MECHTECH THERMAL PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2024

(Amount in Thousand)

PARTICULARS	Note No.	As at 31st March, 2024
I ASSETS		
Non Current Assets		
a. Property, Plant and Equipment	2	2,036.50
b. Capital Work in Progress	2	142.58
c. Deferred Tax Assets (Net)	3	0.61
Current Assets		
a. Financial Assets		
i Cash and Cash Equivalents	4	157.09
b. Other Current Assets	5	541.20
TOTAL ASSETS		**2,877.98**
II EQUITY AND LIABILITIES		
Equity		
a. Equity Share Capital	6	1,000.00
b. Other Equity	7	(1,453.97)
		(453.97)
Liabilities		
Current Liabilities		
a. Financial Liabilities		
i Borrowings	8	500.00
ii Other Financial Liabilities	9	2,750.49
b. Other Current Liabilities	10	81.46
		3,331.95
TOTAL EQUITY AND LIABILITIES		**2,877.98**
Material Accounting Policies and Notes to the Financial Statement	1 to 21	

For and on behalf of Board of Directors

MUNJAL SHAH
Director
DIN: 01080863

Date: 23rd May, 2024

MECHTECH THERMAL PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL PERIOD ENDED 31ST MARCH, 2024

(Amount in Thousand)

	Particulars	Note No.	For the Period ended 31st March, 2024
1	Revenue from Operations		-
2	Other Income		-
3	**Total Income**		**-**
4	**Expenses**		
	Employee Benefits Expense	11	395.85
	Depreciation	12	2.43
	Other Expenses	13	1,056.29
	Total Expenses		**1,454.58**
5	**(Loss) Before Exceptional Items and Tax (3-4)**		(1,454.58)
6	Exceptional Items		-
7	**(Loss) Before Tax (5-6)**		**(1,454.58)**
8	**Tax Expenses :**		
	Current Tax		-
	Deferred Tax		(0.61)
			(0.61)
9	**(Loss) for the Financial Period (7-8)**		**(1,453.97)**
10	**Other Comprehensive Income**		
(i)	Items that will not be reclassified to profit or loss		-
(ii)	Items that will be reclassified to profit or loss		-
	Total Other Comprehensive Income (Net of Tax)		-
	Total Comprehensive Income for the Financial Period (9-10)		**(1,453.97)**
11	**Earnings per Equity Share of Rs. 10/- each**	14	
	Basic		(103.58)
	Diluted		(103.58)
	Material Accounting Policies and Notes to the Financial Statement	1 to 21	

For and on behalf of Board of Directors

MUNJAL SHAH
Director
DIN: 01080863

Date: 23rd May, 2024

MECHTECH THERMAL PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2024

A. Equity Share Capital

(Amount in Thousand)

Particulars	Balance as at 11th Jan, 2024	Changes during the Period	Balance as at 31st March, 2024
Equity Share Capital	-	1,000.00	1,000.00

B. Other Equity

(Amount in Thousand)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 11th Jan, 2024	**-**	**-**
Total Comprehensive Income for the Period	(1,453.97)	(1,453.97)
Balance as at 31st March, 2024	**(1,453.97)**	**(1,453.97)**

For and on behalf of Board of Directors

Munjal Shah
Director
DIN: 01080863

Date: 23rd May, 2024

MECHTECH THERMAL PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2024

	Particulars	For the Period ended 31st March, 2024
A	**CASH FLOW FROM OPERATING ACTIVITIES**	
	(Loss)/ Profit before tax as per the Statement of Profit and Loss	(1,454.58)
	ADJUSTMENT FOR:	
	Depreciation	2.43
	OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES	**(1,452.15)**
	ADJUSTMENT FOR:	
	Other Receivables	(541.20)
	Other Payables	1,585.35
	CASH USED IN OPERATING ACTIVITIES	**(408.00)**
	Income Tax (Paid)	-
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(408.00)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**	
	Purchase of Property, Plant and Equipment, Intangible asset	(934.90)
	NET CASH USED IN INVESTING ACTIVITIES	**(934.90)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Proceed from Issue of Fresh Equity Shares	1,000.00
	Current Borrowings (Net)	500.00
	NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES	**1,500.00**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	157.10
	CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-
	CASH AND CASH EQUIVALENTS AT END OF PERIOD (Refer Note No.4.1)	**157.10**

Notes :

i Bracket indicates cash outflow.

ii Changes in liabilities arising from Financing Activities on account of Current Borrowings

Particulars	**31st March, 2024**
Opening balance of liabilities arising from Financing Activities	-
Add : Changes from Cash Flow from Financing Activities (Net)	500.00
Closing balance of liabilities arising from financing activities	**500.00**

iii The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows".

