



## INDEPENDENT AUDITOR'S REPORT

To the Members of

**Solar Avionics Limited**

**Report on the Audit of the Financial Statements**

### Opinion

1. We have audited the financial statements of **Solar Avionics Limited** ("the Company"), which comprise the balance sheet as at March 31, 2024 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2024. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. During the course of our audit, we did not come across any key audit matters that are required to be communicated in our audit report.



## Information Other than the Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit



evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph (vi) below on reporting under Rule 11(g).



- c) The Balance Sheet, the Statement of Profit and Loss including the statement of other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) During the year ended March 31 2024 no managerial remuneration has been paid/ provided by the company to its Directors, accordingly the provisions of Section 197 read with Schedule V to the Act are not applicable.
- h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g).
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have pending litigations as at March 31, 2024 hence, no impact on financial position.
  - ii. The Company did not have any long-term contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



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

- v. As no dividend has been paid by the company, reporting under this clause is not applicable.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in notes to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of other accounting software.

**For Akshay Rathi & Associates**

Chartered Accountants

Firm's Registration Number: 139703W

Akshay Rathi  
Proprietor  
Membership No. 161910



Place: Nagpur

Date: May 13, 2024

UDIN: 24161910BKCALT8109

“Annexure A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report of even date.

**Solar Avionics Limited (“the Company”)**

- i. The company does not have any Property Plant and Equipment (including Right of Use Assets) or Intangible Assets. Accordingly, the provisions of clause 3 (i) (a), 3(i) (b), 3(i) (c), 3(i) (d) and 3(i) (e) are not applicable to the company, hence not commented upon.
- ii. The company does not have any inventories as on March 31 2024. Accordingly, provisions of Clause 3(ii) (a) and 3(ii) (b) are not applicable to the company, hence not commented upon.
- iii. According to information and explanations given to us, during the year the Company has not made any investment in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the provisions of clause 3(iii)(a), 3(iii) (b), 3(iii) (c), 3(iii) (d), 3(iii) (e), and 3(iii) (f) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/ to a Company in which the Directors are interested. Accordingly, provisions of section 185 of the Companies Act 2013 are not applicable to the company and hence not commented upon. There are no investments, loans, guarantees and securities granted in respect of which provisions of section 186 of the Act are applicable.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules 2014(as amended) apply. Accordingly, clause 3 (v) of the Order is not applicable to the Company and hence not commented upon.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act.
- vii.
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees’ state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, goods & service tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities and no such undisputed statutory dues have been outstanding for more than 6 months as on the last day of the financial year.
  - b. According to the information and explanations given to us by the management, there are no disputed statutory dues outstanding as on the balance sheet date
- viii. According to the information and explanation given to us by the management, no transactions relating to previously unrecorded income have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



- ix. (a) According to the information and explanations given to us by the management, the company does not have any loans or borrowings from Banks, Financial Institutions or any other lenders, hence the provisions of this clause are not applicable, hence not commented upon.
- (b) According to the information and explanations given to us by the management, the company has not been declared willful defaulter by any Bank or Financial Institution or other lenders.
- (c) According to the information and explanations given to us by the management, the company does not have term loans from Banks, Financial Institutions or any other lenders, hence the provisions of this clause are not applicable, hence not commented upon.
- (d) According to the information and explanations given to us by the management, the company does not have any short-term borrowings, hence provisions of this clause are not applicable, hence not commented upon.
- (e) According to the information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us by the management, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.
- x. (a) According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us by the management, no whistleblower complaint has been received by the company upto the date of this report, hence reporting under this clause is not required.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.



- xiii. According to the information and explanations given to us by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details thereof have been duly disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. *In our opinion and based on our examination, the provisions of Clause 3(xiv)(a) and Clause 3(xiv)(b) of the Order are not applicable to the Company and hence not commented upon.*
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.
- xvii. The company has incurred cash loss during the year of Rs. 37,730/- and in the preceding financial year the amount of cash loss was Rs. 43,340/-.
- xviii. There has not been any resignation of Statutory auditors during the year, hence reporting under this clause is not required.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of section 135 of Companies Act 2013 are not applicable to the company, hence reporting under this clause is not required.

