

INDEPENDENT AUDITOR'S REPORT

To The Members of A-One Defence and Aerospace Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of A-One Defence and Aerospace Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period from May 15, 2025 i.e. date of incorporation to March 31, 2026, and notes to the standalone financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its loss, its cash flows and the changes in equity for the period from May 15, 2025 to March 31, 2026.

Basis for Opinion

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

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

- The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the standalone financial statements and our auditor's report thereon. The Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone 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 Standalone 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 standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
- When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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 and management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control with reference to standalone financial statements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The Company is a Private Company as defined under section 2(68) of the Act and covered under the criteria specified in the Notification G.S.R. 583(E) dated June 13, 2017, as amended from time to time by the Ministry of Corporate Affairs and complies with the conditions specified therein. Accordingly, reporting under section 143(3)(i) of the Act with respect to the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls is not applicable to the Company.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company 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. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 35 to the standalone 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.
- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 36 to the standalone 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.
- (c) 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 (iv)(a) and (iv)(b) contain any material misstatement.
- (h) No dividend has been declared, authorized, or distributed by the Company for the period from May 15, 2025 to March 31, 2026.
- (i) Based on our examination, which included test checks, the Company has used an accounting software, for maintaining its books of account for the period from May 15, 2025 to March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail to the extent enabled, has been preserved by the Company as per the statutory requirements for record retention.



- (j) The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Singhi & Co.

Chartered Accountants

Firm's Registration Number: 302049E


Vijay Jain

Partner

Membership Number: 077508

UDIN: 26077508FVMVKG7033



Place: Bengaluru

Date: August 17, 2026

A-One Defence and Aerospace Private Limited

(CIN: U30400KA2025PTC202830)

A One House, No.326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bengaluru, Karnataka, India, 560092

Standalone Balance Sheet as at March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

	Note No.	As at March 31, 2026
Assets		
Non-current assets		
Property, plant and equipment	3	28.11
Right-of-use assets	4	-
Financial assets		
Investment	5	10.00
Other Financial Assets	6	0.22
Other non-current assets	7	542.36
Total Non-current Assets		580.69
Current assets		
Financial assets		
Cash and cash equivalents	8	6.10
Other Current Assets	9	5.89
Total Current Assets		11.99
Total Assets		592.68
Equity and Liabilities		
Equity		
Equity share capital	10	5.00
Other equity	11	(96.09)
Total Equity		(91.09)
Liabilities		
Current liabilities		
Financial liabilities		
Trade payables	12	-
total outstanding dues of micro enterprises and small enterprises; and		
total outstanding dues of creditors other than micro enterprises and small enterprises.		31.76
Other financial liabilities	13	645.71
Other current liabilities	14	6.30
Total Current Liabilities		683.77
Total Equity and Liabilities		592.68

Material Accounting Policies

1 to 2

Notes to the Standalone Financial Statements

3 to 42

The accompanying notes are an integral part of these Standalone financial statements.

As per our Audit report of even date.

For Singhi & Co.

Chartered Accountants

ICAI FRN: 302049E


Vijay Jain
Partner
Membership No.: 077508

Place: Bengaluru

Date: August 17, 2026

For and on behalf of the Board of Directors of

A-One Defence and Aerospace Private Limited


Anil Jallan
Director
DIN: 02150846

Place: Bengaluru

Date: August 17, 2026


Sandeep Kumar
Director
DIN: 02112630

Place: Bengaluru

Date: August 17, 2026

A-One Defence and Aerospace Private Limited
(CIN: U30400KA2025PTC202830)

A One House, No.326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bengaluru, Karnataka, India, 560092

Standalone Statement of profit and loss for the period from May 15,2025 to March 31, 2026

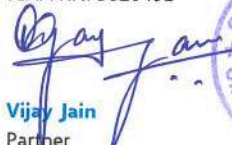
(All amount are in ₹ Lakhs, unless otherwise stated)

	Note No.	For the period from May 15, 2025 to March 31, 2026
Income		
Revenue from operations		-
Other Income	15	4.10
Total Income		4.10
Expenses		
Finance cost	16	10.69
Depreciation and Amortisation expense	17	3.91
Other expenses	18	85.59
Total Expenses		100.19
Loss before tax		(96.09)
Tax expenses		
Current tax		-
Deferred tax charge/(benefit)		-
Total Tax Expenses		-
Loss for the year		(96.09)
Other comprehensive income/(loss)		
		-
Total comprehensive loss		(96.09)
Earnings per equity share		
-Basic and diluted earnings/(loss) per share (Absolute Number)	19	(192.17)
Material Accounting Policies		
Notes to the Standalone Financial Statements	1 to 2 3 to 42	

The accompanying notes are an integral part of these Standalone financial statements.
As per our Audit report of even date.