For and on behalf of Board of Directors

Munjal Shah
Director
DIN: 01080863

Date: 23rd May, 2024

MECHTECH THERMAL PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

1.1 Corporate Information

Mechtec Thermal Private Limited (the 'Company') is a private limited Company domiciled and incorporated in India.The registered office of the Company is situated at 108/A, Survey No. 262 IDA, Phase-2, B N Reddy Nagar, Cherlapalli, Hyd, Hyderabad - 501301, Telangana.

The Company is looking for the business as per the memorandum of association.The main object of the company is to offer design, development and validation of Thermal products specially for aviation, defence and space industries using advanced nano science, power, metallurgy, diffusion bonding techniques to optimise the space, weight to meet the advance thermal solutions.

As the Company was in the first year of incorporation and in the planning stage, there was NIL revenue generated from its operations. However, the management is striving its best effort to start the business operations in the coming years.

1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act'), read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements are presented in Indian Rupees, which is the company's functional and presentation currency. It is the first financial statements of the Company and it's first financial year starts from 11th January, 2024 (the incorporation date) and ends on 31st March, 2024 as per the Section 2(41) of the Act.

1.3 Material Accounting policies

(A) Property, Plant and Equipment

Property, plant and equipment are carried at its cost, net of recoverable taxes, trade discounts and rebate less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost, non refundable taxes or levies and directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment are eliminated from financial statements, either on disposal or when retired from active use. Gains / losses arising in the case of retirement/disposal of Property, Plant and Equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation:

Depreciation on property, plant and equipment is provided using straight line method over the useful life of assets as prescribed under schedule II of Companies Act, 2013.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Lease:

The company has entered into an agreement with Paras Defence and Space Technologies Ltd (Parent Company), for use of premises admeasuring 16800 Sq feet, for its registered office. Since the said premises are leased for less 12 months period, the asset is not recognised in the books of Mechtech Thermal Private Limited as an ROU asset (Right of use), as per exclusions specified under IND AS 116 for lease accounting.

(B) Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. All other borrowing costs are expensed in the period in which they occur.

(C) Impairment of Non-Financial Assets - Property, Plant and Equipment & Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(D) Taxes on Income:

Tax expense represents the sum of current tax and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

(E) Financial Instruments:

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

Financial Assets -Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in two broad categories:-

a) Financial assets at fair value

b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is **measured at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flow from the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities - Initial recognition and measurement:
The financial Liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial Liabilities - Subsequent measurement:
Financial Liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

(F) Fair Value:
The Company measures financial instruments at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability
For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

(H) Foreign currency transactions and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

In case of an asset, expense or income where a monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

(J) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(K) Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(L) Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders’ and weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders’ and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

(M) Current / Non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs (MCA).

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) 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 realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its operating cycle.

(N) Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights 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 Company or counterparty.

1.4 Key accounting estimates and judgements

The preparation of the Company’s financial statements requires the management to make judgements, 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 periods.

a) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

b) Income Tax:

The Company’s tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

MECHTECH THERMAL PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

(Amount in Thousand)

Particulars	Office Equipment	Plant and Machinery	Total
Balance as at 11th Jan, 2024	**-**	**-**	**-**
Additions during the period	57.27	1,981.66	2,038.93
Balance as at 31st March, 2024	**57.27**	**1,981.66**	**2,038.93**
Depreciation			
Balance as at 11th Jan, 2024	**-**	**-**	**-**
Depreciation for the Period	0.15	2.28	2.43
Balance as at 31st March, 2024	**0.15**	**2.28**	**2.43**
Net Carrying Value			
Balance as at 31st March, 2024	**57.12**	**1,979.38**	**2,036.50**

2.1 Capital Work In Progress Includes (Amount in Thousand)

Particulars	31st March, 2024
CWIP	142.58
TOTAL	**142.58**

2.2 Capital Work In Progress ageing schedule as at 31st March, 2024 is as follows:

(Amount in Thousand)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
CWIP Furniture & Fixtures	142.58	-	-	-	142.58
TOTAL	**142.58**	**-**	**-**	**-**	**142.58**

2.3 In accordance with the Indian Accounting standards -36 on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Ind AS. On the basis of the review carried out by the management , there was no impairment loss on Property, Plant and Equipment during the period ended March 31, 2024.

