INDEPENDENT AUDITOR'S REPORT

To The Members of
Apsis Aerocom Limited
(Formerly known as Apsis Aerocom Private Limited)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. Apsis Aerocom Limited (Formerly known as Apsis Aerocom Private Limited) (CIN: L29309KA2022PLC164926)**, ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the (Accounting Standards) Rules, 2021, as amended, ("AS") and the relevant rules issued thereunder, of the state of affairs of the Company as at March 31, 2026, and its profit, and cash flows for the year ended on that date.

Basis for opinion

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 Auditors' 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><td colspan="2">1. Assessment of Trade Receivables and Trade Payables (including Advances Received and Paid)</td></tr>
<tr><td><u>Description of Key Audit Matter</u>

The Company carries balances of trade receivables and trade payables (including advances received and paid) on its balance sheet as part of its regular business operations. We identified the assessment of these balances as a key audit matter due to the nature of the underlying transactions and the processes followed by the Company for recording, monitoring, and reconciling these balances.

The assessment of these balances involves established internal processes relating to invoicing, verification, periodic reconciliation, monitoring of outstanding balances, and obtaining confirmations from customers and vendors. The Company also follows a defined process for considering deemed confirmations where external responses are not received within the applicable statutory or contractual timelines.

The assessment of these balances involves consideration of factors such as payment history, business transactions, outstanding balance, and information available from the Company's records. Accordingly, appropriate evaluation of these balances and related disclosures is important to ensure their proper presentation in the financial statements.</td><td><u>Principal Audit Procedures:</u>

Our audit approach included evaluating relevant internal controls and performing substantive audit procedures. Specifically, we performed the following.

o Evaluated the internal control processes relating to invoicing, verification, monitoring, and periodic reconciliation of trade receivable and trade payable balances.

o Assessed the Company's procedures for obtaining direct balance confirmations from customers and vendors.

o Reviewed the Company's process for following up on confirmation requests and considering deemed confirmations where direct responses were not received within the applicable timelines.

o Evaluated the consistent application of the Company's established policies and procedures in respect of outstanding and unconfirmed balances.

o Performed substantive procedures over selected balances and transactions to assess their existence, accuracy, completeness, and appropriate presentation.

o Reviewed the Company's assessment of outstanding balances and the related provisions and adjustments, where applicable</td></tr>
<tr><td colspan="2">2. Assessment of Inventory valuation</td></tr>
<tr><td><u>Description of the Matter:</u>

As at the balance sheet date, the Company holds significant inventory comprising raw materials, work-in-progress, and finished goods. The valuation of inventory has been identified as a Key Audit Matter on account</td><td><u>Principal Audit Procedures:</u>

Our audit procedures in respect of the assessment of inventory valuation included the following:</td></tr>
</table>

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of the inherent complexities and the degree of management judgement involved in the cost allocation process. In accordance with Accounting Standard (AS) 2 "Valuation of Inventories," the Company measures its inventory at the lower of cost and net realisable value (NRV). Cost is determined on an actual cost basis allocated to goods produced using estimation techniques, which requires management to allocate direct material, direct labour, and manufacturing overheads to individual components with reference to the normal production capacity of the manufacturing facilities. This allocation process requires management to exercise judgment in: o Establishing estimation of cost for various components. o Classifying and absorbing fixed and variable manufacturing overheads. o Identifying and accounting for material, labour, and overhead variances. o Assessing slow-moving or obsolete inventory Any inappropriate allocation of overheads or failure to properly absorb variances could lead to a material misstatement of the inventory value and the associated cost of goods sold. Accordingly, this matter has been determined to be a Key Audit Matter.	o Obtained an understanding of and tested the design and implementation of management's process for inventory costing and allocation of production overheads; o Evaluated the mathematical accuracy and logical basis of the cost allocation model used by management, and verified that the absorption of fixed manufacturing overheads was based on the normal capacity of the manufacturing facilities; o Selected a sample of components and tested the estimated cost thereof by verifying the underlying inputs, such as raw material prices, machine run-time, and direct labour hours; o Analysed the net variances between actual production costs and allocated estimated costs, and assessed whether such variances were appropriately allocated to closing inventory or charged to the statement of profit and loss, based on their nature; o Tested management's assessment of net realisable value (NRV) by comparing the allocated cost of finished goods against subsequent selling prices; and o Evaluated management's policy and basis for identifying and providing for slow-moving and obsolete inventory, and tested the resulting provision on a sample basis. Based on the above procedures, we did not identify any material exceptions to management's assessment regarding the valuation of inventory.

Information Other than Financial Statements and Auditors' Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's Report including Annexure to Board of Director's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. The above referred information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the information, if, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and those charged with governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control 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 true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The Board of Directors is responsible for overseeing the company's financial reporting process.

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Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 controls 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 an opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the 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 auditors' 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 auditors' 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.

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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the "**Annexure - A",** a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure - B"**.

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

(i) The company does not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

(iv) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note no. 39.5 to the financial statements, 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, 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.

(v) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note no. 39.6 to the financial statements, 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, 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.

(vi) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material mis-statement.

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(vii) The company has not declared any dividend during the year.

(viii) According to the information and explanations given to us and based on the representations provided by the management, the Company has maintained its books of account for the financial year ended 31st March 2026 using an accounting software which includes a feature for recording an audit trail (edit log) of each transaction. Further, as represented to us:

- The audit trail feature was enabled and operational throughout the year, covering all financial related accounting transactions.
- The audit trail was not tampered with during the year.
- The Company has ensured preservation of the audit trail logs in compliance with the statutory record retention requirements prescribed under the Companies Act, 2013.
- We have not performed an independent technical evaluation of the software systems or audit logs. Accordingly, we have relied on the representations provided by the management in respect of these matters.

For **YCRJ & Associates**
Chartered Accountants
FRN: 006927S

YCRJ & ASSOCIATES ★ Bengaluru ★ Chartered Accountants

CA. Ramesh U. Angadi
Partner
M. No: 234143

Place: Bengaluru
Date: 28.05.2026
UDIN: 26234143IIPXZQ7097

"ANNEXURE - A" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of **M/s. Apsis Aerocom Limited (Formerly known as Apsis Aerocom Private Limited) (CIN : L29309KA2022PLC164926)**, ("the Company") on the Financial Statements for the year ended 31st March, 2026

To the best of our information and according to the explanations provided to us by the management of Company and the books of account and records examined by us in the normal course of audit, we state that:

i) In respect of the Company's Property, Plant and Equipment and intangible assets;

a. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment and relevant details of right of use assets.

(ii) The Company has maintained full particulars of the Intangible Assets.

b. The Company has a program of verification of Property, Plant and Equipment so as to cover all the items once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain items of Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and based on the records examined by us, the Company does not own any immovable property as at the balance sheet date. However, the Company has constructed a building on leasehold land situated at Plot Nos. 4-A-14 and 5-A-6, Hardware Sector – Hitech, Defence and Aerospace Park, KIADB, Hoovinayakanahalli, Jala Hobli, Yelahanka, Bengaluru, Karnataka – 562149. The lease agreement in respect of the said land is valid up to June 2030.

d. As per the information and explanation given us the Company has not revalued any of its Property, Plant and Equipment or its intangible assets during the year.

e. As per the information and explanation given us and as disclosed in Note 39(2) no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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ii)

a. According to the information made available and based on the records examined by us, the Company is conducting physical verification of inventories (excluding goods in transit) at reasonable intervals. The coverage and procedure of such verification by the management in our opinion, is appropriate having regard to the size of the company and nature of its business. As per the reports made available there are no discrepancies of 10% or more in aggregate for each class of inventory have been noticed on such verification by the company.

b. According to the information and explanations given to us, during any point of time of the year the company has not been sanctioned with working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause 3(ii)(b) of the Order is not applicable.

iii) According to the information and explanations given to us, the Company has not made any investments or granted any loans or advances in the nature of secured or unsecured to Companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year.