For Singhi & Co.

Chartered Accountants
ICAI FRN: 302049E


Vijay Jain
Partner
Membership No.: 077508



For and on behalf of the Board of Directors of

A-One Defence and Aerospace Private Limited



Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru
Date: August 17, 2026



Sandeep Kumar
Director
DIN: 02112630

Place: Bengaluru
Date: August 17, 2026

Place: Bengaluru
Date: August 17, 2026

Date: August 17, 2026

A-One Defence and Aerospace Private Limited

(CIN: U30400KA2025PTC202830)

A One House, No.326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bengaluru, Karnataka, India, 560092

Standalone statement of changes in equity for the period from May 15,2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Number of Shares (in Absolute)	Amount
Balance as at May 15, 2025	50,000	5.00
Change in equity share capital during the period	-	-
Balance as at March 31, 2026	50,000	5.00

B. Other equity

Particulars	Retained Earnings	Total
Balance as at May 15, 2025	-	-
Loss for the period	(96.09)	(96.09)
Balance as at March 31, 2026	(96.09)	(96.09)

Material Accounting Policies

1 to 2

Notes to the Standalone Financial Statements

3 to 42

The accompanying notes are an integral part of these Standalone financial statements.

As per our Audit report of even date.

For Singhi & Co.

Chartered Accountants

ICAI FRN: 302049E


Vijay Jain
Partner
Membership No.: 077508

For and on behalf of the Board of Directors of
A-One Defence and Aerospace Private Limited


Sunil Jallan
Director
DIN-02150846


Mandeep Kumar
Director
DIN-02112630

Place: Bengaluru

Date: August 17, 2026

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A-One Defence and Aerospace Private Limited

(CIN: U30400KA2025PTC202830)

Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

- 33 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 34 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 35 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 36 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 37 The Company does not have any charges or satisfaction which is yet to be registered with Regtrar of Companies ("ROC") beyond the statutory period.
- 38 The Company has not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 39 The Company has not been declared a wilful defaulter by any bank or financial institutions or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- 40 Subsequent Events**
- (i) Subsequent to the reporting date, the Company received sanction from the State Bank of India for credit facilities aggregating to ₹185.00 crores, comprising a term loan of ₹185.00 crores with a sub-limit of ₹20.00 crores towards Capex Letter of Credit, subject to the terms and conditions stipulated in the sanction letter dated May 27, 2026. The said credit facilities are secured, inter alia, by a corporate guarantee provided by A-One Steels India Limited and to be continued upto the stabilization of operation of the company.
- (ii) Subsequent to the reporting date, pursuant to the rights issue, the Company allotted 674 equity shares of face value of ₹10 each at a premium of ₹1,48,443.86 per share, aggregating to a total consideration of ₹10,00,57,902, to the existing shareholders whose names appeared in the Register of Members as on the Record Date, i.e., June 03, 2026. The shares were allotted to Mr. Sunil Jallan (337 shares) and Mr. Sandeep Kumar (337 shares) and rank pari-passu with the existing equity shares of the Company.
- (iii) Subsequent to the reporting period, the Company's authorized share capital was increased from ₹10,00,000 to ₹9,00,00,000, consisting of 90,00,000 equity shares of ₹10 each.
- 41 The Company has been incorporated on 15th May, 2025. This being the first financial period, pervious year figures are not applicable.
- 42 These financial statements were approved for issue by the Board of Directors on August 17, 2026.

For Singhi & Co.

