

**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**BALANCE SHEET AS AT 31ST MARCH, 2020**

PARTICULARS	Note No	As at 31.03.2020 AMOUNT (Rs.)	As at 31.03.2019 AMOUNT (Rs.)
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
a) Property, Plant and Equipment	"5"	41,151	71,805
b) Financial assets			
i) Trade Receivables	"6"	2,62,250	1,37,250
ii) Loans	"7"	67,23,400	49,13,200
iii) Other financial asset	"8"	-	-
c) Deferred Tax Assets		6,27,259	5,96,958
		76,54,060	57,19,213
<b><u>CURRENT ASSETS</u></b>			
a) Financial Assets			
i) Trade Receivables	"9"	-	1,25,000
ii) Cash and cash equivalents	"10"	97,844	99,568
iii) Loans	"11"	43,400	18,83,200
b) Other current assets	"12"	41,816	1,09,400
		1,83,060	22,17,168
<b>TOTAL</b>		<b>78,37,120</b>	<b>79,36,381</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Equity share capital	"13"	1,00,00,000	1,00,00,000
Other equity	"14"	(21,95,652)	(21,31,039)
		78,04,349	78,68,961
<b><u>LIABILITIES</u></b>			
<b><u>Non-current Liabilities</u></b>			
a) Financial liabilities			
i) Trade payables	"15"	-	15,000
<b><u>Current Liabilities</u></b>			
a) Financial liabilities			
i) Trade payables	"16"	32,772	52,420
<b>TOTAL</b>		<b>78,37,120</b>	<b>79,36,381</b>

Significant Accounting Policies  
Notes on Financial Statement

1 to 19

As per our report of even date  
**FOR R Jangir & Co.,**  
CHARTERED ACCOUNTANTS  
F.R.N - 140085WRamawtar Jangir  
(Partner)

Membership No : 133496

Place: Mumbai

Date: 5th June 2020



For and on behalf of the Board

SHEHNAZ D ALI  
(Director)  
(DIN-00185452)HARIKANT TURGALIA  
(Director)  
(DIN-00049544)

# AEROFLEX INTERNATIONAL LIMITED

(CIN NO : U74999MH2002PTC136032)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

PARTICULARS	Note No	For the year ended 31.03.2020 AMOUNT (Rs.)	For the year ended 31.03.2019 AMOUNT (Rs.)
<b>REVENUES:</b>			
Other Income	"17"	4,386	4,93,000
<b>EXPENSES:</b>			
Depreciation and amortisation expense	"5"	9,026	27,071
Other expenses	"18"	90,274	4,51,862
<b>TOTAL</b>	<b>TOTAL</b>	<b>4,386</b>	<b>4,93,000</b>
<b>Profit/(loss) before exceptional item and tax</b>			
Exceptional item			
a) Profit/ (Loss) on sale of property, plant and equip.		-	-
b) Profit/ (Loss) on sales of Investment		-	-
<b>Profit/(loss) before tax</b>			
Tax expense:			
(1) Provision for MAT		(94,914)	14,067
(1) MAT Entitlement		-	-
(3) Income tax of earlier years		-	-
(4) Deferred tax		(30,301)	(2,118)
<b>Profit/(loss) for the period from continuing operation</b>		<b>(64,613)</b>	<b>16,185</b>
Profit/ (Loss) from discontinued operations.		-	-
Tax expense of discontinued operations		-	-
Profit/ (loss) from discontinued operation		-	-
<b>Profit/(loss) for the period</b>		<b>(64,613)</b>	<b>16,185</b>
Other Comprehensive income/ (loss)			
a) i) Item that will not be reclassified to profit or loss		-	-
ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
b) i) Item that will be reclassified to profit or loss		-	-
ii) Income tax relating to item that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period ( Comprising profit (loss) and other Comprehensive Income for the period )</b>		<b>(64,613)</b>	<b>16,185</b>

Earnings per equity share : (for continued Operation)			
(1) Basic		(0.06)	0.02
(2) Diluted		(0.06)	0.02
Earnings per equity share : (for discontinued Operation)			
(1) Basic		-	-
(2) Diluted		-	-
Earnings per equity share : (for discontinued & continuing operations)			
(1) Basic		(0.06)	0.02
(2) Diluted		(0.06)	0.02