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note: 3 Income Tax

3.1 Current Tax

(Amount in Thousand)

Particulars	For the period ended 31st March, 2024
Current Tax	-
Deferred Tax	(0.61)
Total	**(0.61)**

3.2 The major components of Tax Expense for the year ended 31st March, 2024 are as follows:

(Amount in Thousand)

Particulars	For the period ended 31st March, 2024
Recognised in the Statement of Profit and Loss	
Current Tax	-
Deferred Tax:-Relating to origination and reversal of temporary differences	(0.61)
Total Tax Expenses	**(0.61)**

3.3 Reconciliation between Tax Expense and Accounting Profit multiplied by tax rate For the Period Ended 31st March, 2024

(Amount in Thousand)

Particulars	For the Period Ended 31st March, 2024
Accounting Profit Before Tax	**(1,454.58)**
Applicable tax rate (in %)	25.17%
Computed Tax Expenses	-
Tax effect on account of:	
Property, Plant and Equipment	37.88
Unabsorbed Depreciation	(38.49)
Income tax Expenses recognised in the Statement of Profit and Loss	**(0.61)**

3.4 Deferred Tax Liabilities:

(Amount in Thousand)

Particulars	Balance Sheet	Statement of Profit and Loss
	As at 31st March, 2024	As at 31st March, 2024
Property Plant and Equipment	(37.88)	(37.88)
Unabsorbed Depreciation	38.49	38.49
Deferred Tax Assets	**0.61**	**0.61**

3.5 Reconciliation of Deferred Tax Assets (Net):

(Amount in Thousand)

Particulars	For the period ended 31st March, 2024
Opening Balance at the beginning of the period	-
Deferred Tax Income recognised in the Statement of Profit and Loss	(0.61)
Closing Balance at the end of the period	**(0.61)**

MECHTECH THERMAL PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note: 4 Cash And Cash Equivalents

(Amount in Thousand)

Particulars	As at 31st March, 2024
Balances with Bank In Current Account	157.09
Total	**157.09**

4.1 For the purpose of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following:

(Amount in Thousand)

Particulars	As at 31st March, 2024
Balances with Bank In Current Account	157.09
Total	**157.09**

Note: 5 Other Current Assets

(Amount in Thousand)

Particulars	As at 31st March, 2024
Balances with Revenue Authorities	541.20
Total	**541.20**

Note: 6 Equity Share Capital

(Amount in Thousand)

Particulars	As at 31st March, 2024
Authorised	
1,00,000 Equity Shares of Rs. 10/- each	1,000
	1,000
Issued, Subscribed and Paid up	
1,00,000 Equity Shares of Rs. 10/- each	1,000
Total	**1,000**

6.1 The company was Incorporated on 11th Jan, 2024

6.2

Reconciliation of the number of equity shares outstanding	**As at 31st March, 2024**	
Particulars	**No. of Shares**	**Amount**
Number of shares at the beginning of the financial period	-	-
Add: Shares issued during the financial period	1,00,000	10,00,000
Number of shares at the end of financial period	**1,00,000**	**10,00,000**

6.3 **Details of Shareholder, holding more than 5% shares of the Company:**

Particulars	**As at 31st March, 2024**	
	No. Of shares	**% Holding**
Paras Defence & Space Technologies Limited (The Holding Company)	70,000.00	70%
Mr Anil Babu	30,000.00	30%

MECHTECH THERMAL PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

6.4 The Company has only one class of equity shares having a face value of Rs. 10/- per share. In the event of liquidation of the Company, the equity shareholder will be entitled to receive any of remaining assets of the Company, after distribution of all preferential amounts.

