Independent Auditor's Report

To
The Members of
Magnatar Aero Systems Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Magnatar Aero Systems Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the Loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information other than Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon. Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we 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.

M.V. VIJAYA KUMAR & CO. HYD. CAS

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, Cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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. 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.

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- 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 Companies Act, 2013, we give in the **"Annexure-A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 & Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company did not have any pending litigations on its financial position in its Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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iv.

(a) The management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented to us, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2026 which has a feature of recording the audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software and the audit trail has been preserved by the Company as per the statutory requirements for record retention. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

For **M.V. Vijaya Kumar & Co.,**
Chartered Accountants
FRN 007890S

M. VIJAYA KUMAR & Co. HYD. CAS

C Pratap Reddy
Partner
Membership No: 207895
UDIN: 26207895DCYCRK3964

Place: Hyderabad
Date: May 11, 2026

Annexure –A to Auditors' Report

(Referred to in paragraph 1 of "*Report on Other Legal and Regulatory Requirements* "in our report of even date)

According to the information and explanations given to us, we report that:

(i) The company doesn't have any Property, Plant and Equipment (PPE) and any Intangible assets and hence reporting under Clause 3(i) of the Order is not applicable.

(ii)

a. The Company doesn't have any inventory. Hence, reporting under Clause 3(ii)(a) of the Order is not applicable to the Company.

b. The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year from banks or financial institutions on the basis of security of current assets and hence reporting under Clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or any other parties hence reporting under Clause 3(iii) of the Order is not applicable.

(iv) The company has not granted any loans, made investments or provided guarantees and hence reporting under Clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any Deposits from the public and accordingly the directives issued by Reserve Bank of India, the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of activity carried out by the company.

(vii)

a. According to the information and explanations given to us and on the basis of examination of books of accounts, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, Income tax and other material statutory dues, as applicable with appropriate authorities with some delays.

b. According to the information and explanations given to us, no undisputed dues payable in respect of Income Tax, Goods and Services Tax, cess and other material statutory dues, as applicable were outstanding as at March 31, 2026 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no material dues of Income tax, wealth tax, sales tax, duty of custom, duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute.

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(viii) In our opinion and according to the information and explanations given to us, the Company has not recorded in the books of account any transaction which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) The company has not borrowed any loans from any financial institution/Bank/Debenture holders and hence the Clause 3(ix) is not applicable.

(x)

a. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.

b. The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.

(xi)

a. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

b. As no fraud has been noticed during the year as mentioned at (xi)(a) above, report under sub-Section (12) of Section 143 of the Companies Act in the Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 is not applicable.

c. According to the information and explanations given to us, no whistle-blower complaints has been received during the year by the Company.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company doesn't have an internal audit system and also not mandated under the section 138 of the Companies Act 2013. Hence reporting under Clause 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause 3(xvi) is not applicable to the Company.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has incurred cash losses of Rs. 93,709 in the current Financial Year and Rs. 75,886 in the immediately preceding Financial Year.

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(xviii) There has not been any resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us and based on our examination of the records, Section 135(5) of the Companies Act, 2013 is not applicable to the Company and hence reporting under Clause 3(xx) is not applicable.

For **M.V. Vijaya Kumar & Co.,**
Chartered Accountants
FRN 0007890S

C. Pratap Reddy

M.V. VIJAYA KUMAR & Co. HYD. CAS

C Pratap Reddy
Partner
Membership No: 207895
UDIN: 26207895DCYCRK3964

Place: Hyderabad
Date: May 11, 2026

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 **Magnatar Aero Systems Private Limited** ("the Company") as of March 31, 2026 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.