**For Akshay Rathi & Associates**  
Chartered Accountants  
Firm's Registration Number: 139703W



Akshay Rathi  
Proprietor  
Membership No. 161910



Place: Nagpur

Date: May 13, 2024

UDIN: 24161910BKCALT8109



**"Annexure B" referred to in the Independent Auditor's report of even date on the financial statements of Solar Avionics Limited**

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

1. We have audited the internal financial controls over financial reporting of Solar Avionics Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS financial statements

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


### Opinion

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

#### For Akshay Rathi & Associates

Chartered Accountants

Firm's Registration Number: 139703W



Akshay Rathi

Proprietor

Membership No. 161910



Place: Nagpur

Date: May 13, 2024

UDIN: 24161910 BK CALT 8109

Solar Avionics Limited  
Balance Sheet as at March 31, 2024  
(All amounts in thousand )

	Notes	As at Mar 31, 2024	As at Mar 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
Investments		-	-
<b>Total non-current assets</b>		-	-
<b>Current assets</b>			
Financial assets			
Cash & Cash Equivalent	3	209	240
<b>Total current assets</b>		209	240
<b>Total assets</b>		209	240
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	4	500	500
Other equity	4a	(327)	(289)
<b>Total equity</b>		173	211
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Payable			
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises	5	36	29
<b>Total current liabilities</b>		36	29
<b>Total liabilities</b>		36	29
<b>Total equity and liabilities</b>		209	240
Summary of significant accounting policies (Ref Note 2.2)			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For Akshay Rathi & Associates  
Chartered Accountants  
ICAI Firm's Registration Number: 139703W

  
per Akshay Rathi  
Proprietor  
Membership No.: 161910



For and on behalf of the Board of Directors of  
Solar Avionics Limited

  
Manish Nuwal  
Director  
DIN: 00164388

  
Shalinee Mandhana  
Director  
DIN: 09284290

Place: Nagpur  
Date: May 13, 2024

Solar Avionics Limited  
Statement of Profit and Loss for the year ended March 31, 2024  
(All amounts in thousand )

	Notes	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Income			
Other income		-	-
<b>Total income</b>		-	-
Expenses			
Other expenses	6	38	43
<b>Total expenses</b>		38	43
<b>Profit/(Loss) before tax</b>		(38)	(43)
Tax expense :			
- Income Tax		-	-
- Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>Profit/(Loss) for the year</b>		(38)	(43)
<b>Total comprehensive income for the year</b>		(38)	(43)
Earnings per equity share			
Basic and Diluted earnings per share	7	(0.76)	(0.86)
Summary of significant accounting policies (Ref Note 2.2)			

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For Akshay Rathi & Associates  
Chartered Accountants  
ICAI Firm's Registration Number: 139703W

  
per Akshay Rathi  
Proprietor  
Membership No.: 161910



Place: Nagpur  
Date: May 13, 2024

For and on behalf of the Board of Directors of  
Solar Avionics Limited

  
Manish Nuwal  
Director  
DIN: 00164388

  
Shalinee Mandhana  
Director  
DIN: 09284290

**Solar Avionics Limited**  
**Statement of cash flows for the year ended March 31, 2024**  
**(All amounts in thousand )**

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(38)	(43)
<b>Operating profit before working capital changes</b>	<b>(38)</b>	<b>(43)</b>
Working capital adjustments :		
Increase in trade payable	7	11
<b>Cash generated from operations</b>	<b>(31)</b>	<b>(32)</b>
Less : Income taxes paid	-	-
<b>Net cash flows (used in)/ from operating activities</b>	<b>(31)</b>	<b>(32)</b>
<b>Cash flows from financing activities</b>		
Proceed from Issue of Shares	-	-
<b>Net cash flows (used in)/ from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(31)</b>	<b>(32)</b>
Add :Cash and cash equivalents at the beginning of the year	240	272
<b>Cash and cash equivalents at end of the year (refer note 3)</b>	<b>209</b>	<b>240</b>

