Aequs Aerospace BV

Special Purpose Statement of Balance Sheet

(All amounts are in INR thousands, except share data, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
Non-current assets				
Financial assets				
Investments	4	1,37,876.47	3,11,149.36	3,27,138.32
Loans	5 (i)	7,27,669.87	7,23,958.96	6,81,339.78
Other non-current asset	6 (i)	-	16,141.21	22,482.66
Total non-current assets		**8,65,546.34**	**10,51,249.54**	**10,30,960.75**
Current assets				
Financial assets				
Cash and cash equivalents	5 (ii)	33,092.66	95,905.55	1,616.97
Loans	5 (i)	90,051.80	89,350.00	84,090.00
Other financial assets	5 (iii)	7,65,594.20	4,57,586.66	3,78,558.36
Other current assets	6 (ii)	-	7,747.78	7,291.67
Total current assets		**8,88,738.67**	**6,50,590.00**	**4,71,557.01**
Total assets		**17,54,285.01**	**17,01,839.54**	**15,02,517.76**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	7	11,03,085.90	5,93,930.03	5,93,930.03
Other equity	8	(14,16,477.98)	(6,26,734.31)	(5,09,655.45)
Total equity		**(3,13,392.08)**	**(32,804.28)**	**84,274.57**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	9 (i)	-	1,10,179.68	1,57,123.27
Total non-current liabilities		-	**1,10,179.68**	**1,57,123.27**
Current liabilities				
The notes referred to above form an integral part of the financial statements				
Borrowings	9 (i)	17,05,193.63	13,99,398.64	10,62,546.07
Trade payables				
a. Total outstanding dues of micro enterprises and small enterprises;	9 (iii)	-	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	9 (iii)	2,425.79	2,411.96	2,269.97
Other financial liabilities	9 (ii)	3,59,060.50	2,20,676.16	1,93,472.61
Other current liabilities	10	997.17	1,977.38	2,831.26
Total current liabilities		**20,67,677.09**	**16,24,464.14**	**12,61,119.91**
Total liabilities		**20,67,677.09**	**17,34,643.82**	**14,18,243.19**
Total equity and liabilities		**17,54,285.01**	**17,01,839.54**	**15,02,517.76**

Summary of Material accounting policies	1-3
Notes to the Special purpose financial statements	4 to 31

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.
for **Manian and Rao**
Chartered Accountants
ICAI Firm's Registration No. 001983S

PARESH DAGA Digitally signed by PARESH DAGA Date: 2025.05.30 23:23:01 +05'30'

Paresh Daga
Partner
Membership No.: 211468
Place: Bengaluru
Date: May 30, 2025

for and on behalf of the Board of Directors of
Aequs Aerospace BV

Harish Bang
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Mohamed Bouzidi
Authorised Signatory
Place:
Date: May 30, 2025

Aequs Aerospace BV
Special Purpose Profit and Loss
(All amounts are in INR thousands, except share data, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income				
Revenue from operations	11	-	-	-
Other income	12	63,662.84	53,090.05	36,468.99
Total income		**63,662.84**	**53,090.05**	**36,468.99**
Expenses				
Employee benefits expense	13	-	-	1,121.43
Other expenses	14	16,414.27	5,260.40	5,998.27
Finance costs	15	1,51,461.51	1,28,164.60	1,25,044.51
Total expenses		**1,67,875.78**	**1,33,425.00**	**1,32,164.21**
Earnings from operations before finance cost, depreciation and amortisation, Exceptional items gain/loss and tax.		**(1,04,212.94)**	**(80,334.95)**	**(95,695.22)**
Exceptional items gain / (loss)	16	(1,75,045.23)	(34,090.99)	-
Profit/(Loss) before tax		**(2,79,258.17)**	**(1,14,425.94)**	**(95,695.22)**
Tax expense				
- Current tax	25	-	-	-
- Deferred tax	25	-	-	-
Total tax expense		-	-	-
Loss for the period / year		**(2,79,258.17)**	**(1,14,425.94)**	**(95,695.22)**
Other comprehensive income / (loss)				
Items that will be reclassified to profit or loss				
- Exchange differences on translating financial statements of foreign operations		(1,329.63)	(2,652.91)	(16,118.49)
Items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income / (loss) for the year		**(1,329.63)**	**(2,652.91)**	**(16,118.49)**
Total comprehensive income / (loss) for the year		**(2,80,587.80)**	**(1,17,078.85)**	**(1,11,813.71)**
Earnings per share (Basic and Diluted - in EUR) (Nominal value per share: € 1)	22	(20.31)	(14.30)	(11.96)
Summary of Material accounting policies	1-3			
Notes to the Special purpose financial statements	4 to 31			

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.
for **Manian and Rao**
Chartered Accountants
ICAI Firm's Registration No. 001983S

PARESH DAGA Digitally signed by PARESH DAGA Date: 2025.05.30 23:23:21 +05'30'

Paresh Daga
Partner
Membership No.: 211468
Place: Bengaluru
Date: May 30, 2025

for and on behalf of the Board of Directors of
Aequs Aerospace BV

Harish Bang
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Mohamed Bouzidi
Authorised Signatory
Place:
Date: May 30, 2025

