Aequs Aero Machine Inc.
Special Purpose Balance Sheet
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS				
Non-current assets				
Property, plant and equipment	5	590.87	684.78	515.09
Right of use assets	6	23.08	113.70	188.12
Capital work in progress	7	-	-	15.51
Deferred tax assets (net)	24	-	-	-
Total non-current assets		**613.95**	**798.48**	**718.72**
Current assets				
Inventories	8	2,967.93	1,993.29	1,473.15
Financial assets				
Trade receivables	9(i)	1,047.51	1,717.28	979.28
Cash and cash equivalents	9(ii)	1,829.27	816.12	736.60
Loans	9(iii)	-	-	252.55
Other financial assets	9(iv)	16.93	45.15	1,295.54
Other current assets	10	64.00	50.95	37.11
Total current assets		**5,925.64**	**4,622.79**	**4,774.22**
Total assets		**6,539.59**	**5,421.27**	**5,492.94**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	11	0.01	0.01	0.01
Other equity	12	1,774.90	1,488.01	2,616.97
Total equity		**1,774.91**	**1,488.02**	**2,616.98**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	13 (i)	147.31	263.20	184.64
Lease liabilities	13 (ii)	-	26.90	120.02
Total non current liabilities		**147.31**	**290.10**	**304.66**
Current liabilities				
Financial liabilities				
Borrowings	13 (i)	119.83	116.66	421.67
Lease liabilities	13 (ii)	27.30	103.67	89.75
Trade payables	13 (iii)	3,721.28	2,531.71	1,286.60
Other financial liabilities	13 (iv)	730.53	873.19	757.94
Other current liabilities	14	18.43	17.92	15.35
Total current liabilities		**4,617.37**	**3,643.15**	**2,571.31**
Total liabilities		**4,764.68**	**3,933.25**	**2,875.96**
Total equity and liabilities		**6,539.59**	**5,421.27**	**5,492.94**

Summary of Material accounting policies	1-4
Notes to the Special purpose financial statements	5 to 38

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

As per Our even date of report
For Manian & Rao
Chartered Accountants
ICAI Firm Registration Number: 001983S

PARESH DAGA Digitally signed by PARESH DAGA Date: 2025.05.30 23:56:19 +05'30'

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

For Aequs Aero Machine Inc.

Amit Melligeri
Authorised Signatory
Place: Paris, TX
Date: May 30, 2025

Dinesh Iyer
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Aequs Aero Machine Inc.

Special Purpose Statement of Profit and Loss

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

	Notes	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Income				
Revenue from operations	15	11,061.56	6,698.98	4,243.71
Other income	16	407.27	856.74	724.67
Total income		**11,468.83**	**7,555.72**	**4,968.38**
Expenses				
Cost of materials consumed	17	7,490.77	4,839.82	1,574.79
Changes in inventories of work in progress and finished goods	18	(777.39)	(532.92)	(169.64)
Employee benefit expenses	19	1,581.47	1,649.19	1,782.65
Depreciation and amortisation expense	20	209.69	242.55	243.58
Other expenses	21	2,504.42	2,991.56	1,469.31
Finance cost	22	201.29	113.12	53.78
Total expenses		**11,210.24**	**9,303.31**	**4,954.46**
Profit/(loss) before exceptional items and tax		**258.58**	**(1,747.59)**	**13.92**
Exceptional items	23	-	(407.60)	-
Profit /(Loss) before tax		**258.58**	**(1,339.98)**	**13.92**
Tax expense				
- Current tax	24	-	-	-
- Deferred tax	24	-	-	-
Total tax expense		-	-	-
Profit /(Loss) for the year		**258.58**	**(1,339.98)**	**13.92**
			-	
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Items that will not be reclassified subsequently to profit or loss				
- Exchange differences on translating financial statements of foreign operations		24.08	198.18	81.60
Other comprehensive income/(loss) for the year		**24.08**	**198.18**	**81.60**
Total comprehensive income/(loss) for the year		**282.66**	**(1,141.80)**	**95.52**
Earnings per share	30			
(Nominal value per share USD 0.01 each)				
Basic		0.28	(1.14)	0.10
Diluted		0.28	(1.14)	0.10
Summary of Material accounting policies	1-4			
Notes to the Special purpose financial statements	5 to 38			

As per Our even date of report

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Chartered Accountants
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Dinesh Iyer
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Acqus Aero Machine Inc.