Chartered Accountants

ICAI FRN: 302049E


Vijay Jain
Partner
Membership No.: 077508



Place: Bengaluru

Date: August 17, 2026

For and on behalf of the Board of Directors of

A-One Defence and Aerospace Private Limited




Sunil Jallan
Director
DIN: 02150846

Place: Bengaluru

Date: August 17, 2026




Sandeep Kumar
Director
DIN: 02112630

Place: Bengaluru

Date: August 17, 2026

A-One Defence and Aerospace Private Limited

(CIN: U30400KA2025PTC202830)

A One House, No.326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bengaluru, Karnataka, India, 560092

Standalone Statement of cash flows for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs , unless otherwise stated)

Particulars	For the period from May 15, 2025 to March 31, 2026
Cash flow from operating activities	
Loss before tax	(96.09)
Adjustments to reconcile profit before tax to cash generated from operating activities	
Depreciation and amortisation expense	3.91
Gain on Modification of Lease Contracts	(4.10)
Finance costs	10.69
Operating profit before change in non-current/current assets and liabilities	(85.59)
Adjustments for (increase)/decrease in operating assets	
Other financial assets	(0.22)
Other non financial assets	(12.41)
Adjustments for increase/(decrease) in operating liabilities	
Trade payables	31.76
Other financial liabilities	645.71
Other non financial liabilities	(3.70)
Cash generated from/(used in) operations	575.55
Less: Income tax paid (net of refunds)	-
Net cash flow generated from/(used in) operating activities (A)	575.55
Cash flows from investing activities	
Payments for purchase of PPE, intangible assets and CWIP	(553.95)
Investment in Subsidiary	(10.00)
Net cash inflow from/(used in) investing activities (B)	(563.95)
Cash flows from financing activities	
Proceeds from issue of Equity Share Capital	5.00
Payment of lease liabilities	0.19
Payment of interest towards lease liability	(10.69)
Net cash inflow from/(used in) financing activities (C)	(5.50)
Net increase (decrease) in cash and cash equivalents (A+B+C)	6.10
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	6.10



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

1. Company Overview:

A-One Defence and Aerospace Private Limited (the company) is a private limited company domiciled in India, with its registered office situated at A One House No. 326, Front Portion, First Floor, CQAL Layout, Ward No. 08, Sahakar Nagar, Bangalore – 560092. The Company was incorporated on May 15, 2025. The Company is engaged in the business of manufacture, design, development, testing, trading, sale, distribution and export of various types of ammunition, bombs, missiles, explosives, propellants, pyrotechnics and related defence products.

2. Material Accounting Policies

(i) Statement of compliance:

The material accounting policies adopted for preparation and presentation of these financial statements are listed below. These policies have been applied consistently by the Company for all the periods presented in these financial statements, unless otherwise indicated.

These Standalone financial statements ("the Financial Statements") have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The financial statements for the period from May 15, 2025 to March 31, 2026 were authorised and approved for issue by the Board of Directors on August 17, 2026.

(ii) (A) Basis of Preparation

- a. The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.
- b. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- c. The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

(ii) (B) Current and non-current classification

All assets and liabilities have been classified and presented as current or non-current in accordance with the Company's normal operating cycle, which is based on the nature of business and the time elapsed between deployment of resources and the realisation of cash and cash equivalents. The company has considered an operating cycle of 12 months.

(ii) (C) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

(ii) (D) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Basis of measurement
Certain financial assets and liabilities	Fair value

(ii) (E) Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements:

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- **Business model assessment** – The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.
- **Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.
- **Provisions and Contingent Liabilities** – At each Balance Sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.



A-One Defence and Aerospace Private Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2026

- **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values, and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

(iii) Other income

Interest income

Interest income on time deposits and inter corporate loans is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

(iv) Tax expense

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

(v) Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current accounts and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

(vi) Provisions, contingent liabilities, and contingent assets

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

(vii) Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are stated at historical cost (or) deemed cost applied on transition to Ind AS less depreciation and impairment. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs incurred during the period of construction is capitalized as part of cost of qualifying asset.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2020 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Advance given towards acquisition (or) construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under "Other Non-current assets".

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using straight line method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

The useful lives of the assets are as under:



A-One Defence and Aerospace Private Limited**Notes to the Standalone Financial Statements for the year ended March 31, 2026**

Particulars	Useful lives (in years)
Tangible assets:	
Land	Not depreciable asset

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

(viii) Leases***As lessee***

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(ix) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost,
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Equity Instrument

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

(x) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period unless they have been issued at a later date.

(xi) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

In accordance with Ind AS 108 – Operating Segments, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.