Aequs Aerospace BV
Special Purpose Statement of Cash Flows
(All amounts are in INR thousands, except share data, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities			
Profit/(Loss) before tax	(2,79,258.17)	(1,14,425.94)	(95,695.22)
Loss before tax	**(2,79,258.17)**	**(1,14,425.94)**	**(95,695.22)**
Adjustments for:			
Finance cost	7,550.83	14,136.49	30,846.82
Finance guarantee expense	23,984.61	7,245.93	7,503.25
Unrealised exchange (gain) or loss	-		
Amortised cost of expenses	834.31	252.05	261.00
Exceptional Item	1,75,045.23	34,090.99	-
Liability no longer required written off	-	1,326.47	-
Foreign currency translation difference	(1,329.63)	(2,652.91)	(16,118.49)
	(73,172.82)	**(60,026.92)**	**(73,202.64)**
Working capital adjustments			
- (Increase)/decrease in other financial assets (current and non-current)	(3,31,992.15)	(86,274.23)	(35,006.06)
- (Increase) in other assets (current and non-current)	23,888.99	5,885.34	8,034.40
- (Decrease)/increase in trade payables	13.83	141.99	(1,156.60)
- (Decrease)/increase in other liabilities (current and non-current)	(980.21)	(2,180.36)	380.37
- (Decrease)/increase in other financial liabilities (current and non-current)	1,38,384.35	27,203.55	13,839.02
Cash (used in)/generated from operations	**(2,43,858.01)**	**(1,15,250.64)**	**(87,111.50)**
Income taxes paid (net of refunds)	-	-	-
Net cash (used in)/generated from operating activities (A)	**(2,43,858.01)**	**(1,15,250.64)**	**(87,111.50)**
Cash flow from investing activities			
Loans given to related parties	(701.80)	(47,879.18)	15,337.72
Repayment of loans given to related parties	(3,710.91)		(2,42,230.65)
Investments in Subsidiaries	(1,772.34)	(18,102.04)	(70,642.28)
Interest received			
Net cash used in investing activities (B)	**(6,185.05)**	**(65,981.22)**	**(2,97,535..21)**
Cash flow from financing activities			
Share Application money pending allottment		-	4,74,160.89
Repayment of long term borrowing	(1,11,013.99)	(47,195.65)	(77,183.98)
Proceeds from /(repayment of) short term borrowing (net)	3,05,794.98	3,36,852.58	-
Finance costs paid	(7,550.83)	(14,136.49)	(30,846.82)
Net cash from financing activities (C)	**1,87,230.16**	**2,75,520.44**	**3,66,130.09**
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	**(62,812.89)**	**94,288.58**	**(18,516.62)**
Cash and cash equivalents at the beginning of the year	95,905.55	1,616.97	20,133.59
Cash and cash equivalents at the end of the year	**33,092.66**	**95,905.55**	**1,616.97**
Cash and cash equivalents comprise the following: [refer note 5 (ii)]			
Balances with banks			
- current accounts	33,092.66	95,905.55	1,616.97
Total cash and bank balance at the end of the year	**33,092.66**	**95,905.55**	**1,616.97**

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015

Summary of Material accounting policies	1-3
Notes to the Special purpose financial statements	4 to 31

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.
for Manian and Rao
Chartered Accountants
ICAI Firm's Registration No. 001983S

PARESH DAGA
Digitally signed by PARESH DAGA
Date: 2025.05.30 23:23:37 +05'30'

Paresh Daga
Partner
Membership No.: 211468
Place: Bengaluru
Date: May 30, 2025

for and on behalf of the Board of Directors of
Aequs Aerospace BV

Harish Bang
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Mohamed Bouzidi
Authorised Signatory
Place:
Date: May 30, 2025

Aequs Aerospace BV
Special Purpose Statement of Cash Flows
(All amounts are in INR thousands, except share data, unless otherwise stated)

A. Equity share capital

	Amount
Balance as at April 01, 2021	5,93,930.03
Changes during the year	-
Balance as at March 31, 2022	5,93,930.03
Changes during the year	-
Balance as at March 31, 2023	5,93,930.03
Changes during the year	5,09,155.87
Balance as at March 31, 2024	11,03,085.90

B. Other Equity

	Share application money pending allotment	Reserves and surplus		Items of OCI	Total other equity
		Retained earnings	Other reserves	Foreign currency translation reserve	
Balance as at April 01, 2021	34,994.98	(9,79,135.90)	62,400.52	9,737.76	(8,72,002.63)
Total comprehensive income/(loss) for the year ended March 31, 2022					-
Profit/(Loss) for the year	-	(95,695.22)	-	-	(95,695.22)
Other comprehensive income					
- Exchange differences on translating financial statements of foreign operations	-	-	-	(16,118.49)	(16,118.49)
Share application money received	4,74,160.89	-	-	-	4,74,160.89
Balance as at March 31, 2022	5,09,155.87	(10,74,831.12)	62,400.52	(6,380.73)	(5,09,655.45)
Total comprehensive income/(loss) for the year ended March 31, 2023					
Profit/(Loss) for the year	-	(1,14,425.94)	-	-	(1,14,425.94)
Other comprehensive income					
- Exchange differences on translating financial statements of foreign operations	-	-	-	(2,652.91)	(2,652.91)
Balance as at March 31, 2023	5,09,155.87	(11,89,257.06)	62,400.52	(9,033.64)	(6,26,734.31)
Total comprehensive income/(loss) for the year ended March 31, 2024					
Profit/(Loss) for the year	-	(2,79,258.17)	-	-	(2,79,258.17)
Other comprehensive income					
- Exchange differences on translating financial statements of foreign operations	-	-	-	(1,329.63)	(1,329.63)
Issue of equity shares	(5,09,155.87)	-	-	-	(5,09,155.87)
Balance as at March 31, 2024	-	(14,68,515.23)	62,400.52	(10,363.27)	(14,16,477.98)

Nature and purpose of reserves

a. Retained earnings
Retained earnings comprises of undistributed earnings after taxes

b. Other reserve
Other reserves include the fair value of financial guarantees received and any other adjustments, as required under Ind AS

c. Foreign currency translation reserve
Exchange differences arising, on account of this translation is recognised in other comprehensive income and accumulated in a separate component of equity as foreign currency translation reserve

Summary of Material accounting policies	1-3
Notes to the Special purpose financial statements	4 to 31

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.
for Manian and Rao
Chartered Accountants
ICAI Firm's Registration No. 001983S

PARESH DAGA
Digitally signed by PARESH DAGA
Date: 2025.05.30 23:23:54 +05'30'

Paresh Daga
Partner
Membership No.: 211468
Place: Bengaluru
Date: May 30, 2025

for and on behalf of the Board of Directors of
Aequs Aerospace BV

Harish Bang
Authorised
Place: Belagavi
Date: May 30, 2025

Mohamed Bouzidi
Authorised Signatory
Place:
Date: May 30, 2025

1. Background:
Aequs Aerospace B.V. is a private company with limited liability (besloten vennootschap) incorporated under Dutch law, with its registered office located at Amsterdam, the Netherlands (registered in the Dutch commercial register under number 61294225).
The activities of Aequs Aerospace B.V. primarily consist of:
- intermediate holding company
The company is an investment holding for its downstream Subsidiaries engaged in the business of manufacturing of machine parts for aerospace sector.

The actual activities are carried out at Joop Geesinkweg 701, Amsterdam-Duivendrecht.

