Rao)
Partner

Membership No. 205125

Place: Guntur

Date: 30-May-2024

UDIN: **24205125BKADV3543**



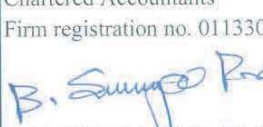
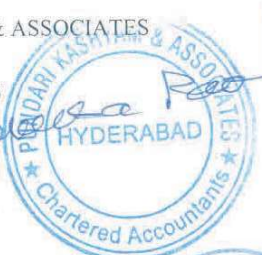




GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Plot no's 75 & 81, Phase-III, Pashamailaram Mandal, Patancheru, Medak- 502307, India

CIN: U29100TG1988PTC008777

BALANCE SHEET AS AT 31-03-2024

Rs. in Lakhs

Particulars	Note No.	As at 31-03-2024	As at 31-03-2023
ASSETS			
Non-current Assets			
Property, plant and equipment	3	285.94	285.13
Capital work-in-progress	3	513.16	121.59
Intangible Assets	3	-	-
Financial Assets:			
- Investments		-	-
- Others	4	4.76	3.40
Other Non-Current Assets	5	17.22	37.19
		821.08	447.31
Current Assets			
Inventories	6	79.20	59.49
Financials Assets:			
- Trade receivables	7	32.74	162.43
- Cash and Cash Equivalents	8	0.34	0.21
-Bank balances other than cash and cash equivalents	8	24.52	23.14
Other Current Assets	9	49.84	20.57
		186.64	265.84
Total Assets		1,007.72	713.15
Equity and Liabilities			
Equity			
Equity Share Capital	10	30.84	30.84
Other Equity	11	49.17	51.46
		80.01	82.30
Liabilities			
Non-current Liabilities			
Financial Liabilities:			
Borrowings	12	684.39	438.32
Provisions	13	1.92	1.92
Deferred Tax Liabilities (net)	14	29.36	32.24
		715.67	472.48
Current Liabilities			
Financial Liabilities:			
Borrowings	15	68.80	56.09
Other Financial Liabilities	16	32.44	-
Trade Payables	17	33.50	68.91
Other Current Liabilities	18	77.30	33.37
		212.04	158.37
Total Equity and Liabilities		1,007.72	713.15
Significant accounting policies & Notes to accounts	1 & 2		
As per our report attached For PUNDARIKASHYAM & ASSOCIATES Chartered Accountants Firm registration no. 011330S			
 B.SURYA PRAKASA RAO Partner Membership No. 205125 UDIN: 24205125BKADV4309 Place: Hyderabad Date: 27-05-2024			
		 P. SRINIVAS REDDY Director DIN: 00359139	 K.VAMSHIDHAR REDDY Director DIN: 01133873
			

GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Plot no's 75 &81, Phase-III, Pashamailaram Mandal, Patancheru, Medak- 502307 India

CIN: U29100TG1988PTC008777

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2024

Rs. in Lakhs

Particulars	Note No.	For the year ended 31-03-2024	For the year ended 31-03-2023
INCOME			
Revenue from operations	19	513.91	263.96
Other Income	20	1.85	4.11
Total Income(i+ii)		515.76	268.07
Expenses:			
Cost of material consumed	21	100.71	89.42
Changes in inventories of Work-in-Progress	22	35.69	(42.46)
Employees benefit expense	23	182.64	124.79
Finance costs	24	66.01	32.61
Depreciation and amortisation expense	3	41.84	37.19
Other expenses	25	94.05	87.08
Total Expenses		520.94	328.64
Profit Before Tax (v-vi)		(5.18)	(60.57)
Tax Expense			
Current Tax	26	-	0.43
Earlier Year Taxes		-	-
Deferred Tax	14	(2.89)	(1.62)
Profit for the Year		(2.29)	(59.39)
Earning Per Equity Share			
Basic		(7.44)	(192.60)
Diluted			
Wt Average No.of Equity shares of Rs.100 /- each		30,835	30,835


Significant accounting policies & Notes to accounts 1 & 2

As per our report attached
For PUNDARIKASHYAM & ASSOCIATES
Chartered Accountants
Firm's registration no. 011330S