During the year, the Company has not made any investments or granted any loans or advances in the nature of secured or unsecured, to any party. Accordingly, the provisions of clauses iii(a), (b), (c), (d), (e) and (f) of para 3 of the order are not applicable to the Company.

iv) According to the information and explanations given to us, during the year, the Company has not made any investments or granted any loans to any other body corporate, and nor it has given any guarantee or provided any security to any other body corporate or person. Consequently, the provisions of clause iv of Para 3 of the order are not applicable to the Company.

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

vi) The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

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vii)

a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods and Services Tax as applicable to it during the year with appropriate authorities.

Further we report that, there were no undisputed material amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Goods and Service Tax, outstanding as at 31st March, 2026 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us and as per our verification of records of the Company, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any disputes as at 31st March, 2026.

viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

ix)

a. As per the information made available and based on our verification, we report that, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. As per the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender. However, we have not carried out any independent verification with the bank or financial institution or other lender on the same.

c. As per the information and explanations given to us, and as per our review, prima facie, the term loans were applied for the purpose for which the loans were obtained. However, we have not carried out any detailed examination of such accounts, records and utilisation.

d. As per the information and explanations given to us, and as per our review, prima facie, funds raised on short term basis have not been utilised for long term purposes. However, we have not carried out any detailed examination of such accounts, records and utilisation.

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e. The Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures and hence reporting under clause 3(ix)(e) of the order is not applicable.

f. The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x)

a. According to the information and explanations given to us and based on our audit procedures, the Company raised moneys by way of an Initial Public Offer (IPO) during the year. Since the funds were raised towards the end of the financial year, they remained unutilized as of March 31, 2026 and the unutilised amount has been kept in a designated bank account and proposed to be utilised for the objects stated in the offer document.

b. According to the information and explanations given to us, and on the basis of our examination of the books of accounts of the company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the clause 3(x)(b) is not applicable.

xi)

a. As per the information and explanation provided to us, no material fraud by the company or any fraud on the company has been noticed or reported during the year.

b. No report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

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

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Companies Act. The details of such related party transactions have been disclosed in the financial statements as required by applicable accounting standards.

xiv) According to the information and explanations given to us,

a. Pursuant to the listing of the Company on NSE Emerge on 18 March 2026, section 138 of the Companies Act, 2013 became applicable to the Company. Post the Company introduced the internal audit system to cover the period of quarter ended on 31 March 2026 alone. In our opinion, the internal audit system for the period is adequate and commensurate with the size and the nature of its business.

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b. We have considered the internal audit report provided to us for the above period.

xv) According to the information and explanations given to us by the management, during the year under review, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Consequently, the provisions of clause xv of para 3 of the order are not applicable to the Company.

xvi) According to the information and explanations given to us, the Company is not carrying on any NBFC activities and hence, is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the provisions of clause xvi of para 3 of the order are not applicable to the Company.

xvii) The company has not incurred cash losses either in the current financial year or in the preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) is not applicable to the company.

xix) On the basis of analysis of information relating to financial ratios, ageing and expected dates of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) As per the information and explanations given to us and as disclosed in Note No 38,

a. In respect of obligations other than ongoing projects, out of the total required Corporate Social Responsibility (CSR) expenditure of Rs.8.28 lakhs, the Company has spent Rs.7.50 lakhs during the year. The remaining unspent amount of Rs.0.78 lakhs has not been transferred to a Fund specified in Schedule VII to the Companies Act, 2013 up to the date of our report. However, as on date of this report, the statutory time period of six months from the end of the financial year for making such a transfer, as prescribed under the second proviso to sub-section (5) of Section 135 of the Act, has not yet expired.

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b. In our opinion and according to the information and explanations given to us, there is no unspent amount under section 135 (5) of the Act pursuant to any ongoing projects for current financial year ended March 31, 2026. Accordingly, clause 3(xx)(b) of the Order is not applicable.

xxi) As this report being given on the Standalone Financial Statements of the company, reporting under clause 3(xxi) is not applicable.

For **YCRJ & Associates**
Chartered Accountants
FRN: 006927S

CA. Ramesh U. Angadi
Partner
M. No: 234143

Place: Bengaluru
Date: 28.05.2026
UDIN: 26234143IIPXZQ7097

"ANNEXURE - B" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" in our Independent Auditors Report of even date on the Financial Statements to the members of **M/s. Apsis Aerocom Limited (Formerly known as Apsis Aerocom Private Limited) (CIN : L29309KA2022PLC164926)**, for the year ended 31st March, 2026]

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

We have audited the internal financial controls over financial reporting of **M/s. Apsis Aerocom Limited (Formerly known as Apsis Aerocom Private Limited) (CIN: L29309KA2022PLC164926),** ("the Company") as of 31st March, 2026 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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls system with reference to the financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 system with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to these financial statements reporting and

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their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control system with reference to these 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 controls with reference to financial statements reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial control system with reference to the financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls system with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls systems with reference to these financial statements and such internal financial controls system with reference to these financial statements were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India..

For **YCRJ & Associates**
Chartered Accountants
FRN: 006927S

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

CA. Ramesh U. Angadi
Partner
M. No: 234143

Place: Bengaluru
Date: 28.05.2026
UDIN: 26234143IIPXZQ7097

Apsis Aerocom Limited

(Formerly Known as Apsis Aerocom Private Limited)

CIN:L29309KA2022PLC164926

Address: Plot No.392/1, 10th Cross Road, IV Phase, Peenya Industrial Area,Bengaluru - 560058,Karnataka

Balance Sheet as at 31 March 2026

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Particulars	Note	31 March 2026	31 March 2025
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	1,205.19	97.78
(b) Reserves and Surplus	4	3,684.96	923.80
(c) Money Received against Share Warrants		-	-
Total		4,890.15	1,021.58
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term Borrowings	5	181.19	15.55
(b) Deferred Tax Liabilities (Net)	6	40.20	24.65
(c) Other Long term Liabilities		-	-
(d) Long-term Provisions	7	28.54	27.92
Total		249.93	68.12
(4) Current liabilities			
(a) Short-term Borrowings	8	237.29	152.44
(b) Trade Payables	9		
- Due to Micro and Small Enterprises		160.27	61.62
- Due to Others		314.30	222.89
(c) Other Current Liabilities	10	357.10	221.87
(d) Short-term Provisions	11	108.60	25.08
Total		1,177.56	683.90
Total Equity and Liabilities		**6,317.64**	1,773.60
II. ASSETS			
(1)Non-current assets			
(a) Property, Plant and Equipment and Intangible Assets	12		
(i) Property, Plant and Equipment		1,230.00	717.93
(ii) Intangible Assets		2.33	2.32
(iii) Capital Work-in-progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans and Advances	13	343.66	175.27
(e) Other Non-current Assets	14	100.58	87.17
Total		1,676.57	982.69
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	15	414.17	281.94
(c) Trade Receivables	16	402.73	376.56
(d) Cash and Bank Balances	17	3,650.51	110.89
(e) Short-term Loans and Advances	18	173.66	21.51
(f) Other Current Assets		-	-
Total		4,641.07	790.91
Total Assets		**6,317.64**	**1,773.60**

See accompanying notes to the financial statements & Summary of Significant Accounting Policies

As per our report of even date
For YCRJ & Associates
Chartered Accountants
Firm's Registration No. 006927S

CA. Ramesh U. Angadi
Membership No. 234143
UDIN: 26234143IIPXZQ7097

For and on behalf of the Board of
Apsis Aerocom Limited

Basavaraju Kanakatte Shivakumar
Managing Director
DIN:09704693

Vinod Kumar Mariyappan
Whole Time Director
DIN:09704694

Mihir Kumar Pradhan
Chairman and Executive Director
DIN:09704695

Kancharla Naga Shashidhar
Chief Financial Officer

Saloni Jayati

Saloni Jayati
Company Secretary

Place: Bengaluru
Date: May 28, 2026

Place: Bengaluru
Date: May 28, 2026

Apsis Aerocom Limited

(Formerly Known as Apsis Aerocom Private Limited)