2. Material accounting policies:
This note provides a list of the material accounting policies adopted in the preparation of the Special Purpose Financial Statements. These policies have been consistently applied to all the period / years presented, unless otherwise stated.

a. Basis of preparation and presentation
The Special purpose financial statements comprise the Statement of Asset and Liabilities as at 31 March 2024, 31 March 2023, 31 March 2022, Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 and Material Accounting Policies and Other Explanatory Notes to Financial statements.

The Special purpose financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013.

This Special Purpose Financial Information has been prepared by the management to facilitate the Aequs Limited ("Holding Company" or "Issuer") for the preparation of Restated Consolidated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992, for the purpose of inclusion in the Pre-Filled Draft Red Herring Prospectus ("PDRHP") to be filed by the Issuer with the Registrar of Companies, Karnataka ("ROC"), Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India and BSE limited in connection with the proposed initial public offering of equity shares of face value of INR 10 each of the Issuer.

The Special Purpose financial statement are approved for issue by the Company's Board of Directors on May 30, 2025.

These Special Purpose financial statement are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for the following which have been measured at fair value:
• Certain financial assets and liabilities are measured at fair value;

Functional and presentation currency
The Special Purpose financial statement of the company are presented in INR, which is the Presentation currency of the Company. However, EURO is the function currency of the Company.All amounts disclosed in the Special Purpose financial statement have been rounded to the two decimal of nearest thousands amount as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated.

a. Financial Instruments

1. Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options, and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

-the financial asset is held within a business model whose objective is to hold financial assets in order 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to retained earnings. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

De-recognition of financial asset

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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

-Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.

-Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.
Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

(a) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

Investments in Subsidiaries

Investments in Subsidiaries are tested for impairment if an indication exists that the investment may be impaired. Impairment is recognised and charges to the income statement.

Loan to group and related parties

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction cost (if material). These receivables are subsequently valued at amortised cost. For determining the value, any impairments are is taken into account.

Other receivables

Other receivables presented under financial assets include issued loans and other receivables as well as purchased loans that will be held to their maturity date. These receivables are initially measured at fair value and subsequently carried at amortised cost. If loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the loans using the effective interest method. Also transaction are included in the initial valuation and recognised through profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

b. Foreign currency transactions

The transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

For the purpose of presenting the financial statements in presentation currency other than functional currency, the assets and liabilities are expressed in using exchange rates prevailing at the end of the reporting period, equity share capital at historical rate, income and expense items are translated at the average exchange rates for the period. Exchange differences arising, on account of this translation is recognised in other comprehensive income and accumulated in a separate component of equity as foreign currency translation reserve.

c. Trade receivables

Accounts receivable are monitored in detail of receivable terms, receivable parties, original currency and other factors depending on the company's managerial. Accounts receivable from customers include trade receivables arising from buying-selling transactions. Other receivables include non-trade receivables, not related to buying-selling transactions.

d. Cash and cash equivalents

Cash at bank and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at bank and in hand is carried at nominal value.

e. Impairment of Assets

At each balance sheet date, the Company reviews the carrying value of its Investment in subsidiaries to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Incremental directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

f. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. The Prepayement fee is capitalised and amortised over the period of the facility to which it relates.

g. Non-Current Liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction cost. The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

h. Current Liabilities
On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

i. Financial Guarantee
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the (i) amount determined in accordance with the expected credit loss model as per Ind AS 109 and the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

j. Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate applicable adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets are reviewed at each reporting date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

k. Earning Per Share

Earnings per share
Earnings per share is calculated by dividing:
• the profit attributable to owners of the Company
• by the weighted average number of ordinary shares outstanding during the financial year.

3. Use of judgements and estimates
The preparation of financial statements in conformity with Ind AS requires estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to useful lives of property, plant and equipment, accounting for right-of-use assets, impairment of goodwill and investments in associate and joint ventures, and estimation of and recoverability of deferred tax balances. Actual results could differ materially from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(This space is intentionally left blank)

Note 4 - Non-current investments

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Investments carried at cost			
Unquoted			
Investment in equity Instruments of subsidiaries (Fully paid up)			
1,000 equity shares (March 31, 2023: 1,000 and March 31, 2022: 1,000) of Aequs Holding France SAS	90.05	89.35	84.09
1,530,080 equity shares (March 31, 2023: 9,00,000 and March 31, 2022: 9,00,000) of Aequs Aerospace France SAS	1,37,786.42	80,415.00	75,681.00
Nil (March 31, 2023 : 4,500 equity shares and March 31, 2022: 4,500) of SCI DU Champs DES Pivoines*	-	2,64,736.00	2,51,373.23
Less: Impairement of Value of Investments	-	(34,090.99)	-
	-	**2,30,645.01**	**2,51,373.23**
	1,37,876.47	**3,11,149.36**	**3,27,138.32**
Aggregate amount of unquoted investments	**1,37,876.47**	**3,11,149.36**	**3,27,138.32**
Aggregate amount of impairment in the value of investments	-	**(34,090.99)**	-

Merger of Subsidiary

The SCI DU Champs DES Pivoines merged with Aequs Aerospace France SAS as on February 29, 2024 with the effect from April 01, 2023, at this date all the SCI DU Champs DES Pivoines assets, liabilites, commitements have been transferred to Aequs Aerospace France SAS at the valuation of INR of 23,06,45,052 (4500 shares for a value 51,254 per share)

Note 5 (i) - Loans
Non-current (unsecured, considered good)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans to related party*	7,27,669.87	7,23,958.96	6,81,339.78
Less: Loss allowance	-	-	-
	7,27,669.87	**7,23,958.96**	**6,81,339.78**
Current (unsecured, considered good)			
Loans to related party*	90,051.80	89,350.00	84,090.00
Less: Loss allowance	-	-	-
	90,051.80	**89,350.00**	**84,090.00**

Refer note 25 for related party disclosure.