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

Summary of significant accounting policies (Ref Note 2.2)

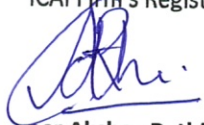
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

**For Akshay Rathi & Associates**

Chartered Accountants

ICAI Firm's Registration Number: 139703W



**per Akshay Rathi**  
Proprietor  
Membership No.: 161910



Place: Nagpur  
Date: May 13, 2024

**For and on behalf of the Board of Directors of  
Solar Avionics Limited**



**Manish Nuwal**  
Director  
DIN: 00164388



**Shalinee Mandhana**  
Director  
DIN: 09284290

**Solar Avionics Limited**  
**Statement of changes in equity for the year ended March 31,2024**  
**(All amounts in thousand )**

**A. Equity share capital**

	<b>No. of Shares</b>	<b>Amount</b>
<b>As at April 30 , 2022</b>	<b>50,000</b>	<b>500</b>
Changes in equity share capital	-	-
<b>As at March 31 , 2023</b>	<b>50,000</b>	<b>500</b>
Changes in equity share capital	-	-
<b>As at March 31 , 2024</b>	<b>50,000</b>	<b>500</b>

**B. Other equity**

	<b>Retained Earnings</b>	<b>Total Other Equity</b>
<b>Balance as at April 1 , 2022</b>	<b>(246)</b>	<b>(246)</b>
Profit/(Loss) for the year	(43)	(43)
<b>Balance as at March 31 , 2023</b>	<b>(289)</b>	<b>(289)</b>
Profit/(Loss) for the year	(38)	(38)
<b>Balance as at March 31 , 2024</b>	<b>(327)</b>	<b>(327)</b>

As per our report of even date attached  
**For Akshay Rathi & Associates**  
Chartered Accountants  
ICAI Firm's Registration Number: 139703W

**For and on behalf of the Board of Directors of**  
**Solar Avionics Limited**

  
**per Akshay Rathi**  
Proprietor  
Membership No.: 161910



  
**Manish Nuwal**  
Director  
DIN: 00164388

  
**Shalinee Mandhana**  
Director  
DIN: 09284290

Place: Nagpur  
Date: May 13, 2024

**Note 1: Corporate Information**

Solar Avionics Limited (the 'Company'), is a company domiciled in India, with its registered office situated in Solar House 14, Kachimet, Amravati Road, Nagpur, Maharashtra. The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Solar Industries India Limited, which is listed in India.

**Note 2: Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the previous year.

**Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

**Current and non-current classification**

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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 treated as current when it is:

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



All other liabilities are classified as non-current.

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

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

## 2.2 Summary of significant accounting policies

### a. Use of estimates:-

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b. Property, Plant and Equipment :-

Property, Plant and Equipment will be stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost will comprise of the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates will be deducted in arriving at the purchase price. Capital work-in-progress will include cost of Property, Plant and Equipment that are not ready to be put to use.

The cost of a self-constructed item of property, plant and equipment will comprise the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they will be accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment will be added to its book value only if it will be probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, will be charged to the statement of profit and loss for the period / year during which such expenses will be incurred.

Gains or losses arising from disposal of Property, Plant and Equipment will be measured as the difference between the net disposal proceeds and the carrying amount of the asset and will be recognized in the statement of profit and loss when the asset is disposed.

### c. Depreciation and amortization

Depreciation on Property, Plant and Equipment will be provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.