Special Purpose Statement of Cash Flows

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

	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit/(Loss) before tax	258.58	(1,339.98)	13.92
Adjustments for:			
Depreciation and amortisation expense	209.69	242.55	243.58
Employee stock compensation expense	4.22	12.85	1.50
Loss/(Profit) on disposal of property, plant and equipment	-	(9.63)	
Loan waived off (CARES & UAMJP)	-	(407.60)	-
Finance income	-	-	(10.49)
Interest Lease Liabilities	5.05	10.78	15.12
Impairment of recoverables from related party	65.55	1,636.44	
Interest expense on term loan	19.22	15.28	16.72
Bill Discount Charges	169.90	78.47	13.54
Exchange differences on translating financial statements of foreign operations	24.08	198.18	81.60
	756.30	**437.33**	**375.49**
Change in operating assets and liabilities			
(Increase)/decrease in			
(Increase)/decrease in trade receivables	604.22	(2,374.45)	(638.41)
(Increase)/decrease in inventories	(974.64)	(520.14)	(264.21)
(Increase)/decrease in other financial assets	28.22	1,250.38	78.17
(Increase)/decrease other current assets	(13.05)	(13.84)	10.24
Increase/(decrease) in trade payables	1,189.57	1,245.11	710.44
Increase/(decrease) in other financial liabilities	(142.66)	115.25	(211.61)
Increase/(decrease) in other current liabilities	0.51	2.57	1.58
Cash generated from operations	**1,448.48**	**142.22**	**61.67**
Income taxes paid/(refund received)	-	-	-
Net cash inflow from operating activities (A)	**1,448.48**	**142.22**	**61.67**
B. Cash flows from investing activities:			
Payments for property, plant and equipment and intangible assets	(24.12)	(313.79)	(39.50)
Capital work in progress	-	15.51	(15.51)
Interest received	-	-	10.49
Loans to related parties	-	252.55	215.91
Net cash outflow from investing activities (B)	**(24.12)**	**(45.73)**	**171.39**
C. Cash flows from financing activities:			
Proceeds from long-term borrowings	-	238.02	36.83
Repayment of borrowings	(131.66)	(76.29)	(69.50)
Leases Rent Paid			
Principal	(104.30)	(93.61)	(81.46)
Interest	(5.05)	(10.78)	(15.12)
Interest paid	(170.20)	(74.34)	(15.42)
Net cash inflow (outflow) from financing activities (C)	**(411.21)**	**(16.97)**	**(144.67)**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**1,013.15**	**79.52**	**88.39**
Cash and cash equivalents at the beginning of the financial year	816.12	736.60	648.21
Effects of exchange rate changes on cash and cash equivalents	-	-	-
Cash and cash equivalents at end of the year (Refer Note 8(ii))	**1,829.27**	**816.12**	**736.60**
Reconciliation of cash and cash equivalents as per the cash flow statement			
Cash and bank balances as per above comprise of the following:			
Balances with banks:			
In current accounts	1,829.27	816.06	736.49
Cash on hand	-	0.06	0.11
Balances per statement of cash flows	**1,829.27**	**816.12**	**736.60**

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	1-4
Notes to the Special purpose financial statements	5 to 38

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

As per Our even date of report
For Manian & Rao
Chartered Accountants
ICAI Firm Registration Number: 001983S

PARESH DAGA Digitally signed by PARESH DAGA Date: 2025.05.30 23:57:04 +05'30'

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

For Acqus Aero Machine Inc.

Amit Melligeri
Authorised Signatory
Place: Paris, TX
Date: May 30, 2025

Dinesh Iyer
Authorised Signatory
Place: Belagavi
Date: May 30, 2025

Aequs Aero Machine Inc.
Special Purpose Statement of Changes in Equity
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

A. Stockholders' equity

	Amount
Common stock, $0.01 par value, 1000 shares authorised	
1000 issued and outstanding	**0.01**
Additional paid in capital	-
Balance as at April 1, 2021	**0.01**
Changes during the year	-
Balance as at March 31, 2022	**0.01**
Changes during the year	-
Balance as at March 31, 2023	**0.01**
Changes during the year	-
Balance as at March 31,2024	**0.01**

B. Other equity

Particulars	Additional paid in capital	Reserves and Surplus		Foreign currency translation reserve	Total other equity
		Retained earnings	Other reserve		
Balance as at April 1, 2021	**3,199.94**	**(975.64)**	**16.67**	**278.98**	**2,519.95**
Profit/(Loss) for the year	-	13.92	-	-	13.92
Other comprehensive income (net of tax)	-	-	-	-	-
- Exchange differences on translating financial statements of foreign operations	-	-	-	81.60	81.60
Total comprehensive income for the year	-	**13.92**	-	**81.60**	**95.52**
Employee stock option expenses	-	-	1.50	-	1.50
Balance as at March 31, 2022	**3,199.94**	**(961.72)**	**18.17**	**360.58**	**2,616.97**
Balance as at April 1, 2022	**3,199.94**	**(961.72)**	**18.17**	**360.58**	**2,616.97**
Profit/(Loss) for the year	-	(1,339.98)	-	-	(1,339.98)
Other comprehensive income (net of tax)					-
- Exchange differences on translating financial statements of foreign operations	-	-	-	198.18	198.18
Total comprehensive income for the year	-	**(1,339.98)**	-	**198.18**	**(1,141.80)**
Employee stock option expenses	-	-	12.85	-	12.85
Balance as at March 31, 2023	**3,199.94**	**(2,301.70)**	**31.01**	**558.76**	**1,488.01**
Balance as at April 1, 2023	**3,199.94**	**(2,301.70)**	**31.01**	**558.76**	**1,488.01**
Profit/(Loss) for the year	-	258.58	-	-	**258.58**
Other comprehensive income (net of tax)	-	-	-	-	-
- Exchange differences on translating financial statements of foreign operations	-	-	-	24.08	**24.08**
Total comprehensive income for the year					
Employee stock option expenses	-	-	4.22	-	**4.22**
ESOP lapsed		25.33	(25.33)	-	-
Balance as at March 31, 2024	**3,199.94**	**(2,017.79)**	**9.90**	**582.84**	**1,774.90**

Nature and purpose of reserves

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

b. Other reserve
Other reserves include the ESOP outstanding balance, ESOP granted under Group ESOP schemes by Intermediate Holding company, Aequs Limited (formerly known as Aequs Private Limited)

c. Foreign currency translation reserve
Exchange differences arising, on account of 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	1-4
Notes to the Special purpose financial statements	5 to 38

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

As per Our even date of report
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Aequs Aero Machine Inc.
Material Accounting Policies and Other Explanatory Notes to Special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

1. Background:

Aequs Aero Machine, Inc. (the "Company") was incorporated on October 31, 1968 under the laws of the State of Texas. The Company is engaged in manufacturing Precision CNC machined airframe parts, components and subassemblies for aircraft industry and occasionally performs other machining task. The Company is head quartered in Texas, U.S.