Notes:

*** Includes the following loans:**

1. The loan to Aequs Holdings France SAS is an unsecured loan and denominated in EUR. Term of maturity is nine years from January 26, 2016 with repayment by 28 equal quarterly instalments. An interest rate of LIBOR 6 months+ 450 basis points per annum applies to Loan Agreement. In financial year 2023-24 an amount of INR 22,30,25,540 was accrued (in financial year 2022-23: INR 172,149,122, in financial year 2021-22: INR 123,301,585)

2. The loan to Aequs Holdings France SAS is an unsecured loan and denominated in EUR. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable in nine years from January 26, 2016. An interest rate of 5.5% per annum applies to Loan Agreement dated 26 January 2016 with Aequs Holdings France SAS. In financial year 2023-24 an amount of INR 6,76,41,331 was accrued (in financial year 2022-23: INR 5,37,58,661, in financial year 2021-22: INR 3,80,57,707)

3. The loan to Aequs Holdings France SAS is an unsecured loan and denominated in EUR. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand. An interest rate of 1% per annum applies to Loan Agreement dated January 26, 2016 with Aequs Holdings France SAS. In financial year 2023-24 an amount of INR 36,04,670 was accrued (in financial year 2022-23: INR 26,80,634, in financial year 2021-22 : INR 16,81,863)

Note 5 (ii) - Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Balances with banks:			
- In current accounts	33,092.66	95,905.55	1,616.97
	33,092.66	**95,905.55**	**1,616.97**

Note 5 (iii) - Other financial assets

Current			
Recoverable from related parties	1,80,083.11	1,78,679.67	1,68,160.87
Less: Expected credit loss	-	-	-
Recoverable from related parties (net)	**1,80,083.11**	**1,78,679.67**	**1,68,160.87**
Dues from related parties	2,91,233.67	50,318.57	47,356.34
Interest accrued but not received	2,94,277.42	2,28,588.42	1,63,041.15
	7,65,594.20	**4,57,586.66**	**3,78,558.36**

Refer note 25 for related party disclosure.

Note 6(i) - Other non-current assets

Financial guarantee expenses (Unamortised)	-	16,141.21	22,482.66
	-	**16,141.21**	**22,482.66**

Note 6(ii) - Other current assets

Financial guarantee expenses (Unamortised)	-	7,747.78	7,291.67
	-	**7,747.78**	**7,291.67**

(This space is intentionally left blank)

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Note 7 - Equity share capital						
Authorised (in USD)						
Equity shares of € 1 each 14,190,000 (March 31, 2023 : 9,990,000 ; March 31, 2022 : 9,990,000)	1,41,90,000	1,41,90,000.00	99,90,000	99,90,000.00	99,90,000	99,90,000.00
	1,41,90,000	**1,41,90,000.00**	**99,90,000**	**99,90,000.00**	**99,90,000**	**99,90,000.00**
Issued, subscribed and fully paid up (in INR thousands)						
Equity shares of € 1 each						
13,750,000 (March 31, 2023 : 8,000,000 ; March 31, 2022 : 8,000,000)	1,37,50,000	11,03,085.90	80,00,000	5,93,930.03	80,00,000	5,93,930.03
	1,37,50,000	**11,03,085.90**	**80,00,000**	**5,93,930.03**	**80,00,000**	**5,93,930.03**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	80,00,000	5,93,930.03	80,00,000	5,93,930.03	80,00,000	5,93,930.03
Shares issued during the year	57,50,000	5,09,155.87	-	-	-	-
Outstanding at the end of the year	**1,37,50,000**	**11,03,085.90**	**80,00,000**	**5,93,930.03**	**80,00,000**	**5,93,930.03**

(ii) Details of share holders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Aequs Private Limited	1,08,40,000	78.84%	50,90,000	63.63%	50,90,000	63.63%
Aequs Manufacuting Investments Private Limited	29,10,000	21.16%	29,10,000	36.38%	29,10,000	36.38%
	1,37,50,000	**100.00%**	**80,00,000**	**100.00%**	**80,00,000**	**100.00%**

(iii) Details of shareholding of Promoters

Name of the Promoter	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total number of shares	% of change during the period	No. of shares	% of total number of shares	% of change during the year	No. of shares	% of total number of shares	% of change during the year
Aequs Private Limited	1,08,40,000	78.84%	15.21%	50,90,000	63.63%	0.00%	50,90,000	63.63%	0.00%
Aequs Manufacuting Investments Private Limited	29,10,000	21.16%	-15.21%	29,10,000	36.38%	0.00%	29,10,000	36.38%	0.00%

(This space is intentionally left blank)

Note 8 - Other equity

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Share application money pending allotment			
Opening Balance	**5,09,155.87**	**5,09,155.87**	**34,994.98**
Changes during the year			
Application money received during the year			4,74,160.89
Shares issued during the year	(5,09,155.87)	-	-
Closing balance	-	**5,09,155.87**	**5,09,155.87**
Other reserves			
Opening Balance	**62,400.52**	**62,400.52**	**62,400.52**
Changes during the year	-	-	-
Closing balance	62,400.52	62,400.52	62,400.52
Retained earnings			
Opening balance	**(11,89,257.06)**	**(10,74,831.12)**	**(9,79,135.90)**
Profit/(loss) for the year	(2,79,258.17)	(1,14,425.94)	(95,695.22)
Closing balance	**(14,68,515.23)**	**(11,89,257.06)**	**(10,74,831.12)**
Foreign currency translation reserve			
Opening Balance	**(9,033.64)**	**(6,380.73)**	**9,737.76**
Other comprehensive income/(loss) for the year			
- Exchange differences on translating financial statements of foreign operations	(1,329.63)	(2,652.91)	(16,118.49)
Closing balance	(10,363.27)	(9,033.64)	(6,380.73)
Total other equity	**(14,16,477.98)**	**(6,26,734.31)**	**(5,09,655.45)**

Note 9 (i) - Borrowings

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Non-current:			
Secured			
Term loans from banks	-	1,10,179.68	1,57,123.27
	-	**1,10,179.68**	**1,57,123.27**
Current:			
Secured			
Current maturities of term long-term borrowings	-	68,910.76	79,230.78
Interest accrued but not paid	-	-	-
Unsecured			
Loans from related parties	12,96,766.26	10,34,866.35	7,63,750.66
Interest accrued but not paid	4,08,427.37	2,95,621.53	2,19,564.62
	17,05,193.63	**13,99,398.64**	**10,62,546.07**

(This space is intentionally left blank)

Refer note 25 for related party disclosure.