M.V. VIJAYA KUMAR & Co. HYD. CAS

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, 2026, 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 **M.V. Vijaya Kumar & Co.,**
Chartered Accountants
FRN 0007890S

M. VIJAYA KUMAR & Co. HYD. CAS

C. Pratap Reddy

C Pratap Reddy
Partner
Membership No: 207895
UDIN: 26207895DCYCRK3964

Place: Hyderabad
Date: May 11, 2026

MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

BALANCE SHEET AS AT MARCH 31, 2026

(All amounts in rupees thousands, except share data and where otherwise stated)

PARTICULARS	Note No.	Balance as at March 31, 2026	Balance as at March 31, 2025
I. ASSETS			
Non Current Assets			
(a) Other Non Current Assets	4	-	-
		-	-
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	95.13	95.78
(b) Other Current Assets	6	57.14	43.82
		152.26	139.59
Total Assets		**152.26**	**139.59**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	7	100.00	100.00
(b) Other Equity	8	(554.17)	(460.46)
		(454.17)	**(360.46)**
Current Liabilities			
(a) Other Current Liabilities	9	606.44	500.06
		606.44	**500.06**
Total Equity and Liabilities		**152.26**	**139.59**

See accompanying notes to the financial statements

As per our report of even date
For M.V. Vijaya Kumar & Co.,
Chartered Accountants
Firm Registration No. 007890S

C Pratap Reddy
Partner
M.No. 207895

Place: Hyderabad
Date: May 11, 2026

For and on behalf of the Board

Parvat Srinivas Reddy
Director
DIN: 00359139

Vamshidhar Reddy Kallem
Director
DIN: 01133873

MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in rupees thousands, except share data and where otherwise stated)

	PARTICULARS	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from Operations	10	-	-
II	Other Income		-	-
III	**Total Income (I+II)**		-	-
IV	**Expense**			
	(a) Other Expenses	11	93.71	75.89
	Total Expense		93.71	75.89
V	**Profit / (Loss) before exceptional items and tax (III-IV)**		(93.71)	(75.89)
VI	Exceptional items		-	-
VII	**Profit / (Loss) before Tax (V-VI)**		(93.71)	(75.89)
	Tax Expenses			
	a) Current Tax		-	-
	b) MAT Credit Entitlement		-	-
	c) Deferred Tax		-	-
	Total Tax Expenses		-	-
VIII	**Profit / (Loss) for the year (VI-VII)**		(93.71)	(75.89)
IX	**OTHER COMPREHENSIVE INCOME**			
	(i) items that will not be reclassified subsequently to the statement of profit and loss		-	-
	(a) Remeasurement of defined employee benefit plans		-	-
	(b) Changes in fair values of investment in equities carried at fair value through OCI		-	-
	Total Other Comprehensive Income/ (Losses)		-	-
X	**Total Comprehensive Income For The Year (VIII+IX)**		(93.71)	(75.89)
	Earning Per Equity Share:	14		
	Basic & Diluted EPS - par value of Rs. 1/- per share		(0.94)	(0.76)

See accompanying notes to the financial statements

As per our report of even date
For M.V. Vijaya Kumar & Co.,
Chartered Accountants
Firm Registration No. 007890S

C Pratap Reddy
Partner
M.No. 207895

M.V. VIJAYA KUMAR & Co. HYD. * CAS *

Place: Hyderabad
Date: May 11, 2026

For and on behalf of the Board

Parvat Srinivas Reddy
Director
DIN: 00359139

Vamshidhar Reddy Kallem
Director
DIN: 01133873

MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in rupees thousands, except share data and where otherwise stated)

PARTICULARS	For the year ended	
	March 31, 2026	March 31, 2025
A. Cash Flows from Operating Activities		
Net profit/(loss) before tax	(93.71)	(75.89)
Adjustments for :		
Depreciation	-	-
Operating profit / (loss) before working capital changes	**(93.71)**	**(75.89)**
Adjustments for changes in working capital :		
(Increase)/Decrease in Other Current Assets	(13.32)	(11.42)
Increase / (Decrease) in Other Current Liabilities	106.38	86.65
Cash generated from operations	**(0.65)**	**(0.65)**
Income Tax (Paid)/ Refund Received	-	-
Net Cash from Operating Activities	**(0.65)**	**(0.65)**
B. Cash Flows from Investing Activities		
(Increase)/Decrease in Capital Work in progress	-	-
Net Cash from/(used in) Investing Activities	-	-
C. Cash Flows from Financing Activities		
Reciept of Share Capital	-	-
Net Cash from/(used in) Financing Activities	-	-
Net Increase in Cash and Cash equivalents (A+B+C)	(0.65)	(0.65)
Cash and Cash equivalents at the beginning of the year	95.78	96.43
Cash and Cash equivalents at the end of the year	**95.13**	**95.78**
Note:		
Balances with Banks		
(a) Current Accounts	95.13	95.78
	95.13	**95.78**