CIN:L29309KA2022PLC164926

Address: Plot No.392/1, 10th Cross Road, IV Phase, Peenya Industrial Area,Bengaluru - 560058,Karnataka

Statement of Profit and loss for the year ended 31 March 2026

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Particulars	Note	31 March 2026	31 March 2025
Revenue from Operations	19	3,064.52	2,049.06
Other Income	20	10.75	7.98
Total Income		3,075.27	2,057.04
Expenses			
Cost of Material Consumed	21	1,077.82	598.78
Purchases of Stock in Trade		-	-
Change in Inventories of work in progress and finished goods	22	(77.48)	(161.31)
Employee Benefit Expenses	23	586.03	371.73
Finance Costs	24	27.13	25.61
Depreciation and Amortization Expenses	25	99.83	92.81
Other Expenses	26	332.10	220.69
Total expenses		2,045.43	1,148.31
Profit/(Loss) before Exceptional and Extraordinary Item and Tax		1,029.84	908.73
Exceptional Item		-	-
Profit/(Loss) before Extraordinary Item and Tax		1,029.84	908.73
Prior Period Item	27	-	15.12
Extraordinary Item		-	-
Profit/(Loss) before Tax		1,029.84	893.61
Tax Expenses	28		
- Current Tax		262.81	208.65
- Deferred Tax		15.55	20.00
- Prior Period Taxes		0.42	4.65
Profit/(Loss) for the Period from Continuing Operations		**751.06**	**660.31**
Profit/(loss) from Discontinuing Operation (before tax)		-	-
Tax Expenses of Discountinuing Operation		-	-
Profit/(loss) from Discontinuing Operation (after tax)		-	-
Profit/(Loss) for the period		**751.06**	**660.31**
Earnings Per Share (Face Value per Share Rs. each)			
-Basic (In Rs)	29	8.40	7.50
-Diluted (In Rs)	29	8.40	7.50

See accompanying notes to the financial statements & Summary of Significant Accounting Policies

As per our report of even date
For YCRJ & Associates
Chartered Accountants
Firm's Registration No. 006927S

CA. Ramesh U. Angadi
Membership No. 234143
UDIN: 26234143IIPXZQ7097

For and on behalf of the Board of
Apsis Aerocom Limited

Basavaraju Kanakatte Shivakumar
Managing Director
DIN:09704693

Vinod Kumar Mariyappan
Whole Time Director
DIN:09704694

Mihir Kumar Pradhan
Chairman and Executive Director
DIN:09704695

Kancharla Naga Shashidhar
Chief Financial Officer

Saloni Jayati

Saloni Jayati
Company Secretary

Place: Bengaluru
Date: May 28, 2026

Place: Bengaluru
Date: May 28, 2026

Apsis Aerocom Limited

(Formerly Known as Apsis Aerocom Private Limited)

CIN:L29309KA2022PLC164926

Address: Plot No.392/1, 10th Cross Road, IV Phase, Peenya Industrial Area,Bengaluru - 560058,Karnataka

Cash Flow Statement for the year ended 31 March 2026

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Particulars	Note	31 March 2026	31 March 2025
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit after tax		751.06	660.31
			-
Depreciation and Amortization Expense		99.83	88.80
Provision for tax		278.36	233.30
Loss/(Gain) on Sale / Discard of Assets (Net)		4.11	0.96
Provision for Slow Moving of Stock		1.28	12.56
Interest Income		(9.15)	(5.92)
Finance Costs		27.13	25.61
Operating Profit before working capital changes		**1,152.62**	**1,015.63**
Adjustment for:			
Inventories		(132.22)	(186.68)
Trade Receivables		(26.16)	(278.00)
Loans and Advances given		(320.54)	(148.71)
Other Current Assets		-	0.68
Other Non current Assets		(13.41)	(44.53)
Trade Payables		190.06	(130.68)
Other Current Liabilities		135.22	49.56
Short-term Provisions		2.21	7.44
Long-term Provisions		0.62	27.92
Investment in Term Deposits		(102.11)	(104.12)
Cash (Used in)/Generated from Operations		**886.29**	**208.52**
Tax paid(Net)		182.78	203.57
Net Cash (Used in)/Generated from Operating Activities		**703.51**	**4.95**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(641.11)	(365.81)
Sale of Property, Plant and Equipment		25.09	19.35
Interest received		9.15	5.92
Net Cash (Used in)/Generated from Investing Activities		**(606.87)**	**(340.55)**
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Share Capital (Equity)		3,117.51	-
Proceeds from Long Term Borrowings		165.63	-
Repayment of Long Term Borrowings		-	(4.62)
Proceeds from Short Term Borrowings		84.85	164.44
Interest Paid		(27.13)	(25.61)
Net Cash (Used in)/Generated from Financing Activities		**3,340.87**	**134.22**
Net Increase/(Decrease) in Cash and Cash Equivalents		**3,437.51**	**(201.38)**
Opening Balance of Cash and Cash Equivalents		6.77	208.15
Exchange difference of Foreign Currency Cash and Cash equivalents		-	-
Closing Balance of Cash and Cash Equivalents	17	**3,444.28**	**6.77**

Components of cash and cash equivalents	31 March 2026	31 March 2025
Cash on hand	5.38	1.38
Balances with banks in current accounts	3,438.90	5.39
Cash and cash equivalents as per Cash Flow Statement	**3,444.28**	**6.77**

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".

See accompanying notes to the financial statements & Summary of Significant Accounting Policies

As per our report of even date
For YCRJ & Associates
Chartered Accountants
Firm's Registration No. 006927S

For and on behalf of the Board of
Apsis Aerocom Limited

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

CA. Ramesh U. Angadi
Membership No. 234143
UDIN: 26234143IIPXZQ7097

Basavaraju Kanakatte Shivakumar
Managing Director
DIN:09704693

Vinod Kumar Mariyappan
Whole Time Director
DIN:09704694

Saloni Jayati

Mihir Kumar Pradhan
Chairman and Executive Director
DIN:09704695

Kancharia Naga Shashidhar
Chief Financial Officer

Saloni Jayati
Company Secretary

Place: Bengaluru
Date: May 28, 2026

Place: Bengaluru
Date: May 28, 2026

Apsis Aerocom Limited

(Formerly Known as Apsis Aerocom Private Limited)
CIN:L29309KA2022PLC164926
Notes forming part of the Financial Statements
Summary of Significant Accounting Policies

1 **COMPANY INFORMATION**

APSIS AEROCOM LIMITED is a listed Public Company incorporated on August 16, 2022 under the Companies Act, 2013, got listed on NSE Emerge platform on March 18, 2026 and domiciled in India, having registered office at Plot No.392/1, 10th Cross Road, IV Phase, Peenya Industrial Area, Bengaluru, Karnataka-560058. The company's CIN:L29309KA2022PLC164926and is engaged in manufacture of Precision Machined Components for Aerospace, Defence, Healthcare and other industrial applications.

The Financial statements of the company for the year ended 31st March 2026 were approved by the Board of Directors and authorized for issue on 28.05.2026

2 **BASIS OF PREPARATION AND MEASUREMENT:**

2.1 **Basis of Preparation**

The financial statements have been prepared in accordance with the accounting principles generally accepted in India ("Indian GAAP"), including the Accounting Standards ("AS") specified under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, as amended from time to time, and other relevant provisions of the Companies Act, 2013. The financial statements have been prepared and presented in accordance with the requirements of Division I of Schedule III to the Companies Act, 2013. These financial statements have been prepared on the historical cost convention and on the accrual basis of accounting, except where otherwise stated in the significant accounting policies.

2.2 **Summary of Significant Accounting Policies**

a **Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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 & intangible assets**

Property, plant and equipment is stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost on making the asset ready for its intended use.