Terms of EXIM Bank Term Loan (secured)
The USD term loan from Export-Import Bank of India carries interest at the LIBOR 6m + 450 bp basis points and is repayable in 28 quarterly installments. The loan is secured by the hypothecation of plant and machinery, collateral security over a parcel of land owned by Aequs SEZ Pvt Ltd, pledge of shares of Aequs Holding France SAS held by Aequs Aerospace BV, Netherlands, pledge of shares of SIRA SAS France held by Aequs Holding France SAS, corporate guarantees of ASMIPL and ASEZ, and a personal guarantee of Mr. Aravind Melliqeri.

Terms of loan from related parties
Loan from Aequs Aero Machine Inc. in USD (4%)

The loan unsecured and denominated in USD. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand: An interest rate of 4% per annum applies to Loan Agreement dated September 30, 2015 In financial year 2023-24 an amount of INR 7,360,172 was accrued (Financial year 22-23- INR 6,370,575 ,Financial year 2021-2022-INR 5,046,998)

Loan from Aequs Aerospace France SAS in EUR (1%)

The loan unsecured and denominated in EUR. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand. An interest rate of 1% per annum applies to Loan Agreement dated January 26, 2016. In financial year 2022-23 an amount of INR 81,919 was accrued.

Loan from Aequs Aerospace LLC in USD (14%)

The loan unsecured and denominated in USD. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand. An interest rate of 14% per annum applies to Loan Agreement dated July 22, 2016. In financial year 2023-24 an amount of INR 15,36,02,381 was accrued (financial year 2022-23: INR 12,38,88,526 financial year 2021-22:INR 10,59,57,320.

Loan #2 from Aequs Aerospace LLC in USD (14%)

The loan unsecured and denominated in USD. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand. An interest rate of 14% per annum applies to Loan Agreement dated November 10, 2014. In financial year 2023-2024 an amount of INR 5,20,36,572 was accrued (financial year 2022-23: INR 4,57,70,224 financial year 2021-22:INR 3,70,24,037.

Loan from Aequs Inc. in USD (12.5%)
The loan unsecured and denominated in USD. An interest rate of 12.5% per annum applies to the oustanding amount and oustanding unpaid interest as on 31st March every year shall be added to the principal amount. Loan Agreement dated June 12 2018 and . The loan shall be payable on demand. In financial year 2022-23 an amount of INR 2,00,41,026.3 (financial year 2021-22:INR 1,82,36,850.57.

Loan from Aequs Private Limited in EUR (LIBOR 6m + 450 bp)
The loan unsecured and denominated in EUR. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable on demand. An interest rate of LIBOR 6m + 450 bp per annum applies to Loan Agreement dated October 26, 2018. In financial year 2023-24 an amount of INR 19,39,17,643 was accrued (financial year 2022-23: INR 11,65,23,090 financial year 2021-22:INR 7,44,76,672.

Loan from AeroStructures Manufacturing India Private Ltd in USD (13%)

The loan unsecured and denominated in USD. Amount of interest accrued shall be paid on the return date of the loan. The loan shall be payable in three months from the date of Agreements . An interest rate of 13% per annum applies to Loan Agreement dated 07 March 2014. In financial year 2023-24 an amount of INR 15,02,437

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Note 9 (ii) - Other financial liabilities			
Current:			
Dues to related parties	3,59,060.50	2,20,676.16	1,92,418.43
Employees related liabilities	-	-	1,054.18
	3,59,060.50	**2,20,676.16**	**1,93,472.61**

Note 9 (iii) - Trade payables			
Current:			
Trade payables			
- Dues to micro enterprises and small enterprises	-	-	-
- Dues of creditors other than micro enterprises and small	2,425.79	2,411.96	2,269.97
	2,425.79	**2,411.96**	**2,269.97**

Ageing of Trade payables as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	-	-	-	-	-	-
(ii) Undisputed dues -Others	-	-	-	493.29	1,932.45	2,425.74
Unbilled	-	-	-	-	-	-
	-	-	-	493.29	1,932.45	2,425.74

Ageing of Trade payables as on March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	-	-	-	-	-	-
(ii) Undisputed dues -Others	-	-	477.59	685.47	1,248.90	2,411.96
Unbilled	-	-	-	-	-	-
	-	-	477.59	685.47	1,248.90	2,411.96

Ageing of Trade payables as on March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues -MSME	-	-	-	-	-	-
(ii) Undisputed dues -Others	-	460.70	633.89	-	1,175.38	2,269.97
Unbilled	-	-	-	-	-	-
	-	460.70	633.89	-	1,175.38	2,269.97

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Note 10 - Other liabilities			
Current			
Statutory dues payable	-	-	334.59
Provision for expense	997.17	1,977.38	2,496.68
	997.17	**1,977.38**	**2,831.26**

Note 11 - Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers			
	-	-	-
	-	-	-

Note 12 - Other income

Interest Income from Loan	63,649.60	51,763.58	36,468.99
Liability no longer required written off	-	1,326.47	-
Miscellaneous Income	13.24		-
	63,662.84	**53,090.05**	**36,468.99**

Note 13 - Employee benefit expenses

Salaries, wages and bonus	-	-	1,121.43
	-	-	**1,121.43**

	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Note 14 - Other Expenses			
Rates and taxes	15,825.32	-	1,071.76
Legal and professional fees	99.61	4,856.80	1,648.01
Bank charges	424.22	342.94	432.27
Rental charges	65.13	60.67	66.59
Exchange difference (other than borrowings)	-	-	2,779.64
Miscellaneous expenses		0.00	
	16,414.27	**5,260.40**	**5,998.27**
Note 15 - Finance cost			
Exchange differences (on borrowings)	6,716.52	13,884.43	30,585.81
Interest on loans	1,19,926.07	1,06,782.19	86,694.44
Financial guarantee expense	23,984.61	7,245.93	7,503.25
Amortised cost of borrowings	834.31	252.05	261.00
	1,51,461.51	**1,28,164.60**	**1,25,044.51**
Note 16 - Exceptional items loss/(gain)			
Impairment of Investments	-	34,090.99	-
Gain/(loss) on restructuring	1,75,045.23	-	-
	1,75,045.23	**34,090.99**	-

On February 29, 2024 Aequs Aerospace France SAS has acquired participation SCI Du Champ De Pivoines by the mean of legal merger. As a result of the merger, the Du Champ De Pivoines with the net asset value of EUR 2,581,366 was merged with Aequs Aerspace France with consideration being paid through issue of shares amounting to EUR 630,080 of Aequs Aerospace France resulting in increase in the shareholding from 7.6% to 77.05%. This resulted into the loss on restructuring for the company