A-One Defence and Aerospace Private Limited
Notes to the Standalone Financial Statements for the year ended March 31, 2026

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The operating segments have been identified on the basis of the nature of products/services. Further:

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
3. Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
4. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

The Board of Director(s) are collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

(xii) Investment in subsidiary companies

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- a) power over the investee;
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company has elected to recognise its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind-AS 36

(xiii) Recent Pronouncements

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the current year, MCA has notified the following amendments in the existing standards applicable to the Company w.e.f. April 01, 2025:

- (i) Amendments to Ind-AS 21 - Lack of exchangeability
- (ii) Amendments to Ind-AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- (iii) Amendments to Ind-AS 7 and Ind-AS 107 - Supplier Finance Arrangements
- (iv) International Tax Reform- Pillar Two Model Rules - Amendments to Ind-AS 12

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact on its financial statements.



A-One Defence and Aerospace Private Limited

Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

3 Property, plant & equipment

March 31, 2026

	Gross block (at cost)		Accumulated depreciation		Net block	
	As at May 15, 2025	Additions during the year	Disposal/ Adjustment	As at March 31, 2026	As at May 15, 2025	As at March 31, 2026
Freehold Land	-	28.11	-	-	-	28.11
Total	-	28.11	-	-	-	28.11

Notes:

- (i) The Company has not carried out any revaluation of property, plant and equipment for the period ended March 31, 2026.
(ii) There are no impairment losses recognised for the period ended March 31, 2026.
(iii) There are no exchange differences adjusted in Property, plant & equipment.

4 Right-of-use assets

March 31, 2026

	Gross block (at cost)		Accumulated depreciation		Net block	
	As at May 15, 2025	Additions during the year	Disposal/ Adjustment	As at March 31, 2026	As at May 15, 2025	As at March 31, 2026
Land	-	487.07	487.07	-	-	-
Total	-	487.07	487.07	-	-	-



A-One Defence and Aerospace Private Limited**(CIN: U30400KA2025PTC202830)****Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026***(All amount are in ₹ Lakhs, unless otherwise stated)*

5 Investments in subsidiaries	No of Shares	As at March 31, 2026
Investments carried at Cost:		
Equity instruments in subsidiary companies		
Unquoted		
A-One Aerospace Private Limited	49,999 shares of Rs 10 each	5.00
A One Atomic and Explosive Private Limited	49,999 shares of Rs 10 each	5.00
		10.00
6 Other Financial Assets (Non-Current)		As at March 31, 2026
Unsecured, considered good		
Security Deposits		0.22
		0.22
7 Other non-current assets		As at March 31, 2026
Capital Advances		535.85
Prepaid Expenses		6.51
		542.36
8 Cash and cash equivalents		As at March 31, 2026
Balances with banks		6.10
- in current accounts		6.10
9 Other current assets		As at March 31, 2026
Balance with government authorities		4.20
Prepaid Expenses		1.69
		5.89



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

10 Equity share capital

- (i). The Company has only one class of share capital, having a par value of ₹ 10 per share, referred to herein as equity shares.

**As at
March 31, 2026****Authorised shares**

Equity shares

1,00,000 shares of ₹ 10 each

Total

10.00

10.00**Issued, subscribed and fully paid-up shares**

Equity shares

50,000 shares of ₹ 10 each

5.00

5.00

- (ii). Reconciliation of the shares outstanding at the beginning and end of the period

**As at
March 31, 2026****Number Amount****Equity shares**

Shares outstanding at the beginning of the period

50,000

5.00

Shares issued during the period

-

-

Shares outstanding at the end of the period**50,000****5.00**

- (iii). Terms/rights attached to equity shares

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current financial year.

Liquidation

In the event of liquidation of the Company, the shareholders shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

- (iv). Detail of shareholders holding more than 5% of equity share of the Company

Name of shareholders**As at
March 31, 2026****Number Percentage**

Sunil Jallan

25,000

50%

Sandeep Kumar

25,000

50%

50,000**100%**

A-One Defence and Aerospace Private Limited

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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

- (v). No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period.

(vi). Details of equity share held by Promoters at the end of period**Name of promoters**

Sunil Jallan
Sandeep Kumar

As at March 31, 2026	
Number	Percentage
25,000	50%
25,000	50%
50,000	100%

- (vii). No shares are reserved to be issued under options and contracts/ commitments for the sale of shares/ disinvestment.

11 Other equity**(i). Retained earnings**

Opening balance
Loss during the year

Closing balance

As at March 31, 2026
-
(96.09)
(96.09)
(96.09)

Nature and purpose of other equity:**(i). Retained earnings**

Retained earnings represents the surplus/ (deficit) in profit and loss account and appropriations.