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognized in the statement of profit and loss when the same is derecognized.

c **Depreciation on Property, Plant and Equipment & intangible assets**

Depreciation is calculated on SLM based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Residual value is taken at 5% of the original cost of assets. Depreciation on assets except for Vehicle,Building and Computer software is calculated on double shift basis and on Vehicles, Buildings and computer software it is calculated on single shift basis. Depreciation on addition / deletion to assets during the year is provided on pro-rata basis. The useful life of major components of Property, Plant and Equipment is as follows: -

Particulars of Property, Plant and Equipment	Estimated useful life (Years)	Rate of Depreciation
Computers	3 Years	47.50%
Computer Software	3 Years	31.67%
Furniture and Fixtures	10 Years	14.25%
Electrical Fittings	10 Years	14.25%
Plant & Machinery	15 Years	9.50%
Vehicles	8 Years	11.88%
Building	30 Years	3.17%

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

d Impairment of assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Reversal of impairment loss is recognised as income in the statement of profit and loss.

e Leases

Assets taken on lease by the Company in its capacity as lessee, where the Company has transferred substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

f Inventories

Inventories comprising of finished goods, work in progress and raw materials including materials in transit, stores & spares, and Consumables are valued at the lower of cost and net realisable value. Cost is determined on a FIFO basis. Cost includes direct material cost, cost of production, labour cost and a proportion of manufacturing overheads incurred in the normal course of business in bringing such inventories to its condition and location.

Impairment is recognised for Slow-moving and Non-moving inventories for one year and above. Realisable value is determined based on management's estimate of selling price.

g Cash and cash equivalents

Cash and Bank Balances comprise of cash on hand and demand deposits with banks. The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

h Revenue recognition

Revenue from sale of products is recognised when control of the goods or services is transferred to the customer i.e., when the risk and rewards of the goods has been transferred to the customer, as may be specified in the contract. Revenue from Service is recognised after performance of the service contract is completed or after achieving the milestone as may be specified in the contract. Recognition of revenue is based upon the condition that there is no significant uncertainty exists regarding the amount of consideration that will be derived from sale or services. Revenue is reported net of trade discounts, if any.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable

i Employee Benefits

i) Short-term Employee Benefits

All employee benefits falling due wholly within 12 months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia and performance incentives, are charged to Statement of Profit & Loss of the year in which the employee renders the related service.

ii) Post-employment benefits and Other Long-Term Employee benefits

(a) Defined Contribution Plans

These are plans in which the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contribution to the Employees Provident Fund, ESI and the like. The company's payments to the Defined contribution plans are charged to the Statement of Profit & Loss of the year when the employees render the related service that the payment covers.

(b) Defined Benefit Plans

Defined benefit plans includes gratuity and earned leave accrued to employees, liability of which is provided in the books of account on the basis of actuarial valuation made at the end of year.

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

j Borrowing Cost

Financing costs relating to borrowed funds attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of Profit and Loss.

k Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss.

l Taxation

Current tax comprises taxes on income and measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

m Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities if any are disclosed in the Notes to Accounts. A contingent asset is neither recognised nor disclosed in the financial statements.

n Earning per Share

Basic Earnings per Share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted Earnings per Share is computed by dividing net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o Cash Flow Statement

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

p Provision for Slow moving & Non moving Stock

The Company assesses its inventory regularly to ensure it is carried at the lower of cost and net realizable value in accordance with applicable accounting standards. As part of this assessment, a provision for slow-moving and non-moving inventory is created based on the aging and usability of inventory items.

Inventory type	Cumulative Provision Percentage		
	Older than 1 Year and upto 2 Years	Older than 2 Years and upto 3 Years	Older than 3 Years
Finished Goods & Work-in-Progress	15%	35%	60%
Raw Materials	10%	25%	50%

These provisions are reviewed at each reporting date and adjusted based on actual usage trends, management judgment, and expected future consumption or saleability of the inventory.

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

q **Events occurring after the balance sheet date**

Adjustments to assets & liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amount of assets and liabilities relating to condition existing at the balance sheet date.

r **Prior period items and Changes in accounting policies**

Prior period items and changes in accounting policies and effects thereof, if any are disclosed separately in the financial statements.

As per our report of even date

For YCRJ & Associates Chartered Accountants Firm's Registration No. 006927S	**For and on behalf of the Board of** **Apsis Aerocom Limited**	
CA. Ramesh U. Angadi Membership No. 234143 UDIN: 26234143IIPXZQ7097	**Basavaraju Kanakatte Shivakumar** Managing Director DIN:09704693	**Vinod Kumar Mariyappan** Whole Time Director DIN:09704694
Mihir Kumar Pradhan Chairman and Executive Director DIN:09704695	**Kancharla Naga Shashidhar** Chief Financial Officer	**Saloni Jayati** Company Secretary

Place: Bengaluru
Date: May 28, 2026

Place: Bengaluru
Date: May 28, 2026

Apsis Aerocom Limited
(Formerly Known as Apsis Aerocom Private Limited)
CIN:L29309KA2022PLC164926
Notes forming part of the Financial Statements

3 Share Capital

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Particulars	31 March 2026	31 March 2025
Authorised Share Capital		
1,50,00,000 Equity Shares of Rs. 10 each (Previous Year - 1,50,00,000 Equity Shares)	1,500.00	1,500.00
Issued, Subscribed and Fully Paid up Share Capital		
1,20,51,921 Equity Shares of Rs. 10 each fully paid up (Previous Year - 9,77,769 Equity Shares)	1,205.19	97.78
Total	**1,205.19**	**97.78**

(i) Reconciliation of number of shares

Particulars	31 March 2026		31 March 2025	
	No. of shares	(Rs in lakh)	No. of shares	(Rs in lakh)
Equity Shares				
Opening Balance	9,77,769	97.78	9,77,769	97.78
Bonus Shares Issued during the year	78,22,152	782.21	-	-
Issue of Shares for cash during the year	32,52,000	325.20	-	-
Deletion	-	-	-	-
Closing balance	**1,20,51,921**	**1,205.19**	**9,77,769**	**97.78**

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. 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 equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shares held by shareholders holding more than 5% of the aggregate shares in the company

Equity Shares	31 March 2026		31 March 2025	
Name of Shareholder	No. of shares	In %	No. of shares	In %
Basavaraju K.S	31,59,000	26.21%	3,51,000	35.90%
Mihir Kumar Pradhan	31,59,000	26.21%	3,51,000	35.90%
Vinod Kumar M	24,57,000	20.39%	2,73,000	27.92%

(iv) Shares held by Promoters at the end of the year 31 March 2026

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Basavaraju K.S	Equity Shares	31,59,000	26.21%	-9.69%
Mihir Kumar Pradhan	Equity Shares	31,59,000	26.21%	-9.69%
Vinod Kumar M	Equity Shares	24,57,000	20.39%	-7.53%

Shares held by Promoters at the end of the year 31 March 2025

Name of Promoter	Class of Shares	No. of Shares	% of total shares	% Change during the year
Basavaraju K.S	Equity Shares	3,51,000	35.90%	0.00%
Mihir Kumar Pradhan	Equity Shares	3,51,000	35.90%	0.00%
Vinod Kumar M	Equity Shares	2,73,000	27.92%	0.00%

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

4 Reserves and Surplus

Particulars	31 March 2026	31 March 2025
Securities Premium		
Opening Balance	-	-
Add: Issue of Shares	3,252.00	-
Less: Deletion	-	-
(Add)/Less: Share Issue Expenses	459.69	-
Closing Balance	2,792.31	-
Statement of Profit and loss		
Balance at the beginning of the year	923.80	263.49
Add: Profit/(loss) during the year	751.06	660.31
Less: Bonus Shares Issued	782.21	-
Less: Appropriation	-	-
Balance at the end of the year	892.65	923.80
Total	3,684.96	923.80

1. 78,22,152 Bonus Shares has been issued at Face Value of Rs 10 per share during the year 2025-26 by way of capitalization of reserves. The said bonus shares have been allotted by utilizing the balance available in Profit/Loss Reserve.
2. 32,52,000 Equity shares have been issued through IPO at Issue Price of Rs 110 per share comprising of Face Value of Rs 10 per share and Security Premium of Rs 100 per share.