On June 2, 2015, 100% shareholding of the Company was acquired by Aequs Aerospace LLC (step down subsidiary of Aequs Limited (formerly known as Aequs Private Limited)) from its erstwhile shareholders.

2. Basis of preparation and presentation

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

b. This Special Purpose Financial Information has been prepared solely for the use of the management and for the limited purpose of complying with 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, in connection with the proposed initial public offering of equity shares by the Intermediate Holding Company with respect to material subsidiaries.

c. Use of judgements and estimates

The preparation of financial statements 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.

In preparing these Special purpose financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the note no 22. Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

The Special Purpose Financial Statements have been prepared on a going concern basis.

The Company's functional currency is the United States dollar ('US$').These financial statements are presented in Indian Rupee ("INR") except when otherwise indicated.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:
These special purpose financial statements are presented in Indian Rupees (INR), whereas the Company's functional currency is USD. All amounts have been rounded to the two decimal of nearest Lakhs, unless otherwise indicated.
The Special Purpose Financial Statement are approved for issue by the Company's Board of Directors on May 30, 2025

3. Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these Special purpose financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Revenue recognition

The Company earns its revenue from sale of manufactured goods and rendering of services. The Company has determined that it is a principal in all its arrangements with its customers.

The Company recognises revenue when control of goods has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Control of goods is considered to be transferred at a point-in-time when goods have been despatched or delivered, as per the terms agreed with the customer as that is when the legal title, physical possession and risks and rewards of goods transfers to the customers.

Revenue from services is recognised in the accounting period in which services are rendered.

The Company does not have any contracts where the period between the transfer of goods or services to the customer and payment by the customer exceeds one year. Accordingly, the Company does not adjust any of the transaction prices for time value of money.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. As a practical expedient, the Company has opted not to disclose the information in respect of performance obligations that are part of contracts that has an original expected duration of one year or less.

A contract asset is recognised when the Parent Company gets the right to consideration in exchange for goods or services that it has transferred to the customers and the right is conditional upon acts other than passage of time.

When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

AEQUS AERO MACHINE INC

b. Property, plant and equipment

All items of property, plant and equipment are stated at historical cost or deemed cost applied on transition to Ind AS less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, net of refundable taxes. 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 profit or loss during the reporting period in which they are incurred.

Depreciation commences when the assets are ready for their intended use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other income/(expenses). When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in case of certain leased machineries, the shorter lease term as follows:

Asset	Useful life (in years)
Leasehold improvements	10 or lease period, whichever is lower
Computers	3 to 10
Furniture and fittings	7 to 10
Plant and Machineries	3-10
Vehicles	5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Assets in the course of development or construction are not depreciated.

c. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period / year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

d. 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. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

e. Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f. Income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the parent company and its subsidiaries and associates operate and generate taxable income.

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 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 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.

AEQUS AERO MACHINE INC

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g. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

As a lessee

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extensions options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain the asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising of the following:
- The amount of the initial measurement of lease liability
- Any lease payments made on or before the commencement date less any lease incentives received
- Any initial direct cost
- Restoration cost

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. Where the Company is reasonably certain to exercise the purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term lease of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

h. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

i. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Inventories

Inventories include raw materials (including stores, spares and packing material), work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchases, freight and other expenses incurred in bringing the raw materials to the manufacturing location, excluding rebates and discounts.

Cost of work in progress and finished goods comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items on weighted average cost basis which is calculated on the basis of total cost of raw materials divided by the quantities purchased. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

k. Investments and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments (not held for trading purpose), this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial assets.

ACQUS AERO MACHINE INC

Measurement

At initial recognition, the Company measures a financial asset (other than trade receivables) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (refer note 32 for asset details).

(b) Fair value through other comprehensive income (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 derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses in other expenses.

Impairment of financial asset

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

Interest income from financial assets at fair value through profit and loss is disclosed as interest income within finance income. Interest income from financial assets at amortized cost is calculated using the effective interest method and is recognised in the statement of profit and loss using the effective interest rate method.

l. Impairment of assets

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment, intangible assets and right of use assets 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 Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

m. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees ' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Defined contribution plans

Eligible employees of the Company in the United States participate in an employee retirement savings plan (the "401K Plan") under section 401 (K) of the United States Internal Revenue Code. The 401K plan allows for the employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the 401K plan. The Company's contribution to the plan is discretionary and no contribution has been made on this account during the current and previous reporting periods.

Share-based payments

Share-based compensation benefits are provided to employees through the Aequs Stock Option Plan. The fair value of options granted under the Aequs Limited (formerly known as Aequs Private Limited) Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price), and
- including the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied on an accelerated basis. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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n. 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.

o. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

p. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can reliably estimated. Provisions are not recognised for future operating losses. Provisions measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an expense.

4. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notfies new standard or amendments to the existng standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As of March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company that has not been applied.