For and on behalf of the Board of Directors of
Gee Pee Aerospace and Defence Private Limited


B.SURYA PRAKASA RAO
Partner
Membership No.205125
UDIN: 24205125BKADVF4309


P. SRINIVAS REDDY
Director
DIN: 00359139


K.VAMSHIDHAR REDDY
Director
DIN: 01133873

Place: Hyderabad
Date: 27-05-2024



GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Plot no's 75 & 81, Phase-III, Pashamailaram Mandal, Patancheru, Medak- 502307 India

CIN: U29100TG1988PTC008777

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2024

Rs. in Lakhs

S.No.	Particulars	For the year ended 31-03-2024		For the year ended 31-03-2023	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before Tax and Extraordinary Items		(5.18)		(60.57)
	<u>Adjustments for:</u>				
	- Depreciation	41.84		37.19	
	- Profit on sale of Asset	-		(2.50)	
	- Written off of Good will	-		0.30	
	- Finance Cost	66.01		32.61	
			107.85		67.60
	Operating Profit before Working Capital Changes		102.67		7.03
	<u>Adjustments for:</u>				
	- (Increase)/Decrease in trade receivables	129.69		(117.31)	
	- (Increase)/Decrease in Inventories	(19.71)		(59.48)	
	- (Increase)/Decrease in other financial & Other current assets	(32.01)		(0.56)	
	- Increase/(Decrease) in Provisions	-		(7.78)	
	- Increase/(Decrease) in trade payables & Other current liabilities	40.95	118.92	90.03	(95.10)
	Cash generated from operating activities		221.59		(88.07)
	Income taxes paid (Net)		-		(0.43)
	Net Cash from Operating Activities		221.59		(88.50)
B.	Cash Flow from Investing Activities				
	Sale of Property, plant & equipment	-		4.20	
	Purchase of property, plant & equipment, Capital wor in progres	(434.21)	(434.21)	(188.20)	(184.00)
	Net Cash from Investments Activities		(434.21)		(184.00)
C.	Cash Flow Financing Activities				
	Proceeds from Long term borrowings inc;uding current maturities	278.76		301.80	
	Finanace cost	(66.01)		(32.61)	
	Net Cash from Financing Activities		212.75		269.18
	Net Change in Cash & Cash Equivalent (A+B+C)		0.13		(3.32)
	Opening balance of cash & cash equivalents		0.21		3.53
	Closing balance of cash & cash equivalents		0.34		0.21
	<u>Components of Cash and Cash Equivalents</u>				
	Cash On Hand		-		-
	Balances in Current Account		0.34		0.21
	Other Bank balances - FD		-		-
	Total Cash & Cash Equivalents		0.34		0.21

As per our Report of even date.

For PUNDARIKASHYAM & ASSOCIATES

Chartered Accountants

Firm registration no. 011330S

B.SURYA PRAKASA RAO

Partner

Membership No. 205125

UDIN: 24205125BKADVF4309

Place: Hyderabad

Date: 27-05-2024

For and on behalf of the Board of Directors

Gee Pee Aerospace and Defence Private Limited

W. SRINIVAS REDDY

Director

DIN: 00359139

K.VAMSHIDHAR REDDY

Director

DIN: 01133873



GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Note : 3 Property, Plant and Equipment

Rs. in Lakhs

	Freehold Land	Buildings	Plant and Machinery	Electrical Equipment's	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total Property, Plant and Equipment	Intangible - Software	Total
As at April 01, 2022	23.05	81.84	457.22	25.22	3.03	14.18	15.76	3.10	623.40	0.30	623.70
Additions During the Year	-	-	8.81	2.65	-	1.46	16.50	-	29.42	-	29.42
Disposal during the year	1.70	-	-	-	-	-	-	-	1.70	0.30	2.00
As at March 31, 2023	21.35	81.84	466.03	27.87	3.03	15.64	32.26	3.10	651.12	-	651.12
Additions during the Year	-	-	34.36	-	5.94	0.30	2.05	-	42.65	-	42.65
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	21.35	81.84	500.38	27.87	8.97	15.93	34.32	3.10	693.77	-	693.77
Accumulated depreciation and amortisation											
As at April 01, 2022	-	45.02	232.48	21.31	2.65	12.68	13.84	0.82	328.80	-	328.80
Charge for the year	-	2.56	29.21	0.84	0.17	0.67	3.38	0.37	37.19	-	37.19
Disposals for the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	47.58	261.69	22.15	2.82	13.35	17.22	1.19	365.99	-	365.99
Charge for the year	-	2.56	31.16	0.97	0.39	0.66	5.82	0.28	41.84	-	41.84
Disposals for the year	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	50.14	292.85	23.12	3.21	14.01	23.04	1.46	407.83	-	407.83
Net Block											
As at March 31, 2024	21.35	31.70	207.53	4.76	5.77	1.92	11.28	1.64	285.94	-	285.94
As at March 31, 2023	21.35	34.26	204.34	5.73	0.21	2.28	15.04	1.91	285.13	-	285.13