5 Long term borrowings

Particulars	31 March 2026	31 March 2025
Term Loans		
from Banks	167.26	-
Secured Term loan from NBFC	-	15.55
Long term maturities of finance lease obligations	13.93	-
Total	181.19	15.55

Particulars of Long term Borrowings

Name of Lender/Type of Loan	Nature of Security	Rate of Interest	Monthly Installments	No of Installment
Toyota Finance Services India Ltd	Secured by hypothecation of Innova hycross vehicle	9.25%	Rs. 0.52 (In Lakhs)	60
Axis Bank Ltd	Secured by hypothecation of Hermle Vertical 5 Axis Machining	9.25%	Rs.14.34 (In Lakhs)	24
Axis Bank Ltd	Secured by hypothecation of Doosan CNC Mill Centre	9.25%	Rs 1.99 (In Lakhs)	24

Company has availed finance lease facility from Siemens Finance Limited for Plant and Machinery.
Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

The Company has not registered the charges with ROC for the car loan (Toyota Hycross) taken during the period 2023-24

6 Deferred tax liabilities Net

Particulars	31 March 2026	31 March 2025
Deferred Tax Liability (net)	40.20	24.65
Total	40.20	24.65

YCRJ & ASSOCIATES Bengaluru Chartered Accountants

APSIS AEROCOM LIMITED

Significant components of Deferred Tax

Particulars	31 March 2026	31 March 2025
Deferred Tax Liability/(Asset)		
Difference between the carrying amount of assets as per the companies act and their tax base	63.29	34.81
under the Income-tax Act, 1961.	-	-
Expenses recognized in the books but allowable under the Income-tax Act, 1961 on payment	-	-
basis [Section 40A(7)	-	-
-Provision for Gratuity	(6.52)	(6.69)
-Provision for Leave Encashment	(1.81)	(1.03)
Provision for Closing Stock	(3.48)	(3.16)
Closing lease liability	(11.28)	(0.40)
Stamp Duty Fee with respect to Increased Authorized Capital	-	(4.40)
1/5 of stamp duty to be allowed(u/s 35D)	-	0.87
Prior period Deferred tax liability on Fixed Assets	-	4.65
Deferred Tax Liability	**40.20**	**24.65**

7 Long term provisions

Particulars	31 March 2026	31 March 2025
Provision for Gratuity	22.24	24.30
Provision for Leave Encashment	6.30	3.62
Total	**28.54**	**27.92**

8 Short term borrowings

Particulars	31 March 2026	31 March 2025
Current maturities of long-term debt	174.44	4.62
Secured Loans repayable on demand from banks & NBFC	-	28.28
Unsecured Loans and advances from directors (Refer Note 35(iii))	58.98	119.54
Other Unsecured Loans	3.87	-
Total	**237.29**	**152.44**

Particulars of Short term Borrowings

Name of Lender/Type of Loan	Rate of Interest	Nature of Security
Toyota Finance Services India Ltd	9.25%	Secured by hypothecation of Innova hycross vehicle
Siemens Finance Limited	10.00%	Secured by hypothecation of machinery
State Bank of India	10.65%	Secured by hypothecation of Stock
Axis Bank Ltd	9.25%	Secured by hypothecation of machinery
Axis Bank Ltd	9.25%	Secured by hypothecation of machinery

Unsecured loan from Directors are not being given out of funds gathered or collected by borrowing or accepting loans or deposits from others. Declarations to this effect from the Directors are obtained by the Company. The Loan provided by the directors are interest free.

The Company availed a credit card facility from ICICI Bank Limited during FY 2025–26, with an outstanding balance of ₹3.87 (In Lakh) which is included under other unsecured loans.

Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

9 Trade payables

Particulars	31 March 2026	31 March 2025
Due to Micro and Small Enterprises	160.27	61.62
Due to others	314.30	222.89
Total	**474.57**	**284.51**

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APSIS AEROCOM LTD

9.1 Trade Payable ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	160.27	-	-	-	160.27
Others	109.18	-	89.44	115.68	314.30
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total					474.57
MSME - Undue					-
Others - Undue					-
Total					**474.57**

There are no dues to Micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

9.2 Trade Payable ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	61.62	-	-	-	61.62
Others	7.77	94.44	73.31	47.37	222.89
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total					284.51
MSME - Undue					-
Others - Undue					-
Total					**284.51**

10 Other current liabilities

Particulars	31 March 2026	31 March 2025
Current maturities of finance lease obligations	30.84	108.42
Statutory dues	53.26	38.41
Advance received from customers	164.69	41.07
	-	-
Other payables	-	-
Audit Fees Payable	4.98	4.98
Salary Payable *	39.59	26.02
Others **	63.74	2.97
Total	**357.10**	**221.87**

* Of the above, Rs 10.61 (31 March 2025 : Rs 6.35) pertains to Related parties.Refer Note 35(iii)

** Of the above, Rs 4.05 (31 March 2025 : Rs Nil) pertains to Related parties.Refer Note 35(iii)

11 Short term provisions

Particulars	31 March 2026	31 March 2025
Provision for Gratuity	3.68	2.30
Provision for Leave Encashment	0.90	0.49
Provision for Income Tax	90.18	9.73
Provision for slow and non moving stock	13.84	12.56
Total	**108.60**	**25.08**

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APSIS AEROCOM LIMITED

Apsis Aerocom Limited

(Formerly Known as Apsis Aerocom Private Limited)

CIN:L29309KA2022PLC164926

Notes forming part of the Financial Statements

12 Property, Plant and Equipment

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Name of Assets	Gross Block				Depreciation and Amortization				Net Block	Net Block
	As on 01-Apr-25	Addition	Deduction	As on 31-Mar-26	As on 01-Apr-25	for the year	Deduction	As on 31-Mar-26	As on 31-Mar-26	As on 31-Mar-25
A. Property, Plant and Equipment										
Computers	26.02	5.03	-	31.05	17.02	5.94	-	22.96	8.09	9.00
Electrical & office Equipment	18.30	14.47	-	32.77	4.01	3.32	-	7.33	25.43	14.29
Furniture & Fixtures	46.77	12.21	-	58.98	11.65	8.05	-	19.70	39.28	35.12
Plant & Machinery *	712.43	583.96	-	1,296.39	96.16	75.81	-	171.97	1,124.42	616.26
Vehicles	50.70	-	34.66	16.04	7.43	2.55	5.46	4.52	11.52	43.26
Building**	-	21.69	-	21.69	-	0.43	-	0.43	21.26	-
Total	**854.22**	**637.36**	**34.66**	**1,456.93**	**136.27**	**96.10**	**5.46**	**226.91**	**1,230.00**	**717.93**
Previous Year	512.86	364.36	23.01	854.21	54.66	87.12	5.50	136.28	717.93	458.21
B. Intangible Assets:										
Computer Software	12.62	3.74	-	16.36	10.30	3.73	-	14.03	2.33	2.32
Total	**12.62**	**3.74**	**-**	**16.36**	**10.30**	**3.73**	**-**	**14.03**	**2.33**	**2.32**
Previous Year	13.16	1.47	2.01	12.62	7.82	3.44	0.96	10.30	2.32	5.35

* The carrying value of net block of Plant & Machinery includes leasehold Plant & Machinery amounting to **Rs. 170.90 (In Lakhs) as on 31-03-2026 and Rs. 119.14 (In Lakhs) as on 31-03-2025**

** The building has been constructed on leasehold land, and the current lease period expires in June 2030. However, the building has been depreciated over its estimated useful life of **30 years, considering the Company's expectation that the lease agreement will be renewed.**

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(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

13 Long term loans and advances

Particulars	31 March 2026	31 March 2025
Advance for purchase of KIADB plot	271.16	175.27
Advance for purchase of Capital goods	59.50	-
Prepaid Expenses	13.00	-
Total	343.66	175.27