(This space is intentionally left blank)

Note 17 - Income tax expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Current tax			
Current tax on profits of the period / year	-	-	-
Total current tax expense (A)	-	-	-
Deferred tax			
Decrease/(increase) in deferred tax asset	-	-	-
(Decrease)/increase in deferred tax liability	-	-	-
Total deferred tax expense/(benefit) (B)	-	-	-
Income tax expense/ (benefit) (A+B)	-	-	-

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Tax expenses under general provision of income tax	-	-	-
Profit from continuing operations before income tax expense	(2,80,587.80)	(1,17,078.85)	(1,11,813.71)
Tax rate	15.00%	15.00%	15.00%
Tax at the above rate	(42,088.17)	(17,561.83)	(16,772.06)
Tax impact of permanent differences	-	-	-
Tax impact of income not chargeable to tax	-	-	-
Tax impact related to prior year adjustments	-	-	-
Tax impact of business loss and other items on which no deferred tax has been recognized	-	-	-
Others	-	-	-
Total tax expense/(benefit)	(42,088.17)	(17,561.83)	(16,772.06)

Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Deferred tax assets			
Carry forward losses and unabsorbed depreciation	-	-	-
Impairment of loss on investment	-	-	-
Others	-	-	-
	-	-	-
Deferred tax assets (net)	-	-	-

Tax losses for which no deferred tax asset was recognised expire as follows:

Deferred tax assets have not been recognised in respect of tax losses and unabsorbed depreciation carried forward by the Company. The below is the table of amount of Carry forward losses not recorded.

Financial year	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
2016	2,49,857	2,49,857	2,49,857
2018	22,86,762	22,86,762	22,86,762
2019	10,08,228	10,08,228	10,08,228
2021	10,77,114	10,77,114	10,77,114
2022	9,85,747	9,85,747	9,85,747
2024	9,57,180	-	-

(This space is intentionally left blank)

Note 18 - Capital management

For the purpose of Company's capital management, capital includes issued equity share capital and all other reserves attributable to the equity holders of the Company.

The Company's objectives when managing capital are to:
(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
(ii) Maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using gearing ratio and is measured by Net debt (total borrowings net of cash and cash equivalents) to equity.

Note 19 - Net Debt to Equity Ratio	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Total borrowings	17,05,193.63	15,09,578.32	12,19,669.34
Less: Cash and cash equivalents	33,092.66	95,905.55	1,616.97
Adjusted net debt	**16,72,100.96**	**14,13,672.77**	**12,18,052.37**
Total Equity	**(3,13,392.08)**	**(32,804.28)**	**84,274.57**
Net debt to equity ratio	**(5.34)**	**(43.09)**	**14.45**

Note 20 - Contingent liabilities : Nil

Note 21- Commitments : Nil

Note 22 - Earning per share

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Profits attributable to equity shareholders			
Profit for basic earning per share of € 1 ecah.			
Profit for the year (in INR.)	**(27,92,58,170.00)**	**(11,44,25,940.00)**	**(9,56,95,220.00)**
Weighted average number of equity shares outstanding during the year	1,37,50,000.00	80,00,000.00	80,00,000.00
Basic EPS (Rs.)	**(20.31)**	**(14.30)**	**(11.96)**
Diluted Earnings Per Share			
Profit for diluted earning per share of € 1 ecah.			
Profit for the year (in INR.)	**(27,92,58,170.00)**	**(11,44,25,940.00)**	**(9,56,95,220.00)**
Weighted average number of equity shares outstanding during the year	1,37,50,000.00	80,00,000.00	80,00,000.00
Diluted EPS (Rs.)	**(20.31)**	**(14.30)**	**(11.96)**

Note 23 - Fair value measurement

Financial instruments by category

	Classification	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
		Amount	Amount	Amount
Financial assets				
Non current investments	Amortised cost	1,37,876.47	3,11,149.36	3,27,138.32
Loans	Amortised cost	8,17,721.67	8,13,308.96	7,65,429.78
Cash and cash equivalents and other bank balances	Amortised cost	33,092.66	95,905.55	1,616.97
Other financial assets	Amortised cost	7,65,594.20	4,57,586.66	3,78,558.36
Total financial assets		**17,54,285.01**	**16,77,950.54**	**14,72,743.43**
Financial liabilities				
Borrowings	Amortised cost	17,05,193.63	15,09,578.32	12,19,669.34
Trade payables	Amortised cost	2,425.79	2,411.96	2,269.97
Other financial liabilities	Amortised cost	3,59,060.50	2,20,676.16	1,93,472.61
Total financial liabilities		**20,66,679.92**	**17,32,666.44**	**14,15,411.92**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value.
(b) recognised and measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

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

Level 2: The fair value of financial instruments that are not traded in an active market (derivative mainly forward contract) 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.

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortised cost approximates the fair value. Accordingly fair value disclosures have not been made for these financial instruments.

(This space is intentionally left blank)

Note 24 - Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance.

A Credit risk
Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables & other receivables.

(i) Credit risk management
Credit risk refers to a risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company usually deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(ii) Provision for expected credit losses.
The Company's financial assets mainly comprise of Loans to related parties

Other dues from related parties
No significant expected credit loss provision has been created for trade receivables. Further, receivables are expected to be collected considering the past trend of no defaults and that the balances are not significantly aged.

B Liquidity risk
Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities
The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2024

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	17,05,193.63	-	-	17,05,193.63
Trade payables	2,425.79	-	-	2,425.79
Other financial liabilities	3,59,060.50	-	-	3,59,060.50
	20,66,679.92	-	-	**20,66,679.92**

As at March 31, 2023

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	13,99,398.64	1,10,179.68	-	15,09,578.32
Trade payables	2,411.96	-	-	2,411.96
Other financial liabilities	2,20,676.16	-	-	2,20,676.16
	16,22,486.76	**1,10,179.68**	-	**17,32,666.44**

As at March 31, 2022

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	10,62,546.07	1,57,123.27	-	12,19,669.34
Trade payables	2,269.97	-	-	2,269.97
Other financial liabilities	1,93,472.61	-	-	1,93,472.61
	12,58,288.65	**1,57,123.27**	-	**14,15,411.92**

C Market risk
Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign currency risk
The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Euro). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The company is an investment holding for its downstream Subsidiaries engaged in the business of manufacturing of machine parts for aerospace sector of the Parent company which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of its receivables and payables being in EUR.