12 Trade payables

- (i) total outstanding dues of micro enterprises and small enterprises
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises
(iii) total outstanding dues of micro enterprises and small enterprises -Disputed Dues

- (iv) total outstanding dues of creditors other than micro enterprises and small enterprises-Disputed Dues

As at March 31, 2026
-
31.76
-
-
31.76



A-One Defence and Aerospace Private Limited

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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

Note:

- (i) For disclosures relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 refer note 29.
(ii) For explanation on the Company's liquidity risk management process, refer note 21.
(iii) **Trade payables ageing- (Outstanding from the date of transaction)**

Particulars	As at March 31, 2026
Dues to micro enterprises and small enterprises	
Less than 1 year	-
1-2 years	-
2-3 years	-
More than 3 years	-
Dues to others	
Less than 1 year	31.76
1-2 years	-
2-3 years	-
More than 3 years	-
	31.76

13 Other financial liabilities (current)

	As at March 31, 2026
Others Payable*	635.71
Capital Payable	10.00
	645.71

Note:

For Related Party Transactions refer note 20

For explanation on the Company's liquidity risk management process, refer note 21.

* The above payables are on account of Reimbursement on expenses with related party (refer note 20).

14 Other current liabilities

	As at March 31, 2026
Statutory dues payable	6.30
	6.30



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

15 Other Income

**For the period from May 15,
2025 to March 31, 2026**

Gain on Extinguishment of Lease

4.10

4.10

16 Finance Costs

**For the period from May 15,
2025 to March 31, 2026**

Interest on Lease Liability

10.69

10.69

17 Depreciation and Amortization Expense

**For the period from May 15,
2025 to March 31, 2026**

Depreciation on Right of use of asset

3.91

3.91

18 Other expenses

**For the period from May 15,
2025 to March 31, 2026**

Legal and professional expenses (refer footnote)

78.00

Duties, Rates and taxes

0.47

Internet Expenses

3.26

Office Expenses

0.06

Rent

3.26

Travelling Expenses

0.04

Remuneration to Auditors (refer note)

0.50

85.59

Note:

Payment of remuneration to auditors (excluding GST)

**For the period from May 15,
2025 to March 31, 2026**

- as auditor

• for statutory audit

0.50

0.50



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

19 Earning per share**For the period from May 15,
2025 to March 31, 2026****(a). Basic and diluted earnings per share (in absolute figures)**

From continuing operations attributable to the equity holders of the Company

(192.17)

(b). Reconciliations of earnings used in calculating earnings per share**Basic and diluted earnings per share (in absolute figures)**

Loss from continuing operation attributable to the equity share holders

(96.09)

Loss attributable to the equity holders of the company used in calculating basic and diluted earnings per share**(96.09)****(c). Weighted average number of shares used as the denominator**

Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share

50,000

The Company has not issued any instrument that is potentially dilutive in the future. Hence, the weighted average number of shares outstanding at the end of the period for calculation of basic as well as diluted EPS is the same.



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

20 Related party disclosures

The related parties as per terms of Ind AS 24 "Related Party Disclosures", specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are disclosed below:

A. List of related parties where control exists and/or with whom transactions have taken place

Subsidiaries Company	Name of Company	Country of	% of Holding
		Incorporation	March 31, 2026
	A-One Aerospace Private Limited	India	100%
	A-One Atomic and Explosive Private Limited	India	100%
Key Management Personnel (KMP)	Sunil Jallan	Director	
	Sandeep Kumar	Director	
Director (Other than KMP)	Rajendra Ramrao Nimborkar	Additional Director	
	Devaaryan Jallan	Additional Director	
Relatives of KMPs	Mona Jallan	Wife of Director	
	Krishan Kumar Jalan	Father of Director	
	Daya Jalan	Mother of Director	
	Priya Jallan	Wife of Director	
Enterprises in which Directors are Interested	A-One Steel India Limited		
	A-One Gold Steels India Private Limited		
	A-One Gold Retail Private Limited		
	Vanya Steel Private Limited		
	A-One Gold Pipes and Tubes Private Limited		
	Shri Gouri Shankar Jalan Charitable Trust		

B. Transactions with related parties during the period (excluding reimbursements) are as following: -

Name of Related Party and Nature of Transactions	For the period from May 15, 2025 to March 31, 2026
Payment of Rent	
A-One Steels India Limited	2.63
Purchase of Shares	
Sunil Jallan	5.00
Sandeep Kumar	5.00