Significant Accounting Policies

Notes on Financial Statement

1 to 19

As per our report of even date

**FOR R Jangir & Co.,**

CHARTERED ACCOUNTANTS

F.R.N. : 140885W

Ramawtar Jangir  
(Partner)

Membership No : 133496

Place: Mumbai

Date : 5th June 2020



For and on behalf of the Board

**SHEHNAZ D ALI**

(Director)

(DIN-00185452)

**HARIKANT TURGALIA**

(Director)

(DIN-00049544)

**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020**


PARTICULARS		As at 31.03.2020 AMOUNT (Rs.)	As at 31.03.2019 AMOUNT (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit ( Loss ) before Tax		(94,914)	14,067
Add : Depreciation		9,026	27,071
Operating Profit before working capital changes		(85,888)	41,138
Adjustements for :			
(Increase)/Decrease in Non current Trade Receivables		(1,25,000)	(1,37,250)
(Increase)/Decrease in Non current Loans		(18,10,200)	(49,13,200)
(Increase)/Decrease in Non current other financial Assets		-	4,80,000
(Increase)/Decrease in current Trade Receivables		1,25,000	4,15,530
(Increase)/Decrease in Current Loans		18,39,800	33,90,000
(Increase)/Decrease in Other current assets		67,584	(36,800)
Increase/(Decrease) in Non current trade payables		(15,000)	(58,280)
Increase/(Decrease) in Current trade payables		(19,649)	37,420
Net Cash Flow from Operatiing Activities	<b>TOTAL (A)</b>	(23,352)	(7,81,442)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Deduction/(Addition) to Fixed Assests		21,628	-
Net Cash Flow from Investing Activities	<b>TOTAL (B)</b>	21,628	-
<b>C. CASH FLOW FROM FINANCEING ACTIVITIES</b>			
Proceeds from Short term borrowings		-	-
Net Cash Flow from Financing activities	<b>TOTAL (C)</b>	-	-
Net Increase in Cash & Cash Equivalents ( A+B+C)		(1,724)	(7,81,442)
Cash and Cash Equivalents at the beginning of the year		99,568	8,81,010
Cash and Cash Equivalents at the end of the year		97,844	99,568
Net Increase in Cash & Cash Equivalents as at 31st March 2020		(1,724)	(7,81,442)

As per our report of even date

**FOR R Jangir & Co.,**

CHARTERED ACCOUNTANTS

F.R.N - 140085W

  
**Ramawtar Jangir**  
 (Partner)

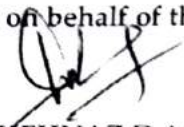
Membership No : 133496

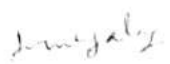
Place: Mumbai

Date: 5h June 2020



For and on behalf of the Board

  
**SHEHNAZ D ALI**  
 (Director)  
 (DIN-00185452)

  
**HARIKANT TURGALIA**  
 (Director)  
 (DIN-00049544)



# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032)**

## **NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

### **NOTE: 01**

#### **1) COMPANY OVERVIEW:**

**AEROFLEX INTERNATIONAL LIMITED** (referred to as "the Company" hereinafter) was incorporated on dated 28<sup>th</sup> February, 2002 under the laws of the Republic of India with its registered office at 121, B-Wing, Mittal Tower, Nariman Point Mumbai - 400021. The main business of the Company is of Manufacturer and Trader of the, fabricate, assemble, machinery, work on process, repair, alter, convert, buy, deal in, import, export or consult for plants, machineries, sub-assemblies, machine parts, tools, gauges, jigs, instruments, appliances, components, accessories and finished or semi-finished engineering products made of Steel, thermoplastic, polymer and/or any other materials for industrial, agricultural or domestic use. SAT Industries Ltd hold 100% of the paid-up equity share capital of company Aeroflex International Limited.

### **NOTE: 02 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

#### **2.1 Statement of Compliance with Ind AS:**

The financial statements comply in all material aspects with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Amendment Rules, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Companies (Indian Accounting Standards) Amendment Rules, 2018.

#### **2.2 Basis of measurement**

The financial statements of the company are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis, except for certain financial assets and liabilities that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the considerations given in exchange for goods and services.