Capital work in progress (CWIP)

Ageing Schedule

Particulars	March 31, 2024					March 31, 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	391.57	121.59	-	-	513.16	121.59	-	-	-	121.59
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	391.57	121.59	-	-	513.16	121.59	-	-	-	121.59



GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED
Notes to accounts forming part of Balance Sheet as at 31.03.2024

4 Financial assets - Others :

	As At 31-03-2024	As at 31-03-2023
Electricity Deposit	4.76	3.40
Total	4.76	3.40

5 Other Non-Current Assets

	As At 31-03-2024	As at 31-03-2023
Advance for Capital Goods	17.22	37.19
Total	17.22	37.19

6 Inventories (at lower of cost and net realisable value)

(As taken, valued & certified by the Management)

	As At 31-03-2024	As at 31-03-2023
Spares & Consumable Items	72.43	17.03
Work-in-Progress	6.77	42.46
Total	79.20	59.49

7 Trade Receivables:

	As At 31-03-2024	As at 31-03-2023
Unsecured considered good	17.22	138.97
Undisputed Considered doubtful	15.52	23.46
Total	32.74	162.43

Trade Receivables ageing schedule as at 31st March, 2024

Particulars	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	
(i) Undisputed Trade receivables - considered good	12.53	0.49	-	4.20		17.22
(i) Undisputed Trade receivables - considered doubtful	-	-	-	2.20	13.32	15.52
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
Total	12.53	0.49	-	6.40	13.32	32.74

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	134.95	4.01	-	-	-	138.97
(i) Undisputed Trade receivables - considered doubtful	-	1.62	6.45	9.01	6.39	23.47
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-
Total	134.95	5.63	6.45	9.01	6.39	162.43

8 Cash and Cash Equivalents :

	As At 31-03-2024	As at 31-03-2023
Cash & Cash Equivalents :		
Cash on hand	-	-
Balance with banks On Current Accounts		
- in SBI Bank	0.34	0.21
	0.34	0.21
Other Bank balances :	24.52	23.14
Total	24.86	23.35

9 Other Current Assets:

	As At 31-03-2024	As at 31-03-2023
Advances to Suppliers	0.38	0.92
Staff advances	0.15	-
Interest Accrued	0.15	0.15
MAT credit entitlement account	9.54	9.54
Income tax Refund Due (net)	11.82	2.23
GST Input Tax Credit	23.60	3.53
Other Assets	4.20	4.20
Total	49.84	20.57

10 Equity Share Capital:

	As At 31-03-2024	As at 31-03-2023
Authorised Share Capital:		
Equity Shares of Rs.100/-each	75.00	75.00
Issued, Subscribed & fully Paid Up		
Equity Shares of Rs.100/- each	30.84	30.84
Total	30.84	30.84

a. Reconciliation of equity shares outstanding at beginning and at end of the year

	As at 31-03-2024		As at 31-03-2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the Year	30,835	30.84	30,835	30.84
Issued during the year	-	-	-	-
At the end of the year	30,835	30.84	30,835	30.84

b. The details of shareholder holding more than 5% equity shares are set out below;

Name of Shareholder	As at 31-03-2024		As at 31-03-2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MTAR Technologies Ltd	30,835	100%	30,835	100%
Total	30,835	100%	30,835	100%

c. Rights, preferences and restrictions attached to shares:

- The Company has one class of Equity shares of Rs. 100/- each. The equity shares rank pari passu in all respects including right to dividend, issue of new shares, voting rights and in the assets of the company in the event of liquidation.
- The company has not allotted any shares pursuant to contract without payment being received in cash, nor by way of bonus shares nor bought back any shares during the immediately preceding five financial years.



d. Details of shares held by promoters

As at 31st March 2024

MTAR Technologies Ltd acquired 100% of promoters shares by way of share purchase agreement dated 02-06-2022 for net consideration of Rs. 668.35 Lakhs.