C. Balance outstanding with or from related parties as at:

Name of Related Party and Nature of Balances	As at March 31, 2026
Payable on account of Reimbursement	
A-One Steels India Limited	635.71
Rent Payable	
A-One Steels India Limited	3.10
Capital Payable	
Sunil Jallan	5.00
Sandeep Kumar	5.00
Investment in Subsidiaries	
A-one Aerospace Private Limited	5.00
A-one Atomic and Explosive Private Limited	5.00



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026
(All amount are in ₹ Lakhs, unless otherwise stated)

21 Fair value measurement and financial instruments

a). Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities:

As at March 31, 2026	Carrying value (as at March 31, 2026)			Total	Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost		Level 1	Level 2	Level 3
Financial assets							
Non-current							
Other financial assets	-	-	0.22	0.22	-	-	0.22
Current							
Cash and cash equivalents	-	-	6.10	6.10	-	-	6.10
Other financial assets	-	-	-	-	-	-	-
Total	-	-	6.32	6.32	-	-	6.32
Financial liabilities							
Current							
Trade Payables	-	-	31.76	31.76	-	-	31.76
Other financial liabilities	-	-	645.71	645.71	-	-	645.71
Total	-	-	677.47	677.47	-	-	677.47



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

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Fair value hierarchy

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets and financial liabilities is similar to the carrying value as there is no significant differences between carrying value and fair value.

Valuation processes

The Management performs the valuations of financial assets and liabilities required for financial reporting purposes on a periodic basis, including level 3 fair values.

b). Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk

(i). Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars

**As at
March 31, 2026**

Cash and cash equivalents	6.10
Other Financial Assets	0.22

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers and loans. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

(ii). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from Company companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to Day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date:

As at March 31, 2026	Carrying amount	Contractual cash flows			Total
		Less than one year	Between one to five years	More than five years	
Trade Payables	31.76	31.76	-	-	31.76
Other financial liabilities	645.71	645.71	-	-	645.71
Total	677.47	677.47	-	-	677.47



A-One Defence and Aerospace Private Limited**(CIN: U30400KA2025PTC202830)****Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026**

(All amount are in ₹ Lakhs, unless otherwise stated)

22 Leases**A. Non Exempted leases****Leases as a lessee****(i) Movement in lease liabilities**

	As at March 31, 2026
Opening balance	-
Additions on account of new lease contracts entered into during the period	487.07
Finance cost accrued during the period	10.69
Modification on account of Termination of Contract	(487.26)
Payment of lease liabilities	(10.50)
Closing balance	-

(ii) Break-up of current and non-current lease liabilities

	As at March 31, 2026
Current lease liabilities	-
Non-current lease liabilities	-
	-

(iii) Maturity analysis of lease liabilities

The details of contractual maturities of lease liabilities as at year end on undiscounted basis are as follows:

Commitments for lease payments in relation to non-exempted leases are payable as follows:

	As at March 31, 2026 Lease payments
- not later than one year	-
- later than one year and not later than five years	-
	-



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

(iv) Amount recognised in the statement of profit and loss

Depreciation on right-of-use assets
Finance costs on lease liabilities

**For the period from May
15, 2025 to March 31,
2026**

3.91

10.69

14.60

(v) Amount recognised in statement of cash flows

Cash flow from financing activities

Payment of lease liabilities

**For the period from May
15, 2025 to March 31,
2026**

10.50

10.50

(vi) For reconciliation of carrying amount of right-of-use assets and details thereof, refer note 4

B. Exempted leases

The Company has recognised ₹ 2.63 Lakhs as rent expenses during the year which pertains to short term lease/ low value asset which was not recognised as part of right of use asset.