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Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

Note 5 - Property, Plant and Equipment

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount As at March 31, 2024
	As at April 1, 2023	Additions	Disposals	Exchange differences	As at March 31, 2024	As at April 1, 2024	Charge for the period	Disposals	Exchange differences	As at March 31, 2024	
Leasehold improvements	52.25	-	-	0.78	53.03	42.29	3.55	-	0.66	46.49	6.54
Furniture and fixtures	14.06	-	-	0.21	14.27	11.38	0.77	-	0.18	12.33	1.94
Machinery and equipment	3,773.49	-	-	56.26	3,829.74	3,107.03	110.55	-	47.12	3,264.69	565.05
Autos and trucks	29.02	-	-	0.43	29.46	29.02	-	-	0.43	29.46	0.00
Computer and servers	52.63	14.66	-	0.89	68.18	46.95	3.16	-	0.72	50.84	17.34
Total	**3,921.45**	**14.66**	**-**	**58.57**	**3,994.68**	**3,236.67**	**118.03**	**-**	**49.10**	**3,403.81**	**590.87**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2023
	As at April 1, 2022	Additions	Disposals	Exchange differences	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals	Exchange differences	As at March 31, 2023	
Leasehold improvements	48.03	-	-	4.22	52.25	35.50	3.58	-	3.21	42.29	9.96
Furniture and fixtures	12.93	-	-	1.14	14.06	9.59	0.92	-	0.87	11.38	2.68
Machinery and equipment	3,276.85	270.97	(67.38)	293.05	3,773.49	2,782.82	145.01	(67.38)	246.58	3,107.03	666.45
Autos and trucks	26.68	-	-	2.35	29.02	26.68	-	-	2.35	29.02	0.00
Computer and servers	44.40	4.23	-	4.01	52.63	39.20	4.20	-	3.55	46.95	5.68
		-	-	-						-	
Total	**3,408.88**	**275.20**	**(67.38)**	**304.76**	**3,921.45**	**2,893.79**	**153.72**	**(67.38)**	**256.54**	**3,236.67**	**684.78**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2022
	As at April 1, 2021	Additions	Disposals	Exchange differences	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals	Exchange differences	As at March 31, 2022	
Leasehold improvements	46.53	-	-	1.50	48.03	30.97	3.47	-	1.05	35.50	12.53
Furniture and fixtures	12.52	-	-	0.40	12.93	8.37	0.94	-	0.28	9.59	3.33
Machinery and equipment	3,156.39	18.26	-	102.20	3,276.85	2,547.78	150.51	-	84.53	2,782.82	494.02
Autos and trucks	25.84	-	-	0.83	26.68	24.22	1.65	-	0.81	26.68	0.00
Computer and servers	40.28	2.78	-	1.34	44.40	33.42	4.63	-	1.15	39.20	5.20
					-	-				-	-
Total	**3,281.55**	**21.04**	**-**	**106.28**	**3,408.88**	**2,644.77**	**161.20**	**-**	**87.82**	**2,893.79**	**515.09**

a. Refer note 34 for information on property, plant and equipment pledged as security.
b. Refer note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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Note 6 - Capital work-in-progress

Particulars	As at April 1, 2023	Additions	Capitalized during the	As at March 31, 2024
Capital work-in-progress	-	-	-	-

Particulars	As at April 1, 2022	Additions	Capitalized during the year	As at March 31, 2023
Capital work-in-progress	15.51	-	15.51	-

Particulars	As at April 1, 2021	Additions	Capitalized during the year	As at March 31, 2022
Capital work-in-progress	-	15.51	-	15.51

Aging of Capital work-in-progress as at March 31, 2024

Particulars	Capital work-in-progress				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					-
Projects temporarily suspended					-
Total	-	-	-	-	-

Aging of Capital work-in-progress as at March 31, 2023

Particulars	Capital work-in-progress				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					-
Total	-	-	-	-	-

Aging of Capital work-in-progress as at March 31, 2022

Particulars	Capital work-in-progress				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.51				15.51
Total	**15.51**	-	-	-	**15.51**

Note: The Company does not have any capital-work-in-progress which is overdue or has exceeded its cost compared to its original plan as at March 31, 2024, March 31, 2023, March 31,2022.

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Note 7 - Right of use assets

In July 2015, the Company commenced a lease for office space in Texas over a 9-year lease term.

(a) Right of use assets

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount As at March 31, 2024
	As at April 1, 2023	Additions	Disposals	Exchange differences	As at March 31, 2024	As at April 1, 2024	Charge for the period	Disposals	Exchange differences	As at March 31, 2024	
Buildings	477.56	-	-	7.12	484.68	363.85	92.00	-	5.74	461.60	23.08
				-							
Total	**477.56**	**-**	**-**	**7.12**	**484.68**	**363.85**	**92.00**	**-**	**5.74**	**461.60**	**23.08**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2023
	As at April 1, 2022	Additions	Disposals	Exchange differences	As at March 31, 2023	As at April 1, 2022	Charge for the year	Disposals	Exchange differences	As at March 31, 2023	
Buildings	438.96	-	-	38.60	477.56	250.83	89.00	-	24.02	363.85	**113.70**
Total	**438.96**	**-**	**-**	**38.60**	**477.56**	**250.83**	**89.00**	**-**	**24.02**	**363.85**	**113.70**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2022
	As at April 1, 2021	Additions	Disposals	Exchange differences	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals	Exchange differences	As at March 31, 2022	
Buildings	425.23	-	-	13.73	438.96	161.99	82.37	-	6.47	250.83	188.12
	-	-	-	-	-	-	-	-	-	-	-
					-						-
Total	**425.23**	**-**	**-**	**13.73**	**438.96**	**161.99**	**82.37**	**-**	**6.47**	**250.83**	**188.12**