As at March 31, 2023

Equity shares of Rs. 100 each fully paid

Promoter Name	No. Of Shares at the beginning of the Year	Change During the Year	No. Of Shares at the end of the Year	% of total shares	% Change during the year
MTAR Technologies Ltd	-	30835	30,835	100%	100.00%
Ghanshyam Pandey	9,512	(9,512)	-	-	-30.85%
Susmita Pandey	8,797	(8,797)	-	-	-28.53%
Kavita Pandey	6,381	(6,381)	-	-	-20.69%
Anuragini Tiwari	4,430	(4,430)	-	-	-14.37%
Sheetanshu Lalit Pandey	1,715	(1,715)	-	-	-5.56%
Total	30,835	-	30,835	100%	0.00%

11 Other Equity :

	As At 31-03-2024	As at 31-03-2023
Capital Reserve		
At the beginning of the accounting period	-	-
Investment Allowance reserve	0.96	0.96
Investment Subsidy	14.65	14.65
Against sale of Land	135.90	135.90
Addition During the year :	-	-
At the end of the year	151.51	151.52
Securities Premium		
At the beginning of the accounting period	59.35	59.35
Additions during the year	-	-
At the end of the year	59.35	59.35
Surplus in P&L		
At the beginning of the accounting period	(159.40)	(100.01)
Additions during the year (balance in Statement of Profit & Loss)	(2.29)	(59.39)
At the end of the year	(161.69)	(159.40)
Grand Total	49.17	51.46

12 Financial Liabilities - Borrowings :

	As At 31-03-2024	As at 31-03-2023
Loan from Holding Company	611.66	416.65
Interest on loan from Holding Company	72.73	21.67
Total	684.39	438.32

13 Financial Liabilities - Provisions :

	As At 31-03-2024	As at 31-03-2023
Provision for Gratuity	-	-
Other Provisions	1.92	1.92
Total	1.92	1.92



14 Deffered tax liabilities (net) :

	As At 31-03-2024	As at 31-03-2023
Relating to Fixed Assets	29.36	32.24
Related to Gratuity	-	-
Deferred Tax Liability (net)	29.36	32.24

The Company offsets deferred tax assets and 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.

Current Liabilities :**15 Financial Liabilities - Borrowings :**

	As At 31-03-2024	As at 31-03-2023
Secured Loans From Banks		
Canara Bank - OCC/ODBC	68.80	56.09
Total	68.80	56.09

Canara bank sanctioned fund base limit of Rs. 1.13 Cr and Non-fund base limit of Rs. 0.85 Cr on following terms.

1. Interest rate at 12.40% (RLLR i.e., 9.40%+ 3.00%) per annum.
2. Primary Security on Stocks & Book debts.
3. Collateral Security :-
 - Hyphothication of existing plant & Machinery.
 - MODTD of Industrial land & Building situated at Plot No. 75 & 81, Sy.No. 169 & 171, Phase-III, Pashyamyaram Village. Patancheruvu Mandal, Medak Dist., Telangana.