14 Other non current assets

Particulars	31 March 2026	31 March 2025
Deposit with bank*	7.53	7.26
Security Deposits	93.05	79.91
Total	100.58	87.17

*Note: Deposit has been given as a security to bank against Bank Guarantee for EPCG scheme and security to a Customer

15 Inventories

Particulars	31 March 2026	31 March 2025
Raw materials	120.72	65.97
Work in progress and finished goods	293.45	215.97
Total	414.17	281.94

16 Trade receivables

Particulars	31 March 2026	31 March 2025
Unsecured considered good	402.73	376.56
Total	402.73	376.56

16.1 Trade Receivables ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	391.27	1.82	9.64	-	-	402.73
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						402.73
Undue - considered good						-
Total						402.73

16.2 Trade Receivables ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	373.23	2.81	0.52	-	-	376.56
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						376.56
Undue - considered good						-
Total						376.56

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17 Cash and Bank Balances

Particulars	31 March 2026	31 March 2025
Cash and cash equivalents		
Balances with banks in current accounts	3,438.90	5.39
Cash on Hand	5.38	1.38
Cash and cash equivalents - Total	**3,444.28**	**6.77**
Other Bank Balances		
Bank Deposit having maturity of greater than 12 months	206.23	104.12
Total	**3,650.51**	**110.89**

18 Short term loans and advances

Particulars	31 March 2026	31 March 2025
Advance to Suppliers *	72.76	11.84
Other advances	-	5.10
Prepaid Expenses	13.60	4.57
Balance with Tax Authorities	87.30	-
Total	**173.66**	**21.51**

* Of the above, Rs 3.94 (31 March 2025 : Rs 4.75) pertains to Related parties.Refer Note 35(iii)

19 Revenue from operations

Particulars	31 March 2026	31 March 2025
Sale of products	3,003.95	1,978.07
Sale of services	60.57	70.99
Total	**3,064.52**	**2,049.06**

20 Other Income

Particulars	31 March 2026	31 March 2025
Interest income	9.15	5.92
Others	1.60	2.06
Total	**10.75**	**7.98**

21 Cost of Material Consumed

Particulars	31 March 2026	31 March 2025
Opening Stock of raw material	65.98	40.61
Add: Purchases & Job Work Expenses	1,132.56	624.15
Less: Closing Stock of raw material	120.72	65.98
Total	**1,077.82**	**598.78**

22 Change in Inventories of work in progress and finished goods

Particulars	31 March 2026	31 March 2025
Opening Inventories	215.97	54.66
Less: Closing Inventories	293.45	215.97
Total	**(77.48)**	**(161.31)**

23 Employee benefit expenses

Particulars	31 March 2026	31 March 2025
Salary and Wages (refer note 35 (ii))	386.88	265.83
Director Remuneration (refer note 35 (ii))	135.00	68.42
Contribution to provident and other funds	22.10	18.43
Staff welfare expenses	20.92	8.72
Gratuity	14.59	6.47
Leave Encashment	3.09	2.29
Medical insurance	3.45	1.57
Total	**586.03**	**371.73**

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24 Finance costs

Particulars	31 March 2026	31 March 2025
Interest expenses	10.47	11.34
Interest on Lease Liability	3.64	7.84
Other borrowing costs	13.02	6.43
Total	27.13	25.61

25 Depreciation and amortization expenses

Particulars	31 March 2026	31 March 2025
Depreciation on property, plant and equipment	96.10	87.12
Amortization of Intangible Assets	3.73	3.44
Impairment of property, plant and equipment	-	2.25
Total	99.83	92.81

26 Other expenses

Particulars	31 March 2026	31 March 2025
Electricity Charges	37.31	24.95
Factory Rent	77.80	26.79
Provision for Slow Moving Stock	1.28	12.56
Transportation Charges	9.35	4.11
Freight Charges	12.62	3.22
Clearing & Forwarding Charges	8.37	7.07
Business Promotion	22.06	9.57
Courier Charges	6.57	6.80
Audit Fee	5.25	5.25
Professional & Consulting Charges	35.26	30.86
Stamp charges, Rates & Taxes	0.38	20.11
Communication & Software Expenses	8.56	5.85
Corporate Social Responsibility	8.28	-
Insurance	1.66	1.67
Printing and stationery	3.52	0.34
Repairs and Maintenance	18.00	4.25
Travelling and Conveyance	17.57	27.97
Administrative & Office Expenses	12.91	8.61
Operational Support Expenses	15.94	6.17
IPO Expenses	2.90	-
Loss on sale of Asset	4.11	0.96
Statutory and Government charges	1.16	0.81
General Operational Expenses	21.24	12.77
Total	332.10	220.69

27 Prior Period Items

Particulars	31 March 2026	31 March 2025
Write back of Depreciation	-	(4.00)
Capitalisation of expenses	-	(3.92)
Provision for Gratuity	-	20.13
Provision for Leave enchashment	-	1.82
Processing charges	-	0.94
Other Expenses	-	0.15
Total	-	15.12

28 Tax Expenses

Particulars	31 March 2026	31 March 2025
Current Tax	262.81	208.65
Deferred Tax	15.55	20.00
Prior Period Taxes	0.42	4.65
Total	278.78	233.30

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(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

29 Earnings per share

Particulars	31 March 2026	31 March 2025
Profit for the year	751.06	660.31
Less: Dividend on Preference Shares	-	-
Profit attributable to equity shareholders	751.06	660.31
Weighted average number of Equity Shares	89,42,474	87,99,921
Earnings per share basic (Rs)	8.40	7.50
Earnings per share diluted (Rs)	8.40	7.50
Face value per equity share (Rs)	10	10

30 Auditors' Remuneration

Particulars	31 March 2026	31 March 2025
Payments to auditor as		
- Auditor	4.50	4.50
- for taxation matters	0.75	0.75
Total	5.25	5.25

31 Contingent Liabilities and Commitments

Particulars	31 March 2026	31 March 2025
I. Contingent Liabilities		
Import duty exemption claimed under Export Promotion Capital Goods (EPCG) scheme	16.14	39.00
II. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	506.99	232.54
Total	523.13	271.54

Import duty exemption claimed under Export Promotion Capital Goods (EPCG) scheme : The Company has availed benefits under the Export Promotion Capital Goods (EPCG) scheme, subject to fulfillment of specified export obligations of Rs 234.01 (In Lakhs) and it has to achieve the same within six years from the date of availing such benefit. As of the reporting date, such export obligations are yet to be fulfilled. In case of non-compliance within the prescribed time frame, the Company may be liable to pay applicable customs duties along with interest. The amount of such potential liability, if any, is presently not determinable and has therefore the proportionate import duty exemption claimed in relation to the export obligation yet to be fulfilled has been disclosed as a contingent liability. Company is confident of achieving the specified export obligations within the prescribed time frame.