See accompanying notes to the financial statements

As per our report of even date
For M.V. Vijaya Kumar & Co.,
Chartered Accountants
Firm Registration No. 007890S

C Pratap Reddy
Partner
M.No. 207895

Place: Hyderabad
Date: May 11, 2026

For and on behalf of the Board

Vamshidhar Reddy Kallem
Director
DIN: 01133873

Director
DIN: 00359139

MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

Statement of changes in equity for the year ended March 31, 2026

(All amounts in rupees thousands, except share data and where otherwise stated)

A. Equity Share Capital

Particulars	Number of Shares	Amount
Equity shares of Rs. 1 each issued, subsribed and fully paid		
Opening balance	1,00,000	100.00
Issued during the year	-	-
Balance as at March 31, 2025	**1,00,000**	**100.00**
Issued during the year	-	-
Balance as at March 31, 2026	**1,00,000**	**100.00**

B. Other Equity

Particulars	Reserves & Surplus		OCI	Total Equity
	Share Premium	Retained Earnings	FVTOCI Reserve	
Opening Balance	-	(3,84,579)	-	**(3,84,579)**
Profit / (loss) for the year	-	(75,886)	-	**(75,886)**
Other comprehensive income (net of tax)	-	-	-	-
Balance as at March 31, 2025	-	**(4,60,465)**	-	**(4,60,465)**
Profit / (loss) for the year	-	(93,709)	-	**(93,709)**
Other comprehensive income (net of tax)	-	-	-	-
Balance as at March 31, 2026	-	**(5,54,174)**	-	**(5,54,174)**

See accompanying notes to the financial statements

As per our report of even date
For M.V. Vijaya Kumar & Co.,
Chartered Accountants
Firm Registration No. 007890S

C. Pratap Reddy

M.V. VIJAYA KUMAR & Co. * CAS *

C Pratap Reddy
Partner
M.No. 207895

Place: Hyderabad
Date: May 11, 2026

For and on behalf of the Board

Parvat Srinivas Reddy
Director
DIN: 00359139

Vamshidhar Reddy Kallem
Director
DIN: 01133873

MAGNATAR AERO SYSTEMS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2026
CIN: U29308TG2019PTC136567
(All amounts in Indian Rupees Thousands, except share data and where otherwise stated)

1. Corporate information:
Magnatar Aero Systems Private Limited ("the Company") is a Company domiciled in India and was incorporated on November 4, 2019 as a private limited company under the provisions of the Companies Act, 2013 and is a wholly owned subsidiary of MTAR Technologies Limited (Holding Company) with its registered office at Plot No B-34, EEIE Balanagar, Hyderabad Telangana 500037.

The company is engaged in the business of manufacturing high precision and heavy equipment, components, machines for sectors including power generation, aviation automobile industries, aerospace, defence, etc.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 11, 2026.