16 Other Financial Liabilities

	As At 31-03-2024	As at 31-03-2023
Payable for Capital Goods	32.44	-
Total	32.44	-

17 Trade Payables :

	As At 31-03-2024	As at 31-03-2023
- dues of micro and small enterprises	30.78	57.61
- dues of creditors other than micro and small enterprises	2.72	11.30
Total	33.50	68.91

Trade Payables ageing schedule: As at 31st March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	28.25	1.79		0.74	30.78
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.71	-	-	-	2.71
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	30.96	1.79	-	0.74	33.49



Trade Payables ageing schedule: As at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	57.25	0.36	-	-	57.61
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	10.61	0.34	0.18	0.18	11.30
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	67.86	0.70	0.18	0.18	68.91

18 Other Current Liabilities :

	As At 31-03-2024	As at 31-03-2023
Statutory remittances	5.37	8.66
Due to Employees	18.24	18.98
Creditors for expenses	5.01	5.73
Advance from Customers	48.68	-
Total	77.30	33.37



GEE PEE AEROSPACE AND DEFENCE PRIVATE LIMITED

Notes to accounts forming part of Statement of Profit and loss for the year ended 31-03-2024

19 Revenue From Operations :

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Sale of Products	64.08	35.06
Sale of Services	449.83	228.89
Total	513.91	263.96

20 Other Income:

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Interest	1.85	1.61
Profit on sale of Land	-	2.50
Total	1.85	4.11

21 Cost of materials consumed including Stores & consumables:

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Inventory at the beginning of the year	17.03	-
Purchases of		
Raw-materials	-	1.51
Consumable Stores	153.67	102.56
Packing Material	0.68	0.23
Tools & Spares	1.76	2.14
Less: Inventory at the end of the year	72.43	17.03
Cost of materials consumed	100.71	89.42

22 Changes In Inventories - Work in progress :

	For the Period ended 31-03-2024	For the year ended 31-03-2023
At the beginning of the accounting period		
- Work in Progress	42.46	-
	42.46	-
At the end of the accounting period		
- Work in Progress	6.77	42.46
Total	35.69	(42.46)

23 Employees Benefit Expenses

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Salaries		
Salaries and other allowances	160.87	104.09
Directors' Remuneration	-	1.57
Contribution to provident and other funds		
Contribution to Provident Fund	10.89	6.59
Contribution to Employees State Insurance Fund	2.32	1.30
Other Expenses		
Staff Welfare	2.38	3.11
Bonus	6.18	8.13
Gratuity	-	-
Total	182.64	124.79



24 Financial Costs:

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Interest to Bank	6.34	4.61
Interest to Related party	56.73	24.08
Bank Charges	2.93	3.92
Total	66.01	32.61

25 Other Expenses:

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Sub-contractor charges	6.72	8.70
Power and fuel	29.40	28.24
Inspection Charges	-	0.09
Repairs and Maintenance		
- Plant and Machinery	20.68	8.04
- Others	2.68	2.25
Insurance	0.96	0.66
Rates & Taxes	0.53	0.44
Communication	0.90	0.39
Travelling and conveyance	0.90	2.17
Printing & Stationery	1.53	0.71
Freight and forwarding	1.69	0.70
Consultancy and Professional Charges	1.60	5.11
Security Charges	8.71	4.78
Payment to auditors for		
- Statutory Audit	3.00	2.00
- Tax Audit	1.00	-
Bad debts w/off	-	10.58
Filing Fees	0.10	0.24
GST paid (Ineligible ITC paid through DRC-03)	-	1.72
Labour charges	-	0.89
Interest & Penalties on PF & ESI	8.12	-
Office Expenses	0.34	3.35
Factory Expenses	5.20	5.66
Membership Fees	-	0.06
Subscriptions	-	0.05
Web Designing Charges	-	0.26
Total	94.05	87.08

26 Current Tax:

	For the Period ended 31-03-2024	For the year ended 31-03-2023
Current Tax	-	0.43
MAT Credit Entitlement Account	-	-
Add / (Less) : Income Tax for earlier years	-	-
	-	0.43



Notes to Financial Statements

1. Corporate Information

Gee Pee Aerospace & Defence Private Limited ("the Company") was a private limited Company domiciled in India, and incorporated on June 20, 1988 under the provisions of the erstwhile Companies Act, 1956 replaced with Companies Act 2013 ("Act") w.e.f. April 1, 2014 with its registered office at Plot No's 75 & 81, Phase-III, Pashyamilaram Mandal, Patancheru, Hyderabad, Telangana, India 502307. The Company is 100% subsidiary of MTAR Technologies Limited. The Company is specializing in manufacture of CNC machined components for the Aviation, Space, Defence and General Engineering Industries. The company is AS9100D and ISO 9001:2015 certified.