32 Micro and Small Enterprises

There are no dues to Micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

33 Earnings in Foreign Currencies

Particulars	31 March 2026	31 March 2025
Export of Goods calculated on FOB basis	2.56	20.66
Total	2.56	20.66

34 Value of Import on CIF basis

Particulars	31 March 2026	31 March 2025
Raw Materials	113.85	47.02
Capital goods	431.64	142.02
Total	545.49	189.04

35 Related Party Disclosure

(i) List of Related Parties	Relationship
1 Basavaraju Kanakatte Shivakumar	Director of the company and KMP
2 Mihir Kumar Pradhan	Director of the company
3 Vinod Kumar Mariyappan	Director of the company and KMP
4 Aniruddh Kumar	Independent Director of the company
5 Jayanthi Amarnath Bhagath	Independent Director of the company
6 Dayananda Swamy Mallikarjunappa	Independent Director of the company
7 Kancharla Naga Shashidhar	Chief Financial Officer
8 Saloni Jayati	Company Secretary
9 Shashidhar Kanakatte Shivakumar	Relative of Director
10 Acuity Engineering	Proprietorship concern owned by Director

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(ii) Related Party Transactions

Particulars	Relationship	31 March 2026	31 March 2025
Loan taken			
Basavaraju Kanakatte Shivakumar	Director and KMP	95.00	26.20
Mihir Kumar Pradhan	Director	10.04	15.00
Vinod Kumar Mariyappan	Director and KMP	14.78	18.22
Loan Repaid and adjusted			
Basavaraju Kanakatte Shivakumar	Director and KMP	115.00	11.16
Mihir Kumar Pradhan	Director	45.39	1.16
Vinod Kumar Mariyappan	Director and KMP	20.00	20.70
Acuity Engineering	Proprietorship concern owned by Director	-	10.00
Remuneration to directors and its relatives			
Basavaraju Kanakatte Shivakumar	Director and KMP	52.60	25.50
Mihir Kumar Pradhan	Director	41.80	22.21
Vinod Kumar Mariyappan	Director and KMP	40.60	20.71
Shashidhar Kanakatte Shivakumar	Relative of Director	19.32	14.70
Sitting Fees to Directors			
Aniruddh Kumar	Independent Director of the company	2.85	-
Jayanthi Amarnath Bhagath	Independent Director of the company	2.85	-
Dayananda Swamy Mallikarjunappa	Independent Director of the company	2.85	-
Purchases and Expenses			
Acuity Engineering	Proprietorship concern owned by Director	0.75	4.00
Salary to Key Managerial personnel			
Kancharla Naga Shashidhar	Chief Financial Officer	15.15	0.85
Saloni Jayati	Company Secretary	7.43	1.03

Note: As the future liabilities for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the Directors and KMP is not ascertainable, therefore not included above.

(iii) Related Party Balances

Particulars	Relationship	31 March 2026	31 March 2025
Short term borrowings - Unsecured Loans and advances from directors			
Basavaraju Kanakatte Shivakumar	Director and KMP	24.91	44.91
Mihir Kumar Pradhan	Director	18.54	53.88
Vinod Kumar Mariyappan	Director and KMP	15.53	20.75
Other current liabilities - Salary Payable			
Basavaraju Kanakatte Shivakumar	Director and KMP	2.88	1.33
Mihir Kumar Pradhan	Director	2.39	1.13
Vinod Kumar Mariyappan	Director and KMP	2.32	1.29
Shashidhar Kanakatte Shivakumar	Relative of Director	1.30	1.18
Kancharla Naga Shashidhar	Chief Financial Officer	1.12	0.83
Saloni Jayati	Company Secretary	0.60	0.58
Other current liabilities - Others			
Aniruddh Kumar	Independent Director of the company	1.35	-
Jayanthi Amarnath Bhagath	Independent Director of the company	1.35	-
Dayananda Swamy Mallikarjunappa	Independent Director of the company	1.35	-
Short term loans and advances - Advance to Suppliers			
Acuity Engineering	Proprietorship concern owned by Director	3.94	4.75

36 **Registration of Charge**

No charges or satisfaction have been registered with Registrar of Companies beyond the statutory period.

37 **Undisclosed Income**

There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

38 **CSR Expenditure**

The company is covered under section 135 of the Companies Act, 2013. Hence, provision under Corporate Social Responsibility is applicable.

(Amount In Rs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
i) Amount required to be spent by the company during the year	8.28	-
ii) Amount of expenditure incurred during the year		
(a) Construction/ Acquisition of asset	-	-
(b) On purposes other than (a)	7.50	-
iii) Out of (ii), amount spent towards current year's obligation	7.50	-

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iv) Out of (ii), amount spent from previous year's unspent account (ongoing projects)	-	-
v) Excess expenditure for previous year adjusted against current year	-	-
vi) Shortfall /(Excess) at the end of the year[(i)- (iii)-(iv)-(v)]	0.78	-
vii)The total of previous years' shortfall amounts	-	-
viii) The reason for above shortfalls	Company plans to spend Unspent CSR to PM CARES Fund.	-
ix) The nature of CSR activities undertaken by the company	Refer Note Below	-
x)The shortfall amount , in respect of other than ongoing projects, transferred to a Fund specified in Schedule VII to the Act as per Sec 135 (5) of the Act.	-	-
xi)The shortfall amount , in respect of ongoing projects, transferred to a special account as per Sec 135 (6) of the Act.	-	-

Note : The company contributed ₹ 3 Lakh to Sri Venkateswara Institute of Medical Sciences, ₹ 1 Lakh to The United Educational and Social Welfare Trust, ₹ 2 Lakh to International Society for Krishna Consciousness, ₹ 1.5 Lakh to Sri Sringeri Sharada Peetham Charitable Trust towards Promoting Healthcare and Sanitation, Promotion of Education including special education and vocational skills and Eradicating hunger, poverty and malnutrition.

DETAILS OF ONGOING PROJECTS :

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
NIL		

39 **Other Statutory Disclosures as per the Companies Act, 2013**

1. The Company has not been declared as Wilful Defaulter by any banks or financial institutions or lenders.
2. There are no Benami property held in the name of company. Hence, reporting the proceedings initiated and pending cases against the company under 'Benami Transactions (Prohibition) Act, 1988 does not arise.
3. The Company has no transactions with companies struck off under section 248 of the companies Act, 2013 or section 560 of companies Act, 1956.
4. The Company is neither a holding nor a subsidiary company of any company as defined under companies Act, 2013. Hence reporting under section 2(87) of the Act read with companies (Restriction on number of layers) Rules 2017, is not applicable.
5. The company has not advanced / loaned / invested (either borrowed funds or share premium or any other sources or kind of 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 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 to or on behalf of the Ultimate Beneficiaries.
6. The company has not received any funds from any person(s) or entity(ies) , including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall, 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 to or on behalf of the Ultimate Beneficiaries.
7. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
8. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237.

40 **Ratio Analysis**

Particulars	Numerator/Denominator	31 March 2026	31 March 2025	Change in % *
(a) Current Ratio	Current Assets / Current Liabilities	3.94	1.16	241%
(b) Debt-Equity Ratio	Total Debts / Shareholder's Equity	0.09	0.16	-48%
(c) Debt Service Coverage Ratio	Earning available for Debt Service / Debt Service	2.77	6.02	-54%
(d) Return on Equity Ratio	Profit after Tax / Average Shareholder's Equity	0.25	0.96	-73.39%
(e) Inventory turnover ratio	Cost of Goods Sold / Average Inventories	4.59	4.29	7%
(f) Trade receivables turnover ratio	Total Turnover / Average Trade Receivable	7.86	8.63	-9%
(g) Trade payables turnover ratio	Total Purchases / Average Trade Payable	2.98	1.78	67%
(i) Net profit margin	Net Profit after tax / Total Turnover	24.51%	32.23%	-24%
(j) Return on Capital employed (%)	Earning before interest and taxes / Capital Employed	20.56%	84.35%	-76%

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Reasons for Variances more than 25%

(a) Current Ratio : The current ratio increased primarily due to an increase in current assets arising from the receipt of IPO proceeds. As the IPO funds remained largely unutilized as at the reporting date, current assets increased, resulting in an improvement in the current ratio.

(b) Debt-Equity Ratio : The debt-equity ratio decreased primarily due to a significant increase in shareholders' equity consequent to the issue of bonus shares (face value of ₹10 per share) and the issuance of 32,52,000 equity shares pursuant to the Initial Public Offer (IPO) at an issue price of ₹110 per share. The increase in equity outpaced the increase in borrowings, leading to a lower debt-equity ratio.

(c) Debt Service Coverage Ratio : The debt service coverage ratio decreased primarily due to an increase in both long-term and short-term borrowings during the year, resulting in higher debt servicing obligations.

(d) Return on Equity Ratio : The return on equity decreased due to the significant increase in shareholders' equity following the issue of bonus shares and the IPO. Since the IPO was completed in March 2026, the proceeds remained substantially unutilized during the reporting period and did not contribute proportionately to earnings, resulting in a lower return on equity.