Note: 7 Other Equity

(Amount in Thousand)

Particulars	**As at 31st March, 2024**
Retained Earnings	
Balance as per last Balance Sheet	-
Add : Loss for the financial period	**(1,453.97)**
Total	**(1,453.97)**

Note No. 7.1 Nature And Purpose Of Reserves

Retained Earnings

Retained Earnings represent the Profits / (loss) made by the company.

Note: 8 Current Fiancial Liabilities - Borrowings

(Amount in Thousand)

Particulars	**As at 31st March, 2024**
Unsecured	
Loans From Director	500.00
Total	**500.00**

8.1 Loan from Director is Interest Free and Repayable on Demand

Note: 9 Other Financial Liabilities

(Amount in Thousand)

Particulars	**As at 31st March, 2024**
Creditors for Capital Goods	1,246.61
Other payables*	1,503.88
Total	**2,750.49**

* Other Payables mainly include payable to employees.

Note: 10 Other Current Liabilities

(Amount in Thousand)

Particulars	**As at 31st March, 2024**
Statutory Liabilities	81.46
Total	**81.46**

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note 11 : Employee Benefits Expense

(Amount in Thousand)

Particulars	**For the Period ended 31st March, 2024**
Salaries, Wages & Allowances	395.85
TOTAL	**395.85**

Note 12: Depreciation And Amortisation Expense

(Amount in Thousand)

Particulars	**For the Period ended 31st March, 2024**
Depreciation of Property, Plant and Equipment (Refer Note No. 2)	2.43
TOTAL	**2.43**

Note 13 : Other Expenses

(Amount in Thousand)

Particulars	**For the Period ended 31st March, 2024**
Manufacturing Expenses	
Other Manufacturing Expenses	203.09
	203.09
Administrative Expenses	
Rent	771.00
Legal & Professional fees	6.00
Travelling And Conveyance	8.96
Rates and Tax	0.80
Communication Expenses	0.14
Computers and IT Service Expenses	0.60
Printing & Stationery	2.73
Postage & Courier	0.04
Security Gaurd Exp	34.00
Office Expenses	22.15
Miscellaneous Expenses	6.78
	853.20
TOTAL	**1,056.29**

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note : 14 Earnings Per Share

(Amount in Thousand)

Particulars	**For the Period ended 31st March, 2024**
Basic Earnings Per Share	
(Loss) for the Period	(1,454.58)
Weighted average number of Equity Shares (Nos.)	14,044
Basic Earnings Per Share of Rs.10/- each	(103.58)
Diluted Earnings Per Share	
Amount available for calculation of Diluted EPS	(1,454.58)
Weighted average number of Equity Shares (Nos.)	14,044
Add : Potential number of Equity Shares (Nos.)	-
No. of shares used for calculation of Diluted EPS (Nos.)	14,044
Diluted Earnings Per Share of Rs.10/- each	(103.58)

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note 15 : Related Party Disclosures

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported year, are as detailed below:

(a) List of Related Parties :

I. Holding Company

Paras Defence and Space Technologies Limited

II. Key Management Personnel

Munjal Sharad Shah (w.e.f.11/01/24)
Anil Babu (w.e.f.11/01/24)
Shilpa Mahajan (w.e.f. 11/01/24)

(b) Related Party Transactions

(Amount in Thousand)

Nature of Transactions	**Name of the Related Parties**	**For the period ended 31st March 2024**
<u>Transactions with Holding Company:</u>		
Lease Rent Expenses	Paras Defence and Space Technologies Limited	750.00
Equity Capital		
<u>Transactions with Key Managerial Personnel:</u>		
Loans Taken	Munjal Sharad Shah	500.00

(c) Balances at the Year End **(Amount in Thousand)**

Particulars	**Name of the Related Parties**	**As at 31st March, 2024**
<u>Balance with other Related Parties:</u>		
Current Borrowings - Loan from related party	Munjal Sharad Shah	500.00
<u>Payable to Supplier:</u>		
Rent Payable	Paras Defence and Space Technologies Limited	810.00

Note 16 : Financial Instruments

FAIR VALUE :-The carrying amounts of cash at bank, borrowings and other payables approximate their fair values and are carried at amortized cost.