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(b) Lease liability

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current	27.30	103.67	89.75
Non-current	-	26.90	120.02
Total	**27.30**	**130.57**	**209.77**

(c) Company's lease liabilities, by maturity, are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Less than one year	27.58	108.68	99.90
Between one and five years	-	27.17	124.87
After five years	-	-	-
Total minimum lease payments	**27.58**	**135.86**	**224.77**

(d) The following are the amounts recognized in the statement of profit and loss and statement of cash flows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of right-of-use assets	91.66	88.83	82.37
Interest expense on lease liabilities	5.05	10.78	15.12
Expense relating to leases of low-value assets (included in other expenses)	0.28	1.10	1.25
Cash outflow for leases	(109.51)	(106.13)	(97.25)
Lease Payment - Principal	(104.46)	(95.35)	(82.13)
Lease Payment - Interest	(5.05)	(10.78)	(15.12)

(e) The weighted average discounting rate used for the lease is 6%.

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Note 8 - Inventories	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Raw materials	539.89	342.64	355.42
(includes Goods in transit March 31,2024 : Rs 1,82,62,478; March 31,2023: Rs 63,14,049 ; March 31,2022 : Rs 95,65,531)			
Work-in-progress	1,104.00	563.70	399.71
Finished goods	1,720.05	1,224.26	1,094.96
	3,363.94	**2,130.60**	**1,850.10**
Less: Provision for slow moving inventory	(396.01)	(137.31)	(376.95)
	2,967.93	**1,993.29**	**1,473.15**

Note 9 - Financial assets

(i) Trade receivables

(Unsecured, considered good)

Trade receivables from contracts with customers	1,048.69	1,712.43	255.44
Less: Loss allowance	(1.18)	(1.16)	(1.06)
	1,047.51	**1,711.28**	**254.38**
Unbilled revenue	-	6.01	724.90
Total receivables	**1,047.51**	**1,717.28**	**979.28**

Ageing of Total receivables

As at March 31, 2024

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	581.07	423.35	41.62	2.65	-	-	1,048.69
Which have significant increase in							-
	581.07	**423.35**	**41.62**	**2.65**	-	-	**1,048.69**
Less: Loss allowance	-	-	-	-	-	-	(1.18)
Total	**581.07**	**423.35**	**41.62**	**2.65**	-	-	**1,047.51**

As at March 31, 2023

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	359.92	942.78	403.84	2.38	2.29	1.23	1,712.43
Which have significant increase in							-
	359.92	942.78	403.84	2.38	2.29	1.23	1,712.43
Less: Loss allowance							(1.16)
	359.92	942.78	403.84	2.38	2.29	1.23	1,711.28
Unbilled revenue	6.00	-	-	-	-	-	6.00
Total	**365.92**	**942.78**	**403.84**	**2.38**	**2.29**	**1.23**	**1,717.28**

As at March 31, 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	154.27	56.02	16.44	2.13	25.45	1.13	255.44
Which have significant increase in							
	154.27	**56.02**	**16.44**	**2.13**	**25.45**	**1.13**	**255.44**
Less: Loss allowance	-	-	-		-	-	(1.06)
	154.27	**56.02**	**16.44**	**2.13**	**25.45**	**1.13**	**254.38**
Unbilled revenue	725.00	-	-	-	-	-	725.00
Total	**879.27**	**56.02**	**16.44**	**2.13**	**25.45**	**1.13**	**979.38**

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Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(ii) Cash and cash equivalents			
Balances with banks:			
- in current accounts	1,829.27	816.06	736.49
Cash on hand	-	0.06	0.11
	1,829.27	**816.12**	**736.60**
(iii) Loans			
(Unsecured, considered good)			
Current			
Loans to related parties	-	-	252.55
		-	**252.55**
Refer note 31 for related party disclosures.			
(iv) Other financial assets			
Current			
Recoverable from related parties	16.87	45.09	1,295.48
Security deposits	0.06	0.06	0.06
	16.93	**45.15**	**1,295.54**
Refer note 31 for related party disclosures.			
Note 10 - Other assets			
Current			
Prepaid expenses	64.00	50.95	37.11
	64.00	**50.95**	**37.11**

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Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	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 11 - Equity share capital						
Authorised (USD)						
Equity shares of USD 0.01 each	1,000	10.00	1,000	10.00	1,000	10.00
	1,000	**10.00**	**1,000**	**10.00**	**1,000**	**10.00**
Issued, subscribed and fully paid up (In INR)						
Equity shares of USD 0.01 each	1,000	674.34	1,000	674.34	1,000	674.34
	1,000	**674.34**	**1,000**	**674.34**	**1,000**	**674.34**

(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	1,000	674.34	1,000	674.34	1,000	674.34
Shares issued for cash	-	-	-	-	-	-
Outstanding at the end of the year	**1,000**	**674.34**	**1,000**	**674.34**	**1,000**	**674.34**

During the year, there were no changes in the number of shares or paid up share capital.