2. Basis of preparation and presentation and significant accounting policies.

2.1 Basis of Preparation

The financial statements for the year ended March 31, 2024 comprising of balance sheet as at March 31, 2024, statement of profit and loss and cash flow statement and statement of changes in equity for the year ended, (together hereinafter referred to as "financial statements") have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS Compliant Schedule III), as applicable to the financial statements (to the extent notified) and other accounting principles generally accepted in India. The financial statements have been prepared on a historical cost convention on accrual basis except financials assets and liabilities (Refer accounting policy on financial instrument).

2.1.a Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is also the company's functional currency and the amounts have been rounded off to lakhs with two decimal places, unless otherwise stated.

2.1.b Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results may differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively.

2.2 Summary of significant accounting policies

These notes provide a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. Current and non-current classification:

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

An asset is current, when it satisfies any of the following criteria:

- It is expected to be realized or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

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



Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Property, plant and equipment

Freehold land is carried at cost, net of tax / duty credit availed, net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development, net of accumulated impairment loss, if any, as at the balance sheet date.

Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance.

Depreciation:

Depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives prescribed under the Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e., from (up to) the date on which the assets is ready for use (disposed off). For the assets costing less than Rs.5,000, based on internal assessment and materiality the management has estimated that the same shall be depreciated in the year of purchase.

Intangible assets

Goodwill of the company recognised at cost prior to 1998 at Rs.30,000/-. During the previous year 2022-23 management of the company assessed the carrying amount of good will and written off the good will in books of accounts.

Derecognition:

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss when the asset is derecognized.

c. Impairment:

At each reporting date, management reviews the carrying amounts of its Property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.



d. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

e. Revenue Recognition

Revenue from contract with customers

Revenue from contracts with customer 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. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates. Amounts collected on behalf of third parties such as Goods and service Tax (GST) are excluded from revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of Goods:

Revenue from sale of the goods are recognized when all the risks and rewards pertinent to the goods are transferred to the customer.

Interest Income:

Interest income is recognized as it accrues to the company using the effective interest rate method.

f. Employee benefits:

i) Defined contribution plans:

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 recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

ii) Defined benefit plan:

The company is required to provide for gratuity, defined benefit retirement plan covering eligible employees. However, the company has not recognized provision of gratuity in the books. Further the company has not provided for the liability towards the Leave encashment of the employees.

g. Borrowing costs:

Borrowing costs are interest and other cost incurred in connection with the borrowing of funds. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the year in which they are incurred.



h. Foreign currency transactions

Financial statements of Company are measured using currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian rupees (INR), which is the functional currency of the Company.

There are no foreign currency transactions during the year 2023-24.

i. Earnings per share:

Basic earnings per share are calculated by dividing the profit attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

j. 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.

i. **Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. Trade receivables are measured on initial recognition at the transaction price. All other financial assets and financial liabilities are initially recognized when the company becomes party to the contractual provisions of the instrument. Further the Working Capital loans, Trade receivables and Trade payables carrying values presented in the financial statements approximate their fair values.

ii. Classification and subsequent measurement:

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortized cost
- FVOCI – Debt investment
- FVTPL – equity investment

Financial assets are not reclassified subsequent to their initial recognition , except if and in the year the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- The asset is held within business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL

- The asset is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investments fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment by investment basis.

Financial assets : Business Model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to the management. The information considered includes.

- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about the future sales activity

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments for principal and interest.

For the purpose of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. on recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount is substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognized in profit or loss

Financial assets at amortized cost:

These assets are measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss

Debt investments at FVOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains all or substantially all of the risks and rewards of the transferred asset, the transferred assets are not derecognized.

Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The company also derecognizes a financial liability when its terms are modified and its cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

The Company recognizes the loss allowances for:

- financial assets measured at amortized cost; and
- financial assets measured at FVOCI-debt investment

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one



or more events that have detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data.

- Significant financial difficulty of the borrower or issuer,
- The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- It is probable that the borrower will enter the bankruptcy or the financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties

The company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following which are measured as 12 month expected credit losses.