The financial statements are presented in Indian Rupee (INR), which is the company's functional currency and all the values are rounded off to the nearest rupee except when otherwise indicated

#### **2.3 Current or Non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii) Expected to be realized within twelve months after the reporting period. Or
- iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All the other assets are classified as non-current.



# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

A liability is classified current when

- i) It is expected to be settled in normal operating cycle;
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

## **2.4 Use of estimates and judgements:**

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

## **2.5 Property, plant and equipment and Other intangible assets**

### **Property, plant and equipment**

#### **a) Recognition and measurement :**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.





# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **Depreciation methods, estimated useful lives :**

Depreciation is provided (other than Free hold Land and capital work-in-progress) on Written Down Value(WDV) method for the estimated useful life of assets. The estimated useful lives of assets are as follows

Type of Assets	Period of useful life of Assets
Office Equipment	5 Years
Furniture & Fixtures	10 Years

Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement

## **2.6 Revenue Recognition :**

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2019. Revenue from the sale of goods in the course of ordinary activities is recognized at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. The goods are considered as 'transferred' when the customer obtains control of those goods.

### **Sale of Services:**

Revenue from services are recognized in the accounting period in which service are rendered. For fixed price contracts, revenue is recognized based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

### **Other Income:**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the normal interest rate as applicable.

Other Income has been recorded where no significant uncertainty as to measurability or collectability exists.



# **AEROFLEX INTERNATIONAL LIMITED**

**(CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **2.7 Taxation:**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in Other Comprehensive Income.

### **Current Tax:**

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using the tax rates that have been enacted or substantially enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period

### **Deferred Tax:**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes





# **AEROFLEX INTERNATIONAL LIMITED**

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## **NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### **Current tax and deferred tax for the year :**

Current and deferred tax are recognized in the Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### **2.8 Provisions :**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

When some or all of the economic benefits required to settle, provisions are expected to be recovered from a third party, a receivable is recognized as an asset it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

### **2.9 Financial instruments:**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.





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**( CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **FINANCIAL ASSETS :**

### **Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### **Classification and subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. These include trade receivables, loans, deposits, balances with banks, and other financial assets with fixed or determinable payments.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

### **Impairment :**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, other contractual right to receive cash or other financial assets not designated at fair value through profit or loss. The loss allowance for a financial instrument is equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increase significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime



# **AEROFLEX INTERNATIONAL LIMITED**

**(CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

cash shortfalls that will result if the default occurs within 12 months after the reporting date.

For trade receivables or any contractual right to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. The Company has used a practical expedient permitted by Ind AS 109 and determines the expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

## **De-recognition:**

The Company derecognizes financial asset when the contractual right to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

## **FINANCIAL LIABILITIES:**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

### **Classification**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.





# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue costs.

## **Subsequent measurement**

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method. Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## **Foreign exchange gains and losses for assets & liabilities:**

Financial Assets and liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial Assets and liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial Assets and liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.



# **AEROFLEX INTERNATIONAL LIMITED**

**(CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **De-recognition:**

Financial assets liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial assets and liability and recognition of a new financial assets and liability. Similarly, a substantial modification of the terms of an existing financial assets and liability is accounted for as an extinguishment of the original financial assets and liability and the recognition of a new financial assets and liability. The difference between the carrying amount of a financial assets and liability is derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

## **2.10 Contingent liabilities and contingent assets**

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are not accounted in the financial statements unless an inflow of economic benefits is probable.

## **2.11 Cash and cash equivalents:**

Cash and cash equivalents comprise cash in hand and short-term deposits with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## **2.12 Earnings Per Share**

The Company reports basic and diluted earnings per share (EPS) in accordance with Indian Accounting Standard 33 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit or loss attributable to ordinary equity holders by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares (except where the results are anti-dilutive).

## **2.13 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest Rupees as per requirement of Schedule III of the Act, unless otherwise stated.





# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032 )**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **NOTE 3. Significant accounting judgments, estimates and assumptions:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

The key assumptions concerning the future and other key sources of estimation uncertainty at the yearend date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **a) Useful life's of property, plant and equipment :**

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period

### **b) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilized. The Company has identified Deferred Tax Asset for the carry forward losses at the year ended and also has recognized deferred tax for the Depreciation difference. The net effect of the same has been taken in Balance Sheet.