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

23 Key Financial Ratios

(A).	Ratios	Formulae	For the period from May 15, 2025 to March 31, 2026
a)	Current ratio (in times)	Current assets / Current liabilities	0.02
b)	Debt equity ratio (in times)	Debt / Total Equity	NA
c)	Debt service coverage ratio (in times)	Earnings available for debt services / (Repayment of borrowings + Interest+Lease Payments)	NA
d)	Return on Equity Ratio (%)	Profit/(loss) after taxes / Total Equity	105%
e)	Return on Capital Employed Ratio (Pre tax) (%)	Earning before interest & tax (excluding Other Income & Exceptional items) / Capital employed	98%
f)	Net profit ratio (%)	Net profit / Revenue from operations	NA
g)	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	NA
h)	Trade Receivable Turnover Ratio (in times)	Revenue from operations / Average trade receivables	NA
i)	Trade payables turnover ratio (in times)	Credit purchases / Average trade payables	NA
j)	Net capital Turnover Ratio (in times)	Revenue from operations / Average working capital	NA



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

(B). Formulas

- (i) Current Assets=Total Current Assets
- (ii) Current Liabilities=Total Current Liabilities-Current Maturities of Long Term Debt
- (iii) Debt=Long Term & Short Term Borrowings
- (iv) Earnings available for debt services=Earnings before Interest ,Tax and Depreciation & Amortization, Exceptional Items (excluding Other Income)
- (v) Repayment of Borrowings+Interest=Current Maturity of Long term Debt +Finance Cost+Lease Payments
- (vi) Profit/(loss) after taxes=Profit after Tax
- (vii) Total equity=Total Closing Equity
- (viii) Capital Employed=Total shareholders's equity (+) Non-current borrowings (+) current borrowings
- (ix) Earning before interest & tax=Profit before Tax+Finance Cost-Other Income
- (x) Net Profit=Net Profit after Taxes
- (xi) Revenue from Operations=Total Revenue from Operations
- (xii) Cost of Goods Sold=Cost of materials consumed+Changes in inventories of finished goods and work-in-progress
- (xiii) Average Inventory=(Opening Inventory+Closing Inventory)/2
- (xiv) Credit Sales=Total Sales
- (xv) Average Trade receivables=(Opening Trade Receivables+Closing Trade Receivables)/2
- (xvi) Credit purchases=Purchase of Materials
- (xvii) Average Trade Payables=(Opening Trade Payables+Closing Trade Payables)/2
- (xviii) Average working capital=(Opening Working Capital+Closing Working Capital)/2
- (xix) Working Capital=Current Assets-Current Liabilities



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amounts are in Lakhs, unless stated otherwise)

24 Income taxes

A. Reconciliation of effective tax rate

**For the period from May 15, 2025
to March 31, 2026**

	Rate	Amount
Loss before tax		(96.09)
Tax using the Company's domestic tax rate	31.20%	(29.98)
Tax effect of:		
Expenses disallowed for tax		0.02
Deferred tax asset not recognised on account of absence of certainty on availability of future taxable profit		29.96
Others		-
		-

B Unrecognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

**As at
March 31, 2026**

Deferred tax assets

Preliminary expenses	0.06
Carried forward business losses	29.90

Sub- Total (a)

29.96

Deferred tax liabilities

Others	-
Sub- Total (b)	-

Unrecognised deferred tax assets (net) (a) - (b)

29.96

The Company has not recognised deferred asset of Rs. 29.96 Lakhs for current year generated on account of preliminary expenses and accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.



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Notes to the Standalone financial statements for the period from May 15, 2025 to March 31, 2026

(All amount are in ₹ Lakhs, unless otherwise stated)

25 There are no contingent liability and commitments as at March 31, 2026.

26 Operating segments

The Company is having no business operation in current financial year and having no segments. Therefore, reporting of segment information in accordance with Ind AS 108 is not applicable.

27 Capital commitments

**As at
March 31, 2026**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of capital advances of March 31, 2026: ₹535.85 Lakhs)

262.37

28 Expenditure on CSR activities

As per Section 135 of the Companies Act, 2013, the Company is not covered under the said provisions and not required to spend any amount on CSR activities in current financial year.

29 In terms of Section 22 of Chapter V of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the disclosures of payments due to any supplier are as follows:

**As at
March 31, 2026**

The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year included in:

- Trade payables -
- Payable for Capital Goods -
- Interest due -

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in

- Principal -
- Interest due -

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interest specified under the MSMED Act, 2006.

The amount of interest accrued and remaining unpaid at the end of each accounting year.

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.

30 The Company has no borrowings from banks and financial institutions on the basis of security of current assets and there is no requirement to file quarterly returns or statements of current assets.

31 The Company does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

32 The Company does not have any immovable property (other than properties where the Company is a lessee and the lease agreements are duly executed in the favour of the lessee) whose title deeds are not held in the name of the Company.