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and the bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for the trade receivable are always measured at an amount equal to expected lifetime credit losses. Life time expected credit losses are the credit losses that result from all possible default events over the expected life of a financial instrument.

Measurement and presentation of allowances for expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive)

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and recognized in OCI.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with company's procedures for recovery of amounts due.

k. Income Tax

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred income taxes is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Where the Company has carry forward of



unabsorbed depreciation or tax losses deferred tax assets are recognized only if it is virtually certain backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

I. Cash Flow Statement:

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank over drafts. Bank over drafts are shown within borrowings in current liabilities in the balance sheet.

m. Measurement of earnings before interest, tax and depreciation (EBIDT)

As permitted by schedule III of the companies Act, 2013, the company has elected to present earnings before interest, tax and depreciation (EBIDT) as a separate line item on the face of the statement of profit and loss. The company measures EBIDT on the basis of profit/loss from continuing operations. In its measurement, the company has not included the depreciation expenses, finance cost, tax expense and other income.

n. Events occurring after the balance sheet date:

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet are adjusted to respective assets.

o. Contingent Liabilities and commitments:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

p. Critical estimates and judgments:

The preparation of financial statements requires the use of accounting estimates and the management needs to exercise judgment in applying the accounting estimates and policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Pending Litigations:

According to the information and explanations given to us, there are no material dues of sales tax, service tax and value added tax, wealth tax, duty of customs, GST and cess which have not been deposited with the appropriate authorities on account of any dispute except the following

S.No.	Statue	Financial Year	Section	Amount
1	Income Tax Act' 1961	2020-21	234E	11,200
2	Income Tax Act' 1961	2019-20	234E	1,50,800
3	Income Tax Act' 1961	2018-19	234E	20,000
4	Income Tax Act' 1961	Previous Years	234E	1,53,600



q. Auditor's Remuneration:

Professional & consultancy charges include the remuneration paid/payable to auditors as follows:

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees	3.00	2.00
Tax audit fees	1.00	0.00

2.3 Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2016

The Management has identified enterprises which have provided goods and services of the company and which qualify under the definition of Micro and Small enterprises, as defined under Micro and Small Enterprises Development Act, 2006.

Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 has been made in the financial statements based on information received and available with the company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

The company has not received any claim for interest from any supplier under the said Act.

Sl no	Particulars	Rs. in Lakhs	
		31-Mar-24	31-Mar-23
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	30.78	57.61
b)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period;	NIL	NIL
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 this Act;	NIL	NIL
d)	The amount of interest accrued and remaining unpaid at the end of the period;	NIL	NIL
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	NIL	NIL

2.4 Related party disclosures:

a) Names of related parties and nature of relationship:

Holding Companies	MTAR Technologies Limited
Key managerial personnel	P.Srinivas Reddy
Directors as on 31.03.2024	P.Srinivas Reddy K. Vamshidhar Reddy G.Venkata Satish Kumar Reddy



b) Related parties' transactions during the year:

Rs. in Lakhs

Particulars	For the Year Ended 31-03-2024	For the Year Ended 31-03-2023
Term Loan from MTAR Technologies Limited	195.01	416.65
Sales/Services to MTAR Technologies Limited	435.22	223.76
Purchases from MTAR Technologies	0.00	0.00
Interest on Loan paid/Payable	51.06	21.67
Remuneration	0.00	1.57

c) Related party balances at the end of the year:

Rs. in Lakhs

Particulars	As At 31-03-2024	As At 31-03-2023
Term Loan from MTAR Technologies Limited	611.66	416.65
Sales/Services to MTAR Technologies Limited	(48.68)	135.74
Purchases from MTAR Technologies	0.00	0.00
Interest on Loan paid/Payable	72.73	21.67

2.5 Earnings Per share (EPS):

The computation of earnings per share is set out below

Rs.in Lakhs

Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023
Earnings (Amt in Rs.):		
Profit/Loss as per the statement	(2.29)	(59.39)
Shares:		
Number of shares at the beginning of the year	30835	30835
Total number of equity shares outstanding at the end of the year	30835	30835
Weighted average number of equity shares outstanding during the year-Basic and Additional	30835	30835
Earnings per share in Rs. Par value Rs.100 per share:		
Basic and diluted	(7.44)	(192.60)

2.6 Income taxes relating to continuing operations:

Income tax recognized in profit or loss

Rs. in Lakhs

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Current tax		
In respect of the current year	-	0.43
In respect of the prior year	-	-
Deferred Tax		
In respect of the current year	(7.44)	(1.62)

2.7 Segment Reporting:

The Company recognises business segment as primary reporting segment and geographical segment as the secondary reporting segment.