## **NOTE 4 : RECENT ACCOUNTING PRONOUNCEMENTS:**

### **a) Ind AS 116 Leases :**

Ministry of Corporate Affairs has notified Ind AS 116, Leases on March 30, 2020. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.



# **AEROFLEX INTERNATIONAL LIMITED**

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## **NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2020. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2020). Accordingly, comparatives for the year ended March 31, 2020 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

**b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :**

On March 30, 2020, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over Income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment,

or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2020.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

**c) Amendment to Ind AS 12 - Income taxes :**

On March 30, 2020, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past





# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032 )**

## **NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2020.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**d) Amendment to Ind AS 19- plan amendment, curtailment or settlement :**

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2020 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2020.

The Company does not have any material impact on account of this amendment.



**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020****NOTE 5 : PROPERTY, PLANT AND EQUIPMENTS**

	Freehold Land	Freehold Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	TOTAL
<b>Year Ended as on 31st March, 2019</b>							
Gross Carrying Amount				-		-	-
Deemed Cost	-	-	-	1,29,400	-	81,311	2,10,711
Exchange Difference	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount	-	-	-	1,29,400	-	81,311	2,10,711
Accumulated Depreciation	-	-	-	49,380	-	62,455	1,11,835
Depreciation charge during the year	-	-	-	12,280	-	14,791	27,071
Assets include in a disposal group for sale	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Exchange Difference	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	-	-	61,660	-	77,246	1,38,906
NET CARRIING AMOUNT AS ON 31.03.2019	-	-	-	67,740	-	4,065	71,805
<b>Year Ended as on 31st March, 2020</b>							
Gross Carrying Amount							
Deemed Cost	-	-	-	1,29,400	-	81,311	2,10,711
Exchange Difference	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Assets include in a disposal group for sale	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing Gross Carrying Amount	-	-	-	1,29,400	-	81,311	2,10,711
Accumulated Depreciation				61,660		77,246	1,38,906
Depreciation charge during the year				9,026		-	9,026
Assets include in a disposal group for sale	-	-	-	-	-	-	-
Disposals	-	-	-	21,628	-	-	21,628
Exchange Difference	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	-	-	92,314	-	77,246	1,69,560
NET CARRIING AMOUNT AS ON 31.03.2020	-	-	-	37,086	-	4,065	41,151





**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

PARTICULARS	As at 31.03.2020 AMOUNT (Rs)	As at 31.03.2019 AMOUNT (Rs.)
<b><u>NOTE 6 : NON CURRENT - TRADE RECEIVABLES</u></b>		
Long Term Trade Receivables Outstanding for more than a year (Unsecured, Considered good )	2,62,250	1,37,250
<b>TOTAL</b>	<b>2,62,250</b>	<b>1,37,250</b>
<b><u>NOTE 7 : NON CURRENT - LOANS</u></b>		
Other Advance	67,23,400	49,13,200
<b>TOTAL</b>	<b>67,23,400</b>	<b>49,13,200</b>
<b><u>NOTE 8 : NON CURRENT - OTHERS FINANCIAL ASSETS</u></b>		
Unsecured, considered good Security deposits	-	-
<b>TOTAL</b>	<b>1,39,71,300</b>	<b>1,01,00,900</b>
<b><u>NOTE 9 : CURRENT - TRADE RECEIVABLES</u></b>		
Other Debtors Outstanding for less than six months (Unsecured, Considered good )	- -	- 1,25,000
<b>TOTAL</b>	<b>-</b>	<b>1,25,000</b>
<b><u>NOTE 10 : CASH &amp; CASH EQUIVALENTS</u></b>		
(i) Cash on Hand	54,936	54,936
(ii) Balance with Banks - On current accounts	42,908	44,632
(iii) Cheques/ drafts on hand	-	-
<b>TOTAL</b>	<b>97,844</b>	<b>99,568</b>
<b><u>NOTE 11 : CURRENT - LOANS</u></b>		
Other Advances	43,400	18,83,200
<b>TOTAL</b>	<b>43,400</b>	<b>18,83,200</b>
<b><u>NOTE 12 : OTHER CURRENT ASSETS</u></b>		
Unsecured, considered good Balances with statutory/ Government authorities	41,816	1,09,400
<b>TOTAL</b>	<b>41,816</b>	<b>1,09,400</b>



# AEROFLEX INTERNATIONAL LIMITED

(CIN NO : U74999MH2002PLC136032)