The Company's functional currency is the EURO, however the presentation currency is Indian Rupee ("INR").
Foreign currency risk exposure is denominated in the EURO & the sensitivity of profit or loss to changes in exchange rates is disclosed in INR.

(a) Foreign currency risk exposure

As at March 31, 2024

	INR (in INR thousands)	Equivalent ot EUR	USD	Equivalent ot EUR
Financial liability				
Borrowings			61,26,449.02	56,63,820.00
Trade payables				-
Other financial liabilities	1,17,960.39	13,09,943.00	12,17,315.84	11,57,323.00
Net exposure to foreign currency risk (liabilities)	**1,17,960.39**	**13,09,943.00**	**73,43,764.86**	**68,21,143.00**

As at March 31, 2023

	INR (in INR thousands)	Equivalent ot EUR	USD	Equivalent ot EUR
Financial liability				
Borrowings			73,83,077.73	48,10,274.00
Trade payables				-
Other current liabilities	1,17,975.93	13,20,380.00	12,50,319.08	11,49,415.00
Net exposure to foreign currency risk (liabilities)	**1,17,975.93**	**13,20,380.00**	**86,33,396.82**	**59,59,689.00**

As at March 31, 2022

	INR (in INR thousands)	Equivalent ot EUR	USD	Equivalent ot EUR
Financial liability				-
Borrowings			78,32,870.07	42,46,132.00
Trade payables	-	-	-	-
Other current liabilities	97,668.61	11,61,477.00	12,88,656.88	11,26,767.00
Net exposure to foreign currency risk (liabilities)	**97,668.61**	**11,61,477.00**	**91,21,526.95**	**53,72,899.00**

(b) Sensitivity

The sensitivity of profit or loss to changes in exchange rates arising from

	Impact on profit before tax (in INR Thousands)		
	As at March 31, 2024	**As at March 31, 2023**	**As at March 31, 2022**
INR Sensitivity			
Increase by 5%	5,875.59	5,516.71	5,025.13
Decrease by 5%	(5,875.59)	(5,516.71)	(5,025.13)
USD Sensitivity			
Increase by 5%	30,595.43	24,900.32	23,245.85
Decrease by 5%	(30,595.43)	(24,900.32)	(23,245.85)

(iii) Interest rate risk

(a) The exposure of Group's borrowings to interest rate changes at the end of the reporting period

Variable rate borrowings	-	1,10,179.68	1,57,123.27
Fixed rate borrowings	17,05,193.63	13,99,398.64	10,62,546.07
Total borrowings	**17,05,193.63**	**15,09,578.32**	**12,19,669.34**

(b) Profit & loss is sensitive to higher/lower interest expense from borrowings as a result of change in

Interest rates - increase by 50 basis points	-	550.90	785.62
Interest rates - decrease by 50 basis points	-	(550.90)	(785.62)

(This space is intentionally left blank)

Note 25 - Related Party Transactions

Names of related parties and related party relationship

Relationship	Name of the related party
Related parties where control exists	
Ultimate Holding Company	Aequs Inc.
Parent Company of Holding Company's	Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL)
Holding company	Aequs Private Limited AeroStructures Manufacturing India Private Limited, India (ASMIPL)
Related parties with whom transactions have taken place during the year	
Subsidiaries	Aequs Holdings France SAS, France ('AHF ') SCI Du champ De pivoines, France (SCI Du) (Merged w.e.f April 01, 2023) *Subsidiary of AHF* Aequs Aerospace France SAS ('AAF SAS') *Subsidiaries of AAF SAS* Bernar SAS, France ('Bernar') (Merged w.e.f April 01, 2023)
Fellow Subsidiaries	Aequs Aerospace LLC, USA ('AALLC') *Subsidiary of Aequs Aerospace LLC, USA ('AALLC')* Aequs Aero Machine Inc, USA ('AAM')
Key management personnel	Harish Bang (Authorised Officer)

Related party disclosures - Transactions

Year ended March 31, 2024:

Transactions	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
Expenses incurred by related entity	-	-	709.43	**709.43**
Expenses incurred on behalf of related entity	-	2,39,606.95	-	**2,39,606.95**
Unsecured loan taken	4,66,992.59	-	153.69	**4,67,146.28**
Unsecured loan repaid	1,72,426.99	43,552.77	1,641.80	**2,17,621.56**
Interest expense	77,689.66	-	35,456.34	**1,13,146.01**
Interest Income	-	63,651.04	-	**63,651.04**
Financial guarantee expense	-	-	-	-
Investments in equity shares	-	-	-	-

Year ended March 31, 2023:

Transactions	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
Expenses incurred by related entity	-	-	1,892.48	**1,892.48**
Expenses incurred on behalf of related entity	-	-	-	-
Unsecured loan taken	1,42,433.76	40,567.04	480.06	**1,83,480.86**
Unsecured loan repaid	-	-	25,387.85	**25,387.85**
Interest expense	34,964.97	76.62	17,527.02	**52,568.62**
Interest Income	-	51,762.04	-	**51,762.04**
Financial guarantee expense	-	-	-	-
Investments in equity shares	-	-	-	-

Year ended March 31, 2022:

Transactions	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
Expenses incurred by related entity	-	-	-	-
Expenses incurred on behalf of related entity	-	-	-	-
Unsecured loan taken	-	-	1,012.58	**1,012.58**
Unsecured loan repaid	2,96,658.64	-	9,795.05	**3,06,453.69**
Interest expense	76,637.73	-	60,738.19	**1,37,375.92**
Interest Income	81,871.20	36,468.99	-	**1,18,340.20**
Financial guarantee expense	-	-	-	-
Investments in equity shares	-	77,877.00	-	**77,877.00**
Issue of equity shares	4,97,547.50	-	-	**4,97,547.50**

Note: All transactions were made on commercial terms and conditions.