The Company is engaged in the manufacture or services of single product i.e Dies/Moulds.



2.8 The Company has used accounting software MS Navision for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to MS Navision accounting software. Further no instance of audit trail feature being tampered with was noted in respect of accounting software where the audit trail has been enabled.

2.9 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent Assets are neither recognized nor disclosed. Contingent Liabilities – Current year – Nil (Previous Year – Nil).

2.10 FOREIGN CURRENCY TRANSACTIONS: During the year neither there was any inflow nor outflow of money involving foreign exchange.

2.11 The Company does not hold any properties as benami property and no proceedings have been initiated under Benami Transactions (Prohibition) Act, 1988 and the rules made there under

2.12 The Company has not been declared as wilful defaulter by Bank/ Financial Institutions/ other lenders.

2.13 During the year 2023-24, the company has not entered into any scheme of arrangements.

2.14 There has been no undisclosed income has been assessed.

2.15 The Company has not traded in any crypto currency.

2.16 Ratio analysis and its elements – Annexed to these notes to as Annex-I

2.17 Previous year figures have been regrouped/ reclassified wherever if thought necessary in conformity with the current year groupings. Figures have been rounded off to nearest Rupees in Lakhs. Notes on financial statements, Cash Flow Statement and statement on accounting policies form an integral part of the balance sheet and statement and statement of profit & loss.

**For Pundarikashyam And Associates
Chartered Accountants**

Firm Registration.No.: 0113305

B. Surya Prakasa Rao
B. Surya Prakasa Rao

Partner

Membership No: 205125

UDIN: 24205125BKADV4309

Place: Hyderabad

Date: 27-05-2024

**For and on behalf of the Board of Directors of
Gee Pee Aerospace and defence private limited**

P. Srinivas Reddy
P. SRINIVAS REDDY

Director

DIN: 00359139

K. Vamshidhar Reddy
K.VAMSHIDHAR REDDY

Director

DIN: 01133873

Notes Forming Part of Financial Statements

Annex - I

Ratio Analysis and its Elements

Ratio Analysis	Numerator	Denominator	31-Mar-24	31-Mar-23	% Change	Reasons for Variance
Current Ratio	Current Assets	Current Liabilities	0.88	1.68	-48%	Decrease due to advance from Customers
Debt Equity Ratio	Total Liabilities	Sharholder's Equity	1.65	0.92	79%	Increase due to loan for expansion of factory.
Debt Service Coverage Ratio	Net Profit after tax + non-cash operating expenses like depreciation and other amortizations +	Current Debt Obligation (Interest + Installments)	0.14	0.02	565%	Increase due to increase in revenue
Return on Equity Ratio	Profit After Tax	Avg. Shareholders Equity	(0.07)	(1.93)	-96%	Increase in revenue
Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	-	-	0%	NA
Trade Receivables Turnover Ratio	Sales	Average Trade Receivables & Advance from Customers	6.31	1.27	396%	Improvement in recovery and advance collection from customers
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	1.52	1.54	-1%	-
Net Capital Turnover Ratio	Net Sales	Working Capital = Current Assets - Current Liabilities	(20.24)	2.46	924%	Due to advance collection from customer.
Net Profit Ratio	Profit After Tax	Net Sales	-0.45%	-22.50%	-98%	Increase in profit due to improvement in revenue
Return on Capital employed	Profit before Interest and Taxes	Capital Employed = Total Assets - Current Liabilities	0.08	(0.05)	-252%	Increase in profit due to improvement in revenue
Return on Investment	Profit After Tax	Investment = Sharholder's Equity	(0.03)	(0.72)	-96%	Increase in profit due to improvement in revenue

Note: 1. Explanation for movement is given where movement is more than 25% when compared to previous year as required by law.