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

### NOTE 13 : SHARE CAPITAL

#### a) SHARE DETAILS

PARTICULARS	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
<b>Authorised Share Capital</b>				
Equity Shares of 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
<b>TOTAL</b>	10,00,000	1,00,00,000	10,00,000	1,00,00,000

#### b) Reconciliation of Number of shares :

PARTICULARS	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	AMOUNT (₹)	No. of Shares	AMOUNT (₹)
Equity Shares outstanding at the beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Equity Shares Issued during the year	NIL	NIL	NIL	NIL
Equity Shares bought back during the year	NIL	NIL	NIL	NIL
Equity Shares outstanding at the end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

#### c) Shares held by its holding Companies:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Industries Ltd & its Nominees	10,00,000	100.00%	10,00,000	100.00%

#### d) Name of the shareholders holding more than 5% shares in the company:

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sat Industries Ltd & its Nominees	10,00,000	100.00%	10,00,000	100.00%

- e) The Company has only one class of shares referred to as the equity shares having face value of Rs. 10/- each. Each holder of equity share is entitled to one vote per share. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.





# AEROFLEX INTERNATIONAL LIMITED

(CIN NO : U74999MH2002PLC136032)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### NOTE 14 : STATEMENT OF OTHER EQUITY

#### A. Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
For the year ended on 31/03/2018	1,00,00,000	-	1,00,00,000
For the year ended on 31/03/2019	1,00,00,000	-	1,00,00,000
For the year ended on 31/03/2020	1,00,00,000	-	1,00,00,000

#### B. Other Equity

	Share Application Money pending allotment	Equity component of financial instrument	Capital Subsidy	Reserves & Surplus	Debt Instruments through other comprehensive income	Equity Instruments through Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translation of financial difference on foreign operation	Other items of other comprehensive income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period-01/04/18	-	-	-	-	-	-	-	-	-	-	-	(21,47,224)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	16,185
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Amount received against share warrants	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Share	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy/ prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Waiver by the lenders on settlements	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period -31.03.2019	-	-	-	-	-	-	-	-	-	-	-	(21,31,039)



Share Application Money pending allotment	Equity component of compound financial instrument	Capital Subsidy	Capital Reserve	Reserves & Surplus	Debt Instruments through other comprehensive income	Equity Instruments through other Comprehensive Income	Effective portion of Cash Flow hedges	Revaluation Surplus	Exchange difference on translation of financial difference on foreign operation	Other Items of other comprehensive income (specify nature)	Money received against share warrants	Total
Balance at the beginning of the reporting period-01/04/2019	-	-	-	-	(21,31,039)	-	-	-	-	-	-	(21,31,039)
Profit for the year	-	-	-	-	(64,613)	-	-	-	-	-	-	(64,613)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Amount received against share warrants	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Equity Share	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period -31.03.2020	-	-	-	-	(21,95,652)	-	-	-	-	-	-	(21,95,652)

As Per Our Report of even date

FOR R Jangir & Co

CHARTERED ACCOUNTANTS

F.R.N.: 140085W



(Partner)  
Membership No : 133496  
Place : Mumbai  
Date: 5th June 2020

For and on behalf of the Board

SHEHNAZ D ALI  
(Director)  
(DIN-00185452)

HARIKANT TURGALLA  
(Director)  
(DIN-00049544)



**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

PARTICULARS	As at 31.03.2020 AMOUNT (Rs.)	As at 31.03.2019 AMOUNT (Rs.)
<b>NOTE 15 : LONG TERM TRADE PAYABLES</b>		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	15,000
<b>TOTAL</b>	<b>-</b>	<b>15,000</b>
<b>NOTE 16 : CURRENT - TRADE PAYABLES</b>		
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	32,772	52,420
<b>TOTAL</b>	<b>32,772</b>	<b>52,420</b>

**AEROFLEX INTERNATIONAL LIMITED**

(CIN NO : U74999MH2002PLC136032)