2. Basis of preparation and presentation:
The financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

These financial statements are prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, as per the provisions of the Companies Act, 2013 to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments issued there under. Accounting policies have been consistently applied except where a newly-issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in accounting policy hitherto in use.

a. Use of estimates and judgements:
In the application of the accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and the associated assumptions are based on historical experience and other factors that are considered to be relevant.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Significant accounting policies:

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 treated as current when it is: - Expected to be realized or intended to be sold or consumed in the normal operating cycle, - Held primarily for the purpose of trading, - Expected to be realized within twelve months after the reporting period or, - Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current when: - It is expected to be settled in the 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. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

B. Property, plant and equipment:

i. Recognition and initial measurement:

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

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ii. Depreciation, estimated useful lives and residual value:

Depreciation on property, plant and equipment is provided on straight line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii. De-recognition:

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

C. Financial instruments:

i. Financial assets

Initial recognition and measurement: The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets are added to financial assets which are not recognized at fair value. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

a) Debt instruments at amortized cost - A 'debt instrument is measured at the amortized cost if both the following conditions are met: - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and -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 amortized cost using the effective interest rate (EIR) method.

b) Equity investments - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

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De-recognition of financials assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial asset) is primarily de-recognized (i.e., removed from the company's separate balance sheet) when: -The rights to receive cash flows from the asset have expired, or - The company has transferred its rights to receive cash flows from the asset.

ii. Financial Liabilities

Initial recognition and measurement:

The company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

Subsequent measurement:

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities:

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

iii. Offsetting financials instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

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D. Provisions, contingent liabilities and contingent assets:

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material. Contingent liability is disclosed for: - Possible obligations which will be confirmed only by future events not wholly within the control of the Company or - Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed unless inflow of economic resources is probable. However, when realization of income is virtually certain, related asset is recognized.

E. Cash and cash equivalents:

Cash and cash equivalents include 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 overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

F. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

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MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

Notes forming part of Balance Sheet

(All amounts in rupees thousands, except share data and where otherwise stated)

	PARTICULARS	Balance as at March 31, 2026	Balance as at March 31, 2025
4	**Other Non Current Assets**		
	Other Non Current Assets	-	-
		-	-
5	**Cash and Cash Equivalents**		
	(a) Balances on Hand		
	(b) Balances with Banks		
	(i) Current accounts	95.13	95.78
		95.13	**95.78**
6	**Other Current Assets**		
	GST Input	57.14	43.82
		57.14	**43.82**
7	**Share Capital**		
	(a) Authorised Share Capital		
	10,00,000 (Previous year: 10,00,000) Equity shares of Rs.1/- each	1,000.00	1,000.00
	(b) Issued, Subscribed & Paid Up Share Capital		
	1,00,000 (Previous year: 1,00,000) Equity shares of Rs.1/- each, fully paidup	100.00	100.00
		100.00	**100.00**
	Notes:		
	(a) Reconciliation of number of shares outstanding		
	Outstanding shares at the beginning of the year	*1,00,000*	*1,00,000*
	Add: Shares issued during the year	-	-
	Less: Shares bought back during the year	-	-
	Outstanding shares at the ending of the year	**1,00,000**	**1,00,000**
	(b) Particulars of share holders holding more than 5% of the shares		
	Name of the Share holder	***No. of Shares held***	***No. of Shares held***
	MTAR Technolgies Limited	99,800	99,800
	(% of holding)	100%	100%
	(c) Particulares of shares held by Holding Company		
	MTAR Technolgies Limited *(including nominee shares)*	1,00,000	1,00,000
	(% of holding)	100%	100%
	(d) Particulares of shares held by Promoters		
	MTAR Technolgies Limited *(including nominee shares)*	1,00,000	1,00,000
	(% of holding)	100%	100%
	As per records of the company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.		
8	**Other Equity**		
	Retained Earnings		
	Opening Balance	(460.46)	(384.58)
	Add: Profit/(loss) for the year	(93.71)	(75.89)
	Closing Balance	**(554.17)**	**(460.46)**
9	**Other Current Liabilities**		
	Audit Fee Payable	18.00	37.80
	Statutory Liabilities	0.90	4.00
	Outstanding Expenses	9.72	-
	Other Payables*	577.82	458.26
	(Holding Company)*		
		606.44	**500.06**