**d. Financial instruments**

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

**i) Investments and other financial assets**

**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**A. Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

**1. Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using effective interest rate method.

**2. Fair value through profit and loss:**

Assets that do not meet the criteria of amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**B. Equity instruments:**

The Company measures its equity investment other than in subsidiaries and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.



ii) **Financial liabilities**

**Classification**

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the Statement of Profit and Loss, and
- those measured at amortised cost

**Measurement**

**A. Financial liabilities at amortised cost**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially be recognized at fair value, and subsequently carried at amortized cost.

**B. Financial liabilities at fair value through profit and loss:**

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

iii) **Impairment of financial assets**

The Company will apply Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company will measure the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied will depend on whether there has been a significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognized during the period will be recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

e. **Revenue:**

Revenue will be recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognized.

i) **Interest Income**

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

ii) **Dividend**

Revenue is recognized when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss



**f. Tax Expenses**

Tax expense comprises of current tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Provision for uncertain income tax positions/treatments are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purpose.



**g. Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

**h. Provisions :**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**i. Contingent liability :-**

*A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.*

**j. Cash and cash equivalents :-**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, 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.

**k. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **I. Significant accounting estimates and assumptions**

The preparation of the Company's financial statements requires 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.

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

##### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



Solar Avionics Limited  
Notes to Financial Statements for the year ended March 31, 2024  
(All amounts in thousand )

Note 3: Cash and Cash Equivalent

	March 31, 2024	March 31, 2023
Balances with bank		
In current account	209	240
	209	240



**Note 4: Equity share capital**

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Authorised equity share capital (face value Rs.10 each)	10,00,000	10,00,000	10,000	10,000
	10,00,000	10,00,000	10,000	10,000
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	50,000	50,000	500	500
	50,000	50,000	500	500

**(a) Movements in equity share capital**

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Number of Shares at the beginning of the year	50,000	50,000	500	500
Issued During the year	-	-	-	-
Number of Shares at the end of the year	50,000	50,000	500	500

**(b) Terms/ rights attached to equity shares**

The Company has one only class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the holders of equity share will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Equity shares held by ultimate holding/ holding company**

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Ultimate holding/ Holding Company				
Solar Industries India Limited (par value Rs.10 each fully paid)	50,000	50,000	500	500
	50,000	50,000	500	500

**(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	% holding		No of shares	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Solar Industries India Limited	100	100	50,000	50,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.



**Solar Avionics Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**  
**(All amount (All amounts in thousand )**

**(e) Details of Shares held by promoters :-**

As at March 31, 2024

Equity shares of INR 10 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Solar Industries India Limited	50,000	-	50,000	100.00%	-
	<b>Total</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>		

As at March 31, 2023

Equity shares of INR 10 each fully paid

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year*	No. of shares at the end of the year	% of Total Shares	% Change during the year*
1	Solar Industries India Limited	50,000	-	50,000	100.00%	-
	<b>Total</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>		





**Solar Avionics Limited**

Notes to Financial Statements for the year ended March 31, 2024

(All amounts in thousand )

**Note : 4a Other equity**

**Retained earnings**

	Amount
As at March 31, 2022	(246)
Add : Profit/(Loss) for the year	(43)
As at March 31, 2023	(289)
Add : Profit/(Loss) for the year	(38)
As at March 31, 2024	(327)

**Note 5: Trade payables**

	Mar 31, 2024	Mar 31, 2023
<b>Current</b>		
Trade payables		
a) total outstanding dues to micro enterprises and small enterprises (refer note 14)	-	-
b) total outstanding dues to creditors other than micro enterprises and small enterprises	36	29
	36	29

**Break up of trade payables**

	Mar 31, 2024	Mar 31, 2023
Trade Payables other than related parties	36	29
	36	29

Particulars	Outstanding for following periods from due date of payment for March 31, 2024					Total
	Not due	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Undisputed dues- MSME	-	-	-	-	-	-
(ii) Undisputed dues- Others	36	-	-	-	-	36