(ii) Terms and rights attached to equity shares
Stockholders' equity consists of only common stock. The holders of the common stock are entitled to one vote per share on all matters to be voted upon by the stockholders of the Company. As per amended and restated certificate of incorporation dated June 10, 2015, the total number of common shares that the Company is authorized to issue is 1000 shares having par value $0.01 per share.
The common stock of the Company consists of 1,000 shares with a par value of $0.01 as at March 31,2024, March 31,2023, and March 31,2022.

(iii) Details of shares held by holding/ultimate holding company (i.e., parent of the Group) and/or their subsidiaries/associates

Name of the shareholder	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
Aequs Aerospace LLC ('AALLC')	1,000	674.34	1,000	674.34	1,000	674.34

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Note 11 - Equity share capital

(iv) 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 Aerospace LLC ('AALLC')	1,000	100%	1,000	100%	1,000	100%
	1,000	**100%**	**1,000**	**100%**	**1,000**	**100%**

(v) Details of shareholding of Promoters

Name of the Promoter	As at March 31, 2024			As at March 31, 2023		
	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
Aequs Aerospace LLC ('AALLC')	1,000	100%	0%	1,000	100%	0%

Name of the Promoter	As at March 31, 2022		
	No. of shares	% of total number of shares	% of change during the year
Aequs Aerospace LLC ('AALLC')	1,000	100%	0%

(i) Shares reserved for issue under options

Stock Option Outstanding: The share options outstanding account is used to recognise the cost of employee stock option expenses incurred by an intermediate holding company, Aequs Limited (formerly known as Aequs Private Limited). The stock options related to shares of Aequs Limited (formerly known as Aequs Private Limited), granted to the Company's employees. The cost associated with the outstanding share option is valued based on the fair value as on the grant date. Since there is no consideration paid for the awards, the value of the awards granted to the Company's employees are considered a capital contribution from the parent. The compensation cost is recognised as an expense, with a corresponding impact within equity.
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note no 35

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Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Note 12 - Other equity			
Other equity			
A. Additional paid in capital	3,199.94	3,199.94	3,199.94
B. Other reserve	9.90	31.01	18.17
C. Foreign currency translation reserve	582.84	558.76	360.58
D. Retained earnings	(2,017.79)	(2,301.70)	(961.72)
	1,774.90	**1,488.01**	**2,616.97**
A. Additional paid in capital			
Opening balance	**3,199.94**	**3,199.94**	**3,199.94**
Addition during the year	-	-	-
Withdrawal during the year	-	-	-
Closing balance	**3,199.94**	**3,199.94**	**3,199.94**
B. Other reserve			
Opening balance	**31.01**	**18.17**	**16.67**
Addition during the year	4.22	12.85	1.50
ESOP lapsed	(25.33)	-	-
Closing balance	**9.90**	**31.01**	**18.17**
C. Foreign currency translation reserve			
Opening balance	**558.76**	**360.58**	**278.98**
Changes during the year			
- Exchange differences on translating financial statements of foreign operations	24.08	198.18	81.60
Closing balance	**582.84**	**558.76**	**360.58**
D. Retained earnings			
Opening balance	**(2,301.70)**	**(961.72)**	**(975.64)**
Profit (loss) for the year	258.58	(1,339.98)	13.92
Other comprehensive (loss)/ income			
Transfer from other reserve	25.33	-	-
Closing balance	**(2,017.79)**	**(2,301.70)**	**(961.72)**
	1,774.90	**1,488.01**	**2,616.97**

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	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Note 13 - Financial liabilities			
(i) Borrowings			
Non current:			
Term loans from banks	147.31	263.20	184.64
Total non-current borrowings	**147.31**	**263.20**	**184.64**
Current:			
Current maturities of term loans	119.83	116.66	75.37
Loan from government authorities	-	-	346.30
Total current borrowings	**119.83**	**116.66**	**421.67**

Notes

a) On September 27, 2019, the Company obtained a line of credit with the US BANK Equipment Finance for $ 144,500. The loan is obtained to purchase a Machine and is repayable over a term of 84 months. The balance due as at March 31, 2024 is INR 46.73 Lakhs (equivalent to $ 56,033.39). The rate of interest is 5.3 % per annum.
b) On April 1, 2020, the Company obtained a line of credit with the Engs Commercial Finance Co for INR 76.12 Lakhs (equivalent to $ 338,531). The loan is obtained to purchase a Machine and is repayable over a term of 60 months. The balance due as at March 31, 2024 is $ 91,288.08. The Rate of interest is 4.73 % per annum.
c) On June 17, 2022, the Company obtained a line of credit with the US BANK YCM NSV-156A for $ 184,860. The loan is obtained to purchase a Machine and is repayable over a term of 60 months. The balance due as at March 31, 2024 is INR 103.04 Lakhs (equivalent to $ 123,591.28). The rate of interest is 6.18 % per annum.
d) On February 20, 2023, the Company obtained a line of credit with the Newlane Finance Company for $ 62,356. The loan is obtained to purchase a Machine and is repayable over a term of 60 months. The balance due as at March 31, 2024 is INR 41.25 Lakhs (equivalent to $ 49,476.17). The rate of interest is 6.18 % per annum.
e) The company received Paycheck Protection Program (PPP) loans totaling $818,224 in two equal installments on May 18, 2020, and February 9, 2021. Upon meeting all eligibility criteria for loan forgiveness under the CARES Act, both installments were forgiven by the SBA and recognized as other income in the statements for the years ended March 31, 2021, and March 31, 2023, respectively.
f) The company received funding under the Aviation Manufacturing Jobs Protection Program (AMJP) totaling $ 990,00 in two installments on December 6, 2021, and September 1, 2022. As the company fulfilled all conditions required for forgiveness, both amounts were waived by the U.S. Department of Transportation and recognized as other income during the year ended March 31, 2023.