(This space is intentionally left blank)

Note 25 - Related party disclosures - Balances as at year-end

As at March 31, 2024:

Balances	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
Unsecured loan given	-	8,17,721.67	-	**8,17,721.67**
Unsecured Borrowings	10,37,301.60	-	2,16,037.51	**12,53,339.12**
Interest accrued and due on loan given	-	2,94,271.54	-	**2,94,271.54**
Interest accrued and due on loan taken	1,95,420.08	-	2,12,999.12	**4,08,419.20**
Investment in share capital	-	3,50,324.72	-	**3,50,324.72**
Dues from related parties	-	4,71,307.36	-	**4,71,307.36**
Dues to related parties	-	-	1,02,992.82	**1,02,992.82**

As at March 31, 2023:

Balances	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
				-
Unsecured loan given	-	8,11,348.93	-	**8,11,348.93**
Unsecured Borrowings	7,35,854.66	43,377.99	2,56,848.31	**10,36,080.96**
Interest accrued and due on loan given	-	2,28,588.42	-	**2,28,588.42**
Interest accrued and due on loan taken	1,16,523.09	-	1,76,111.24	**2,92,634.33**
Investment in share capital	-	3,47,601.48	-	**3,47,601.48**
Dues from related parties	-	2,28,998.25	-	**2,28,998.25**
Dues to related parties	-	-	1,01,485.62	**1,01,485.62**

As at March 31, 2022:

Balances	Holding Companies & Ultimate Holding Company	Subsidiary companies	Fellow Subsidiaries	Total
Unsecured loan given	-	7,63,585.13	-	**7,63,585.13**
Unsecured Borrowings	5,491.98	-	2,15,695.76	**2,21,187.74**
Interest accrued and due on loan given	-	1,63,041.15	-	**1,63,041.15**
Interest accrued and due on loan taken	74,476.67	-	1,48,028.36	**2,22,505.03**
Investment in share capital	-	3,27,138.32	-	**3,27,138.32**
Dues from related parties	-	2,15,517.21	-	**2,15,517.21**
Dues to related parties	-	-	93,606.71	**93,606.71**

Note 26 Ratios analysis & it's elements

Particulars	As at March 31, 2024	As at March 31, 2023	% change from March 31, 2023 to March 31, 2024 *	Reasons if % change is 25% or more
Current Ratio	0.43	0.40	7.32%	-
Debt-Equity Ratio	(5.44)	(46.02)	-88.18%	Due to increase in losses and Decreasing value of total equity.
Debt Service Coverage Ratio	(0.25)	0.06	-517.15%	Due to repayment of loan term borrowings
Return on Equity Ratio	89.11%	348.81%	-74.45%	Due to increase in losses and Decreasing value of total equity.
Inventory turnover ratio	NA	NA	NA	-
Trade Receivables turnover ratio	NA	NA	NA	-
Trade payables turnover ratio	NA	NA	NA	-
Return on Capital employed	36.88%	-74.14%	-149.75%	Due to increase in losses and Decreasing value of Capital employed.
Return on investment	89.11%	348.81%	-74.45%	Due to increase in losses and Decreasing value of total equity.

Particulars	As at March 31, 2023	As at March 31, 2022	% change from March 31, 2022 to March 31, 2023 *	Reasons if % change is 25% or more
Current Ratio	0.40	0.37	7.11%	-
Debt-Equity Ratio	(46.02)	14.47	-417.97%	Due to increase in losses and Decreasing value of total equity.
Debt Service Coverage Ratio	0.06	0.06	-3.95%	-
Return on Equity Ratio	348.81%	-113.55%	(407.19)%	Due to increase in losses and Decreasing value of total equity.
Inventory turnover ratio	NA	NA	NA	-
Trade Receivables turnover ratio	NA	NA	NA	-
Trade payables turnover ratio	NA	NA	NA	-
Return on Capital employed	-74.14%	12.24%	(705.73)%	Due to increase in losses and Decreasing value of Capital employed.
Return on investment	348.81%	-113.55%	(407.19)%	Due to increase in losses and Decreasing value of total equity.

Aequs Aerospace BV
Notes to special purpose financial statament
(All amounts are in INR thousands, except share data, unless otherwise stated)

Note 26(a) Ratios analysis & it's elements

Ratios	Numerator	Denominator	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator
Current Ratio	**Current assets**	**Current liabilities**	8,88,738.67	20,67,677.09	6,50,590.00	16,24,464.14	4,71,557.01	12,61,119.91
Debt-Equity Ratio	**Debt** :- long term borrowings + shortterm borrowings	**Equity** :- Total Equity	17,05,193.63	(3,13,392.08)	15,09,578.32	(32,804.28)	12,19,669.34	84,274.57
Debt Service Coverage Ratio	**Earning available for debt services** :- net profit before + non cash expenses tax (Depreciation and Amortisation) + interest expense on borrowings	**Interest + Installment** :- interest expenses on borrowings and current maturities	(1,27,796.66)	5,16,758.05	13,738.66	2,31,744.20	29,349.29	4,75,525.77
Return on Equity Ratio	Total Profit / (loss) for the period / year	Total Equity	(2,79,258.17)	(3,13,392.08)	(1,14,425.94)	(32,804.28)	(95,695.22)	84,274.57
Return on Capital employed	Earning before interest & taxes (EBIT) :- profit / (loss) before tax + interest expenses on financial liabilities carried at amortised cost	**Capital Employed** :- total equity + borrowings + deferred tax liability	(1,27,796.66)	(3,46,484.75)	13,738.66	(18,530.16)	29,349.29	2,39,780.87
Return on investment	Profit / (loss) after tax	Equity shareholders' fund	(2,79,258.17)	(3,13,392.08)	(1,14,425.94)	(32,804.28)	(95,695.22)	84,274.57

Note 27: Additional Disclosure

Undisclosed Income
The company does not have any such transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assesment

Details of Crypto Currency or Virtual Currency
The company has not traded or investedin Crypto currency or Virtual currency

Note 28: Corporate Social Responsibility
The company is not covered under section 135 of the Companies Act 2013 and accordingly the Corporate Social Responsibility requirements are not applicable

Note 29: Previous year's figures
Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary to be comparable with the figures of the current year's classification and disclosure

As per our report of even date attached.
for **Manian and Rao**
Chartered Accountants
ICAI Firm's Registration No 001983S

PARESH DAGA
Digitally signed by PARESH DAGA
Date: 2025.05.30 23:24:21 +05'30'

Paresh Daga
Partner
Membership No.: 211468
Place: Bangalore
Date: May 30, 2025

for and on behalf of the Board of Directors of
Aequs Aerospace BV

Harish Bang
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Mohamed Bouzidi
Authorised Signatory
Place:
Date: May 30, 2025