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**

PARTICULARS	For the year ended 31.03.2020 AMOUNT (Rs.)	For the year ended 31.03.2019 AMOUNT (Rs.)
<b>NOTE 17 : OTHER INCOME</b>		
Commission Income	-	-
<b>Interest Income from financial assets at amortised cost</b>		
- Interest on Income Tax Refund	4,386	-
Rent Income	-	3,68,000
Misc Income	-	1,25,000
<b>TOTAL</b>	<b>4,386</b>	<b>4,93,000</b>
<b>NOTE 18 : OTHER EXPENSES</b>		
Office Rent	-	3,68,000
Office Expenses	-	2,850
Telephone Expenses	12,202	12,732
Audit fee	17,700	17,700
ROC Filing fees	10,800	6,000
Professional Fee Paid	24,780	37,080
Professional Tax	7,500	7,500
Loss on Sale of Fixed Assets	15,628	-
Domain Charges	1,664	-
<b>TOTAL</b>	<b>90,274</b>	<b>4,51,862</b>



# **AEROFLEX INTERNATIONAL LIMITED**

**(CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **NOTE 19 :**

- I. In the opinion of the Board of Directors, the current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amount considered in the ordinary course of business.
- II. Additional liability if any, arising pursuant to respective assessment under various fiscal statutes, shall be accounted for in the year of assessment.
- III. There is no contingent liability and capital commitment.
- IV. Provision for Income Tax has been made based on the assessable income as per Income Tax Act, 1961. Deferred tax for the timing difference of the depreciation and carry forwarded losses for the year has been recognized and the same has been provided in accounts for the year ended on 31<sup>st</sup> March 2020
- V. Disclosure in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006, based on the information in possession with the Company, there are no dues outstanding at the year ended, which has been identified separately relating to Micro and Small Enterprises referred to in the said Act.

## **VI. RELATED PARTY DISCLOSURES**

### **a) Holding Company**

- SAT Industries Ltd : Holding Company.

b) Enterprises over which key management personal are having significant influence : NIL

### **c) Key Management Personnel:**

- Harikant Turgalia : Director  
- Shehnaz D. Ali : Director  
- Hakim S Tidiwala : Director



## **VII. Earnings Per Share**

<b>PARTICULARS</b>	<b>As at 31.03.2020 AMOUNT (₹)</b>	<b>As at 31.03.2019 AMOUNT (₹)</b>
Net profit after taxation for the year	(64,613)	16,185
Number of Equity shares for Basic / Diluted EPS	10,00,000	10,00,000
Nominal Value of Equity Shares (₹)	10	10
Basic / Diluted earnings per Equity Share (₹)	(0.06)	0.02



# **AEROFLEX INTERNATIONAL LIMITED**

**( CIN NO : U74999MH2002PLC136032)**

**NOTES TO IND AS FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

## **VIII. DEFERRED TAX ASSETS/(LIABILITIES):**

The tax effect of the items constituting deferred tax is as under :

<b>PARTICULARS</b>	<b>As at 31.03.2020 AMOUNT (₹)</b>	<b>As at 31.03.2019 AMOUNT (₹)</b>
Opening Balance (for Depreciation Diff)	8,881	5,418
Add : Deferred Tax Assets/(Liabilities) for the year	4,781	3,463
<b>Deferred Tax (Liability)/Assets (A)</b>	<b>13,662</b>	<b>8,881</b>
Opening Balances of Deferred tax Assets (for B/F loss)	5,88,077	5,89,422
Add : Deferred Tax Assets/(Liabilities) for the year	25520	(1,345)
<b>Deferred Tax Assets (B)</b>	<b>6,13,597</b>	<b>5,88,077</b>
<b>Net Deferred Tax Assets/(Liability) (A+B)</b>	<b>6,27,259</b>	<b>5,96,958</b>

IX. During the Period under review, there was NIL (PY NIL) foreign exchange earnings & outgo

X. There is no effect of COVID-19 during the financial year under consideration,

XI. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

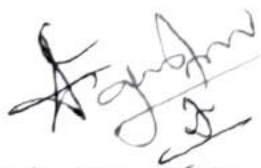
**Notes from "1 " to " 19 " form an integral part of the Accounts.**

As per our Report of even date attached

**For R Jangir & Co**

CHARTERED ACCOUNTANTS

F.R.N. : 140085W



Memb. No.: 133496

Place : Mumbai

Dated : 5<sup>th</sup> June 2020



For and on behalf of the Board



**SHEHNAZ D ALI**

Director

(DIN-00185452)



**HARIKANT TURGALIA**

Director

(DIN-00049544)