(e) Trade payables turnover ratio : The increase in trade payable turnover ratio is due to an increase in both purchases and average trade payables during the year. However, the proportionate increase in purchases was higher than the increase in average trade payables, leading to an increase in the ratio.

(f) Return on Capital employed (%) : The return on capital employed decreased primarily due to an increase in capital employed resulting from the infusion of equity through the IPO and an increase in long-term borrowings.

41 Stock and Variance Analysis submitted to Bank

The Company has submitted the stock statements to the bank, There is no variance between the Quarterly stock statements submitted to the bank and the underlying records of the Company.

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42 AS 15 Disclosures - Employee Benefit Expenses

(All amounts in Rs. Lakhs,except share data and per share data, and unless otherwise stated)

Defined Contribution Plan

Contribution to defined contribution plan, recognized as expense for the year are as under:

Particulars	Current Year	Previous Year
Employer's Contribution to PF/ESI/pension plan	22.00	18.43

Defined Benefit Plan

(i) Gratuity obligation of the company :

To cover the employer's obligation towards gratuity, under the Payment of Gratuity act, the company has obtained actuarial valuation of the said liability. As per the valuation made under Projected Unit Credit (PUC) method by the Actuary, the fund required to be maintained, to cover the present value of past service benefit and current service cost, is partially funded/provided for by the company. To meet the actual liability, the company has taken a group gratuity policy of the LIC of India and to keep the policy alive, the company also paid the annual risk premium and recognized it as expense for the year.

The Benefits valued

The benefits valued in this report are summarized below:

Type of plan	Defined benefit
Employer's contribution	100%
Employee's contribution	Nil
Salary for calculation of gratuity	Last Drawn Salary
Normal retirement age	58
Vesting period	5 years
Benefit of normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972
Benefit of early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	20 Lakhs
Gratuity formula	(15/26) x last drawn salary x number of completed years

Changes in the present value of the defined benefit obligation in respect of Gratuity (funded)	Current Year	Previous Year
Defined Benefit Obligation at beginning of the year	26.60	20.13
Current Service Cost	6.97	5.12
Interest Cost	1.86	1.41
Actuarial (Gain) / Loss	5.76	(0.06)
Benefits Paid	-	-
Defined Benefit Obligation at year end	41.19	26.60

Changes in the fair value of plan assets	Current Year	Previous Year
Fair value of plan assets as at the beginning of the year	-	-
Employer expense (Expected return on plan assets)		
Contributions	15.27	-
Benefits paid	-	-
Actuarial gain/ (loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	15.27	-

Reconciliation of present value of defined benefit obligation and fair value of assets	Current Year	Previous Year
Present value obligation as at the end of the year	41.19	26.60
Fair value of plan assets as at the end of the year	15.27	-
Funded status/(deficit) or Unfunded net liability	(25.92)	(26.60)
Unfunded net liability recognized in balance sheet	25.92	26.60
Current	3.68	2.30
Non-Current	22.24	24.30

Expenses recognized in Profit and Loss Account	Current Year	Previous Year
Current service cost	6.96	5.11
Interest cost	1.86	1.41
Deficit in acquisition cost recovered	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized during the year	5.76	(0.06)
Total expense recognised in Profit and Loss	14.58	6.48

Actuarial assumptions	Current Year	Previous Year
Discount Rate	7.75%	7.00%
Mortality Rate	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate	10.00%	10.00%
Salary Growth Rate	5.00%	5.00%

Note

The mortality rates are assumed to be as per the Indian Assured Lives Mortality (2012-14) Ultimate (same for previous year)

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(ii) Leave encashment obligation of the company :

The Company has made provision for leave salary on actuarial valuation basis using the Projected Unit Credit method as per AS 15. These being retirement benefits, an obligation to pay these amounts might arise at the time of resignation/superannuation of the employees.

Particulars	Current Year	Previous Year
Number of Employees	93	77
Average age (years)	29.6	28.5
Average remaining working life (Years)	28.4	29.5
Present Value of obligation at the Beginning (Rs. In Lakhs)	4.11	1.82
Expenses Recognized in Income Statement (Rs. In Lakhs)	3.09	2.29
Expenses capitalized/Impairment to intangible Assets under development (Rs. In Lakhs)	-	-
Benefits paid (Rs. In Lakhs)	-	-
Present Value of obligation at the End (Rs. In Lakhs)	7.20	4.11
Current Liability	0.90	0.49
Non-Current Liability	6.30	3.62
Financial Assumption		
Discount Rate (per annum)	7.75%	7.00%
Salary Growth rate (per annum)	5.00%	5.00%
Demographic Assumptions		
Mortality rate	(As % of IALM 2012-14)	(As % of IALM 2012-14)
Normal retirement age	58 Years	58 Years
Attrition/Withdrawal rates (per annum)	10.00%	10.00%

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43 **Other disclosures**

1. Certain balances representing trade receivables and trade payables, advances, other receivables and payables are subject to reconciliation and receipt of confirmations from the parties, pursuant to confirmation requests sent by the company.

2. Wherever bills are not available, vouchers of the Company are relied upon regarding the accounting of expenses incurred.

3. All figures disclosed in the financial statements (except EPS) and notes have been rounded off to the nearest hundreds with two decimals as per the requirement of Schedule III, unless otherwise stated. There might be apparent differences in some of the totals in the final accounts which is to be ignored.

4. Impact of New Labour codes -The Government of India has enacted the code on wages ,2019 , code on social security ,2020,Industrial Relations code ,2020 and occupational safety,Health and working conditions code ,2020 to be effective from 21 November 2025.The Ministry of Labour and Employment has issued FAQs dated 30 December 2025 clarifying that these codes will be effective upon notification of rules by the respective State Governments .As at the reporting date, the State of Karnataka has not yet notified the relevant rules .Accordingly ,the Company continues to comply with the existing labour laws and is currently unable to reasonably estimate the financial impact , if any of the said Codes .The impact will be assessed once the rules are notified.

5. Warranty Provision - Certain customer purchase orders contain warranty clauses. However, the Company has expressly communicated to the few customers that no warranty is provided on the goods supplied. Further, based on the Company's past experience, no warranty claims have arisen during the last three financial years, nor has any warranty expenditure been incurred. Accordingly, management has assessed that there is no present obligation as at the reporting date and that no probable outflow of economic resources is expected in respect of warranty claims. Consequently, in accordance with Accounting Standard (AS) 29, Provisions, Contingent Liabilities and Contingent Assets, no provision for warranty has been recognised in the financial statements.

6.The quantity of shares are stated at actual numbers.

7. Previous period figures have been re- arranged or re- grouped to conform with the classification of the current period wherever considered necessary.

8. **Segment Reporting**

The Company operates in a single segment i.e Manufacturing of Precision machined components for the aerospace, Defence, Health care and other industrial applications.Accordingly, no separate segmental information has been provided herein.

During the year ended 31st March 2026, Revenue from operations from Top 2 Customers represented approximately - 69.62% (March 31, 2025 : 74.38%), Customers represented approximately 35.59 % (March 31, 2025: 52.03%) and 34.03% (March 31, 2025: 22.35%) of the Company's revenue from operations respectively.

As per our report of even date

For YCRJ & Associates
Chartered Accountants
Firm's Registration No. 006927S

CA. Ramesh U. Angadi
Membership No. 234143
UDIN: 26234143IIPXZQ7097
Place: Bengaluru
Date: May 28, 2026

For and on behalf of the Board of
Apsis Aerocom Limited

Basavaraju Kanakatte Shivakumar
Managing Director
DIN:09704693

Vinod Kumar Mariyappan
Whole Time Director
DIN:09704694

Mihir Kumar Pradhan
Chairman and Executive Director
DIN:09704695

Kancharla Naga Shashidhar
Chief Financial Officer

Saloni Jayati
Company Secretary

Place: Bengaluru
Date: May 28, 2026