(ii) Lease liabilities			
Non-current:			
Lease liabilities	-	26.90	120.02
	-	**26.90**	**120.02**
Current:			
Lease liabilities	27.30	103.67	89.75
	27.30	**103.67**	**89.75**

Note

In July 2015, the Company commenced a lease for office space in Texas over a 9-year lease term.

(iii) Trade Pavables			
Current:			
For goods & services			
Trade payables	3,721.28	2,531.71	1,286.60
	3,721.28	**2,531.71**	**1,286.60**

AEQUS AERO MACHINE INC

Ageing of Trade payables

As at March 31, 2024

Particulars						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	-	3,721.28	-	-	-	3,721.28
Unbilled						-
	-	3,721.28	-	-	-	3,721.28

As at March 31, 2023

Particulars						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	-	2,531.71	-	-	-	2,531.71
Unbilled						-
	-	2,531.71	-	-	-	2,531.71

As at March 31, 2022

Particulars						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	-	1,286.60	-	-	-	1,286.60
Unbilled						-
	-	1,286.60	-	-	-	1,286.60

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(iv) Other financial liabilities			
Current:			
Employees related liability	92.77	244.79	331.17
Payable to related parties	637.77	628.40	426.77
	730.53	873.19	757.94

Refer note 31 for related party disclosures.

Note 14 - Other liabilities

Current:			
Statutory taxes payable	18.43	17.92	15.35
	18.43	17.92	15.35

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Aequs Aero Machine Inc.
Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Note 15 - Revenue from operations			
Revenue from contracts with customers			
Sale of products			
Manufactured goods	11,042.01	6,628.10	4,236.60
	11,042.01	**6,628.10**	**4,236.60**
Other operating income			
Scrap sales	19.55	70.89	7.10
	19.55	**70.89**	**7.10**
	11,061.56	**6,698.98**	**4,243.71**
Note 16 - Other income			
Marketing income	407.27	847.11	714.18
Gain on sale of asset	-	9.63	-
Interest income	-	-	10.49
	407.27	**856.74**	**724.67**
Note 17 - Cost of materials consumed			
Opening stock (net) (a)	342.64	355.42	260.85
Purchases during the year (b)	7,651.53	4,614.39	1,627.00
Closing stock (c)	539.89	342.64	355.42
Foreign currency translation reserve (d)	36.48	212.65	42.37
Cost of raw materials consumed (a+b-c+d)	**7,490.77**	**4,839.82**	**1,574.79**
Note 18 - Changes in inventories of work in progress and finished goods			
Inventory at the end of the year (a)			
Work-in-progress	1,104.00	563.70	399.71
Finished goods	1,720.05	1,224.26	1,094.96
Provision for slow moving inventory	(396.01)	(137.31)	(376.95)
	2,428.04	1,650.65	1,117.73
Inventory at the beginning of the year (b)			
Work-in-progress	563.70	399.71	304.77
Finished goods	1,224.26	1,094.96	828.89
Provision for slow moving inventory	(137.31)	(376.95)	(185.58)
	1,650.65	1,117.73	948.08
Change in inventories of work in progress and finished goods (a-b)	**(777.39)**	**(532.92)**	**(169.64)**
Note 19 - Employee benefit expenses			
Salaries, wages and bonus	1,379.81	1,425.25	1,620.83
Employee stock option expense	4.22	12.85	1.50
Staff welfare expenses	197.45	211.09	160.32
	1,581.47	**1,649.19**	**1,782.65**
Note 20 - Depreciation and amortisation expense			
Depreciation of property, plant and equipment (Refer note 5)	118.03	153.72	161.20
Depreciation of right-of-use asset (Refer note 7)	91.66	88.83	82.37
	209.69	**242.55**	**243.58**

AEQUS AERO MACHINE INC

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Aequs Aero Machine Inc.
Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Note 21 - Other expenses			
Subcontracting expenses	958.73	652.56	290.69
Bad debts written off	65.55	1,636.44	-
Consumption of stores and spares	219.63	195.90	156.37
Provision for slow moving inventory	254.81	(266.38)	182.64
Freight and forwarding	179.26	115.19	104.29
Legal and professional fees	420.94	295.01	226.02
Exchange differences (net)	-	-	70.01
Royalty fee	112.70	-	69.90
Power and fuel	43.91	38.21	34.42
Insurance	55.83	47.61	34.50
Travelling and conveyance	33.82	99.81	159.32
Rates and taxes	61.07	63.73	55.57
Repairs and maintenance	-	-	-
Machinery	19.06	37.88	31.33
Building	28.37	22.33	12.20
Others	24.68	28.05	13.90
Rental charges	0.28	1.10	1.25
Printing and stationery	2.80	3.28	1.95
Communication	12.97	13.09	18.15
Advertisement and business promotion expenses	0.42	2.08	0.22
Miscellaneous expenses	9.57	5.67	6.56
	2,504.42	**2,991.56**	**1,469.31**
Note 22 - Finance cost			
Interest expense on term loan	19.22	15.28	16.72
Bill Discount Charges	169.90	78.47	13.54
Bank charges	7.12	8.59	8.40
Interest on lease liabilities	5.05	10.78	15.12
	201.29	**113.12**	**53.78**
Note 23 - Exceptional items			
Loan waived off (CARES & UAMJP)	-	407.60	-
	-	**407.60**	**-**