Particulars	Outstanding for following periods from due date of payment for March 31, 2023					Total
	Not due	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
(i) Undisputed dues- MSME	-	-	-	-	-	-
(ii) Undisputed dues- Others	29	-	-	-	-	29

**Note :**

1. Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.
2. For trade payables due to Micro and Small enterprises development, refer note 14
3. For explanations on the Company's credit risk management processes, refer note 11.
4. There are no unbilled transactions during the FY 2023-24 & 2022-23



Solar Avionics Limited

Notes to Financial Statements for the year ended March 31, 2024

(All amounts in thousand )

Note 6: Other expenses

	March 31, 2024	March 31, 2023
Payments to auditors- (refer note 6(a))	16	10
Consultancy & Professional Charges	22	33
	<b>38</b>	<b>43</b>

Note 6(a): Details of payments to auditors

	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>Payments to auditors</b>		
<b>As auditor :</b>		
Audit Fee	12	6
<b>In other capacity</b>		
Taxation Matter	4	4
	<b>16</b>	<b>10</b>

Note : 7 Earning per share

	March 31, 2024	March 31, 2023
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	(38)	(43)
Weighted average number of equity shares for basic and diluted EPS	50	50
Basic and Diluted EPS attributable to the equity holders of the company ( ₹)	<b>(0.76)</b>	<b>(0.86)</b>
Nominal value of shares ( ₹)	10.00	10.00



## 4 - Note 8: Related Party Disclosures

## A Names of related parties and related party relationship :

## I Holding Company

Solar Industries India Limited

## II Key Managerial Personnel (KMP)

- 1 Shri Jagoba Fakruji Salve (Director)
- 2 Shri Manish Nuwal (Director)
- 3 Smt Shalinee Mandhana (Director)

## III Key Managerial Personnel of Holding Company

- 1 Shri Manish Nuwal (Managing Director & CEO)
- 2 Shri Suresh Menon (Executive Director)
- 3 Shri Milind Deshmukh (Executive Director)
- 4 Shri Moneesh Agrawal [Joint Chief Financial Officers (CFO)]
- 5 Smt. Shalinee Mandhana [Joint Chief Financial Officers (CFO)]
- 6 Smt. Khushboo Pasari (Company Secretary & Compliance Officer)

## IV Subsidiaries, step down subsidiaries and associates of Holding Company

## A. Indian Subsidiaries

- 1 Economic Explosives Limited
- 2 Solar Defence Limited (Note-1)
- 3 Solar Defence Systems Limited. - (Note 1)
- 4 Solar Explochem Limited
- 5 Emul Tek Private Limited

## Country of Incorporation

India  
India  
India  
India  
India

## B Indirect Subsidiary of Holding Company (Where Control exist)

- 1 Rajasthan Explosives and Chemicals Limited -(Note-5)