(Amount in Thousand)

Particulars		**As at 31st March, 2024**
	Carrying Value	**Fair Value**
<u>Financial Assets</u>		
Cash & Cash equivalents	157.09	157.09
Total	**157.09**	**157.09**
<u>Financial Liabilities</u>		
Short Term Borrowings	500.00	500.00
Other Financial Liabilities	2,750.49	2,750.49
Total	**3,250.49**	**3,250.49**

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

Note 17: Financial Risk Management

The company is exposed to credit risk and liquidity risk.

(a) Credit Risk :

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and ageing of financial assets. Individual risk limits are periodically reviewed on the basis of such information.

i. Financial Instruments and Cash Deposits:-

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

(b) Liquidity Risk :

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of short term borrowing, trade payable and other financial liabilities. Short term borrowings is from director, hence it is not exposed to significant liquidity risk.

Liquidity Risk Management-

As Company does not have any long term borrowings hence it is not exposed to significant liquidity risk.

The table below illustrates the aged analysis of the company's Short Term Borrowings and financial liabilities.

As at 31st March, 2024

Particulars	On demand	Up to 1 year	More than 1 year
Liabilities			
Short Term Borrowings	500.00	-	-
Other Financial Liabilities	**2,750.49**	-	-
Total	**3,250.49**	**-**	**-**

Note 18: Capital Risk Management

For the purpose of the Company's Capital Management, capital includes issued capital and other equity reserves attributable to the equity holders of the parent and debt. The primary objective of the Company's capital management is to maximise the shareholder's value.

The Company manages its capital structure as requirements of the business. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by Total capital (Equity plus Net Debt). The company includes within Net debt, borrowings less cash and cash equivalents. The capital structure of the company consist of equity share capital, other equity and net debt.

Gearing Ratio-

The gearing ratio at the year end was as follows : **(Amount in Thousand)**

Particulars	As at 31st March, 2024
Total Debt	500.00
Less: Cash and cash equivalent	157.09
Net Debt	**342.91**
Equity	(453.97)
Total Capital (Equity + Net Debts)	(111.06)
Gearing Ratio	**NA**

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

NOTE 19 : Segment Reporting:

The Company is engaged in the business of The main object of the company is to offer design, development and validation of Thermal products specially for aviation and as such there are no separate reportable segments.

Note 20: Other Statutory Information

20.1 There are no balances outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

20.2 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

20.3 The Company does not have any such transaction which is not recorded in the books of account surrendered or disclosed as income during the year in the tax assessments under the Income-tax act, 1961.

20.4 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

20.5 The Company is not declared wilful defaulter by any bank or financial institution or other lender.

20.6 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

20.7 The Company has not received any fund from any person(s) or entity(s), including entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

MECHTECH THERMAL PRIVATE LTD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2024

NOTE 21 : Ratio Analysis & its Components

Ratios	**Numerator**	**Denominator**	**As at 31st March, 2024**
1. Current Ratio	Current Assets	Current Liabilities	0.21
2. Debt- Equity Ratio	Total Debt	Total Equity (Equity Share capital + Other equity)	(1.10)
3. Debt Service Coverage Ratio	Earnings available for debt service (Net profit after taxes + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost + principle repayment of long term borrowings during the period/year	NA
4. Return on Equity (ROE)	Net (Loss) / profit after tax	Average Total Equity [(Opening Total Equity + Total Equity)/2]	320.28%
5. Inventory Turnover Ratio	Revenue from Operations	Average Inventory [(Opening balance + closing balance) /2]	NA
6. Trade Receivables Turnover Ratio	Revenue from Operations	Average trade receivable [(Opening balance + closing balance) /2]	NA
7. Trade Payables Turnover Ratio	Cost of Materials Consumed	Average trade payable [(Opening balance + closing balance) /2]	NA
8. Net Capital Turnover Ratio	Revenue from Operations	Working capital ((Current asset - Investments) - current liabilities)	NA
9. Net Profit Ratio	Net (Loss) / Profit after tax	Revenue from Operations	NA
10. Return on capital employed (ROCE)	Profit Before interest & Tax	Total Equity + Total Debts + Deferred Tax Liability	-3160.12%
11. Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank	NA

For and on behalf of Board of Directors

Munjal Shah
Director
DIN: 01080863

Date: 23rd May, 2024