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MAGNATAR AERO SYSTEMS PRIVATE LIMITED			
(CIN: U29308TG2019PTC136567)			
Notes forming part of Statement of Profit & Loss			
(All amounts in rupees thousands, except share data and where otherwise stated)			
PARTICULARS		For the year ended	
		March 31, 2026	March 31, 2025
10	**Revenue from Operations**		
	Revenue from Operations	-	-
		-	-
11	**Other Expense**		
	Audit Fee	50.00	50.00
	Professional & Consultancy Charges	9.00	-
	Other Expense	34.71	25.89
		93.71	**75.89**

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MAGNATAR AERO SYSTEMS PRIVATE LIMITED

(CIN: U29308TG2019PTC136567)

Notes froming part of Financial Statements

(All amounts in rupees thousands, except share data and where otherwise stated)

12 Contingent Liabilities and Capital Commitments as on March 31, 2026: NIL (Previous Year: Nil)

13 **Foreign Exchange Inflow And Outflow**

Foreign exchange Inflow: Nil

Foreign exchange Outflow: Nil

14 **Earning Per Share**

The Computation of Earnings per share is given below:

PARTICULARS	For the year ended	
	March 31, 2026	March 31, 2025
Net profit / (loss) as per the Statement of Profit and Loss available for equity shareholders (Rs.)	(94)	(76)
Weighted Average number of equity shares for Basic EPS (Nos)	1,00,000	1,00,000
Add : Weighted Average number of potential equity shares.	-	-
Weighted Average number of equity shares for Diluted EPS (Nos)	1,00,000	1,00,000
Basic & Diluted EPS (Rs.) - par value of Rs. 1/- per share	(0.94)	(0.76)

15 **Segment Reporting:**

Segment Reporting in accordance with Ind AS 108 issued by the Institute of Chartered Accountants of India is not provided as there is only one reportable segment for the company.

16 **Related Party Disclosures:**

Related party disclosures, as required by Ind AS - 24 of ICAI "Related party disclosure" are given below:

A **Parties where control exists**

S.No	Name of the Party	Relationship
1	MTAR Technologies Limited	Holding Company

B **Key Management Personnel**

S.No	Name of the Party	Nature of Relationship
		March 31, 2026
1	Parvat Srinivas Reddy	Director
2	Vamshidhar Reddy Kallem	Director
3	Venkata Satish Kumar Reddy Gangapatnam	Director

C **Particulars of related party transactions during the year**

S.No	Particulars	Nature of Transaction	For the year ended	
			March 31, 2026	March 31, 2025
1	MTAR Techologies Limited	Reimbursement of Expenses	119.56	80.73

D **Balances at the year end**

S.No	Particulars	Nature of Transaction	For the year ended	
			March 31, 2026	March 31, 2025
1	MTAR Techologies Limited	Reimbursement of Expenses	577.82	458.26

17 **Ageing Ananlysis**

A. Trade Payable Ageing Schedule as on March 31, 2026

Particulars	Outstanding for the following period from the date they due for payment				
	Up to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Total
MSME	-	-	-	-	-
Others	-	-	-	-	-
MSME-Disputed dues	-	-	-	-	-
Others-Disputed Dues	-	-	-	-	-

As at March 31, 2026, there are no amounts including interest payable to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company.

Trade Payable Ageing Schedule as on March 31, 2025

Particulars	Outstanding for the following period from the date they due for payment				
	Up to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Total
MSME	-	-	-	-	-
Others	-	-	-	-	-
MSME-Disputed dues	-	-	-	-	-
Others-Disputed Dues	-	-	-	-	-

B. Trade Receivable Ageing Schedule as at March 31, 2026

Particulars	Outstanding for the following period from the date they due for payment					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Total
Undisputed Trade Receivables considered good	-	-	-	-	-	-
Undisputed Trade Receivables considered-doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered-doubtful	-	-	-	-	-	-

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Trade Receivable Ageing Schedule as at March 31, 2025

Particulars	Outstanding for the following period from the date they due for payment					
	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Total
Undisputed Trade Receivables considered good	-	-	-	-	-	-
Undisputed Trade Receivables considered-doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered-doubtful	-	-	-	-	-	-