India

## C Overseas Subsidiaries

- 1 Solar Overseas Mauritius Limited

Mauritius

## Overseas Step Down Subsidiaries

- |    |   |              |
|----|---|--------------|
| 1  | Solar Overseas Netherlands B.V. - (a)   | Netherlands  |
| 2  | Solar Explochem Zambia Limited - (a)  | Zambia       |
| 3  | Solar Mining Services Pty Limited - (a)   | South Africa |
| 4  | Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited) - (a)                           | Nigeria      |
| 5  | P.T. Solar Mining Services - (b)  | Indonesia    |
| 6  | Solar Madencilik Hizmetleri A.S - (b)   | Turkey       |
| 7  | Solar Nitro Ghana Limited - (b)   | Ghana        |
| 8  | Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)                                     | Turkey       |
| 9  | Solar Overseas Netherlands Cooperative U.A - (c)  | Netherlands  |
| 10 | Solar Overseas Singapore Pte Ltd. - (c)   | Singapore    |
| 11 | Solar Industries Africa Limited - (c)   | Mauritius    |
| 12 | Solar Nitro Zimbabwe (Private) Limited - (Note 1) & (c)   | Zimbabwe     |
| 13 | Solar Venture Company Limited - (c)   | Tanzania     |
| 14 | Solar Nitrochemicals Limited - (d)  | Tanzania     |
| 15 | Solar Mining Services Burkina Faso SARL - (Note 1) & (d)  | Burkina Faso |
| 16 | Solar Mining Services Pty Ltd. - (e)  | Australia    |
| 17 | Solar Mining Services Cote d'Ivoire Limited SARL - (Note 1) & (e)                                   | Ivory Coast  |
| 18 | Solar Nitro SARL - (Note 1) & (e)   | Ivory Coast  |
| 19 | Solar Mining Services, Albania - (e)  | Albania      |
| 20 | PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 3)                               | Turkey       |
| 21 | Solar Nitro (SL) Limited (Note-1 and Note-2) & (e)  | Sierra Leone |
| 22 | Solar Nitro Kazakhstan Limited (Note-1 and Note-4) & (e)  | Kazakhstan   |
| 23 | Limited Liability Partnership of Solar Nitro Kazakhstan Limited Power Blast LLP (Note-1 and Note-6) | Kazakhstan   |



<b>D Associates</b>		
1	Zmotion Autonomous Systems Private Limited	India
2	Astra Resources (pty) Limited	South Africa
3	Solar United Company Limited (Formerly Known as Solar AGC Limited Liability) (Note-1 and 7)	Saudi Arabia
4	Ortiz Investments (pty) Limited (Note-8)	South Africa
<b>V Enterprises, over which control or significant influence is exercised by individuals listed in 'III' above (with whom transactions have taken place)</b>		
N.A.		

Note 1: The Entity has not commenced its business operations.

Note 2: The Entity was incorporated on November 7, 2023

Note 3: Entity under Liquidation

Note 4: Entity incorporated on May 5, 2023

Note 5: Subsidiary of Emul Tek Private Limited with effect from December 16, 2023

Note 6: Acquired by Solar Nitro Kazakhstan Limited with effect from October 1, 2023

Note 7: The entity incorporated on July 18, 2023

Note 8: The entity incorporated on May 9, 2023

- (a) Majority owned and controlled subsidiaries of Solar Overseas Netherlands Cooperatie U.A
- (b) Majority owned and controlled subsidiaries of Solar Overseas Netherlands B.V.
- (c) Majority owned and controlled subsidiaries of Solar Overseas Mauritius Limited
- (d) Majority owned and controlled subsidiaries of Solar Industries Africa Limited
- (e) Majority owned and controlled subsidiaries of Solar Overseas Singapore PTE Ltd.



**Note 9: Segment Information**

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. The CODM evaluates the Company's performance and allocates the resources. Currently the Company has not commenced any operations.

**Note 10: Fair Value Measurements**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- 1 The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents because their carrying amounts are a reasonable approximation of fair value.
- 2 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**A. Fair Value Hierarchy**

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2024** is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Cash and cash equivalents	209	3	-	-	-
<b>Financial liabilities</b>					
<b>Amortised cost</b>	-		-	-	-
Trade Payables	36	5			

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2023** is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Cash and cash equivalents	240	3	-	-	-
<b>Financial liabilities</b>					
<b>Amortised cost</b>	-		-	-	-
Trade Payables	29	5			



**Note 11: Financial risk management objectives and policies**

The Company is not a operational entity and hence not much exposed to financial risks. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks. The Holding Company's finance team manages the financial risk of the Company.

The Company is exposed to market risk, credit risk and liquidity risk. The Holding company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The following table mentions the risk the Company is exposed to and how it manages it

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Loan		
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis	Diversification of credit limits and letters of credit
		Credit Analysis	
Liquidity Risk	Borrowing, trade payable and other liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

**Market Risk**

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks include

- interest rate risk,
- foreign currency risk and
- equity price risk.

Market risk is attributable to all market risk sensitive financial instruments. The finance department of holding company undertakes management of cash resources and ensuring compliance with market risk limits.

**Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates.

There is no borrowing in the company and hence no interest rate risk.

**Foreign Currency Risk**

There is no foreign Currency Borrowing in the company and hence no foreign currency risk.



**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 analysis of historical bad debts and ageing of financial assets. Individual risk limits are periodically reviewed on the basis of such information.

**Cash and cash equivalents and deposits:** Balances with banks are subject to low credit risks due to good credit ratings assigned to the banks.

**Investments:** The Company limits its exposure to credit risk by generally investing in liquid securities and counterparties that have a good credit ratings. The company does not expect any credit losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors. Currently there is no investment in the company.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
<b>March 31, 2024</b>					
Trade Payables	-	36	-	-	36
<b>March 31, 2023</b>					
Trade Payables	-	29	-	-	29



Solar Avionics Limited  
Notes to Financial Statements for the year ended March 31, 2024  
(All amounts in thousand )  
Note 12. Financial Ratios

Ratio	Numerator	Demominator	March 31, 2024	March 31, 2023	% change	Reason for varaince
Current	Current Asset	Current Liabilities	5.74	8.31	-30.93%	The decrease is due to increase in trade payables and decrease in cash and cash equivalents
Return on Equity	Net Profit after taxes - Preference Dividend	Average Networth	(0.20)	(0.19)	5.26%	
Debt-Equity	Total Debt	Shareholder's Equity (Total Equity)	-	-	-	
Debt Service Coverage	Earning available for Debt Service = Profit before interest and depreciation + borrowing cost ( Excluding lease)	Debt Service = Finance Cost Excluding lease + Principal Repayments	-	-	-	
Inventory Turnover	Cost of Goods Sold	Average Inventory	-	-	-	
Trade Receivable Turnover	Net Sales = Gross sales- sales return	Average Trade Receivable	-	-	-	
Trade Payable Turnover	Net Purchases = Gross purchases- purchase return	Average Trade Payable	-	-	-	
Net Capital Turnover	Net Sales = Total sales- sales Return	Average Working Capital	-	-	-	
Net Profit	Net Profit after tax	Revenue from Operations	-	-	-	
Return on Capital Employed	Earning Before Interest and Taxes	Capital Employed = Average (Net Worth + Total Debt + Deferred Tax Liability)	-19.64%	-18.63%	5.42%	
Return on Investment	Non operating income from investment	Investment = Average (Cash and Cash	-	-	-	

Note :- The Company has not commenced business operations.





**Note 13: Capital Management**

For the purpose of Company's capital management, capital includes issued share capital and all other equity reserves. The primary objective of capital management is to maximise shareholder value. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and risk managements of the underlying assets. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. 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 a gearing ratio, which is net debt divided by total capital plus net debt.

The Company does not have any borrowings and hence gearing ratio not calculated.

**Note 14. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:**

	March 31, 2024	March 31, 2023
Principal amount outstanding (whether due or not) to micro and small enterprises	-	-
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note : Dues to Micro and Small Enterprises if any have been determined to the extent such parties have been identified on the basis of information collected by management. This has been relied upon by the auditors.

**Note 15:** Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the SAP HANA application and the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of software.

**Note : 16 Other Statutory Information:**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or given loans or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries



**Solar Avionics Limited**

**Notes to Financial Statements for the year ended March 31, 2024**

(All amounts in thousand )

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

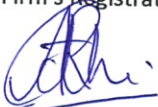
(viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

**Note 17:** The financial statements were approved for issue by the Board of Directors on May 13, 2024.

**For Akshay Rathi & Associates**

Chartered Accountants

Firm's Registration Number: 139703W



**Akshay Rathi**

Proprietor

Membership No.161910



Place: Nagpur

Date: May 13, 2024

**For and on behalf of the Board of Directors of  
SolarAvionics Limited**



**Manish Nuwal**

Director

DIN: 00164388



**Shalinee Mandhana**

Director

DIN: 09284290