18 Financial Ratios

S No.	Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variation during the year	Reasons for Variation > 25%
1	Current Ratio	Current Assets	Current Liabilities	0.25	0.28	-10.06%	
2	Debt equity ratio	Total Debt	Shareholder's Equity	-	-	-	
3	Debt service coverage ratio	Earnings for Debt Service = Net profit after tax + Non cash Operating Exp + Interest	Debt Service = Interest and Lease Payments + Principal Repayments	-	-	-	
4	Return on Equity	Net Profit after Taxes - Preference dividend	Average Shareholder's Equity	-23.01%	-23.53%	0.52%	
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	-	
6	Trade Receivables Turnover Ratio	Net Credit Sales = Gross Credit Sales - Sales Returns	Average Trade Receivables	-	-	-	
7	Trade Payables Turnover Ratio	Net Credit Purchases = Gross Credit Purchases- Purchases Returns	Average Trade Payables	-	-	-	
8	Net capital turnover ratio	Net Sales = Total Sales - Sales Returns	Working Capital = Current assets - Current Liabilities	-	-	-	
9	Net profit ratio	Net Profit	Net Sales = Total Sales - Sales Returns	-	-	-	
10	Return on capital employed	Earnings before Interest and Taxes	Capital Employed = Tangible Networth + Total Debt + Deferred Tax Liability	-23.01%	-23.53%	0.52%	
11	Return on Investment	Interest, Dividend and Profit / Loss on sale of investments	Investment	-	-	-	

19 Previous period figures have been regrouped/reclassified/rearranged, wherever necessary, to conform to those of the Current Period.

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20 The provisions of Section 135 of the Companies Act, 2013 is not applicable to the company. Hence, the company has not incurred any amount towards Corporate Social Responsibitily during the current year or previous year.

21 **Other Disclosure Requirement in Schedule III**

a) The company does not have any transaction with the companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956 during the year ended March 31, 2026 and March 31, 2025.

b) There are no charges or satisfaction which are to be registered with the Registrar of Companies during the year ended March 31, 2026 and March 31, 2025.

c) The company complies with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of layers) rules 2017 during the year ended March 31, 2026 and March 31, 2025.

d) The company has not invested or traded in cryptocurrency or virtual currency during the year ended March 31, 2026 and March 31, 2025.

e) No proceedings have been initiated on or are pending against the company for holding Benami property under the Prohibition of Benami Property Transaction Act 1988 (as amended in 2016) (formally the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and Rules made thereunder during the year ended March 31, 2026 and March 31, 2025.

f) The company has not been declared a wilful defaulter by any bank or financial institution or government or any government authorities during the year ended March 31, 2026 and March 31, 2025.

g) The company has not entered into any scheme of arrangement approved by the competent authority in terms of sections 232 to 237 of the Companies Act 2013 during the year ended March 31, 2026 and March 31, 2025.

h) During the year ended March 31, 2026 and March 31, 2025, the company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

i) During the year ended March 31, 2026 and March 31, 2025, the company has not advanced or loaned or invested funds (either borrowed funds or the share premium or kind of funds) to any other person or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

1. 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
2. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

j) During the year ended March 31, 2026 and March 31, 2025, the company has not received any funds from any persons or entities including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

1. 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
2. Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

k) The Company does not have any Investment Property and intangible assets under development.

l) The Company does not have any immoveable porperty.

m) During the year ended March 31, 2026 and March 31, 2025, the Company has not given any Loans or Advances in the nature of loans were 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:

(a) repayable on demand or
(b) without specifying any terms or period of repayment.

22 The Company has filed scheme for the Merger of Magantar Aero Systems Private Limited into the Holding company (Mtar Technogies limited) with the National Company Law Tribunal on March 16, 2026

23 (i) The financial statements have been prepared as per the Schedule III of the Companies Act, 2013.
(ii) The Figures have been rounded off to nearest thousands and any immaterial mismatch between the total & sums of the amounts are due to rounding off.

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