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Note 24 - 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 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	258.58	(1,339.98)	13.92
Tax rate	22.26%	21.00%	21.00%
Tax at the above rate	57.57	-	2.92
Tax impact of unrecognised deferred tax on losses and other temporary differences	(57.57)	-	(2.92)
Total tax expense/(benefit)	-	-	-

Note :
The tax returns of the company were filed by its holding company (Aequs Aerospace LLC ('AALLC')) at the consolidated level. Due to the incurrence of losses and the absence of reasonable certainty regarding future taxable profits, the company has not recognized the Deferred Tax Assets (DTA) in the financial statements, in accordance with Ind AS 12 - Income Taxes.

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Note 25 - Fair value measurement

Financial instruments by category

Paarticulars	Classification	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
		Amount	Amount	Amount
Financial assets				
Loans	Amortised cost	-	-	252.55
Trade receivables	Amortised cost	1,047.51	1,717.28	979.28
Cash and cash equivalents and other bank balances	Amortised cost	1,829.27	816.12	736.60
Other financial assets	Amortised cost	16.93	45.15	1,295.54
Total financial assets		**2,893.72**	**2,578.55**	**3,263.97**
Financial liabilities				
Borrowings	Amortised cost	267.14	379.86	606.31
Lease liabilities	Amortised cost	27.30	130.57	209.77
Trade payables	Amortised cost	3,721.28	2,531.71	1,286.60
Other financial liability	Amortised cost	730.53	873.19	757.94
Total financial liabilities		**4,746.26**	**3,915.33**	**2,860.61**

(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 Company 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.

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Note 26 - 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. The below table broadly summarises the sources of financial risk to which the Company is exposed to and how the Company manages the risk.

Financial risk management

	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortised cost	Ageing analysis Credit ratings	Diversification of bank deposits, Customers credit analysis and monitoring of credit limits
Liquidity risk	Borrowings, security deposits received and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting sensitivity analysis	Natural hedging for receivables and payables.
Market risk - Interest rate risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt

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 and loans and deposits.

(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

1) Loans and Deposits:

Loans and Deposits are classified under the A category having negligible or nil risk based on past history of defaults and reasonable forward looking information. Loans and deposits comprises of mainly refundable security deposits made on buildings (leased premises). Since these are assets with nil risk, the expected probability of default is "Nil%" and hence no provision for expected credit losses are made in the financial statements.

2) Deposits with bank:

They are considered to be having negligible risk or nil risk, as

3) Trade receivables and 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. Full provision is made for balances that management believes are credit impaired.

Reconciliation of loss allowance provision - Trade receivables

	Amount
As at April 1, 2021	**1.03**
Charged to profit and loss	-
Utilisation/ reversal in loss allowance	-
Foreign currency translation reserve	0.03
As at March 31, 2022	**1.06**
Charged to profit and loss	-
Utilisation/ reversal in loss allowance	-
Foreign currency translation reserve	0.09
As at March 31, 2023	**1.16**
Charged to profit and loss	-
Utilisation/ reversal in loss allowance	-
Foreign currency translation reserve	0.02
As at March 31, 2024	**1.18**

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 and the availability of funding through an adequate amount of committed credit facilities 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.

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(i) Maturities of financial liabilities
Following is the companies exposure to financial liabilities based on the contractual maturity as at reporting date.

Contractual maturities of financial liabilitiesa as at March 31, 2024

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	119.83	147.31	-	267.14
Trade payables	3,721.28	- -	-	3,721.28
Lease liabilities	27.30	-	-	27.30
Other financial liabilities	730.53	-	-	730.53
	4,598.95	**147.31**	**-**	**4,746.26**

Contractual maturities of financial liabilities as at March 31, 2023

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	116.66	263.20	-	379.86
Trade payables	2,531.71	-	-	2,531.71
Lease liabilities	103.67	26.90	-	130.57
Other financial liabilities	873.19	-	-	873.19
	3,625.23	**290.10**	**-**	**3,915.33**

Contractual maturities of financial liabilities as at March 31, 2022

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	421.67	184.64	-	606.31
Trade payables	1,286.60	-	-	1,286.60
Lease liabilities	89.75	120.02	-	209.77
Other financial liabilities	757.94	-	-	757.94
	2,555.96	**304.65**	**-**	**2,860.61**

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 (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials 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 USD. The Company also has risk in terms of translation of its foreign operations. Further, any additional exposure is continuously monitored and hedging options like forward contracts are taken whenever they are expected to be cost effective.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in USD as against respective foreign currency are as at March 31, 2022 :

Particulars	EUR	Equivalent amount in dollars ($)
Financial asset		
Due from Related Party	15,25,528	16,98,869
Loans (unsecured)	3,00,337	3,34,463
Net exposure to foreign currency risk (assets)	**18,25,864**	**20,33,332**

(b) Sensitivity
The sensitivity of profit or loss to changes in exchange rates arising from foreign currency denominated financial instruments is given below.

Particulars	Impact on profit (in INR) Year ended March 31, 2022
EUR Sensitivity	
Increase by 5%	75.63
Decrease by 5%	(75.63)

(ii) Interest rate risk	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
The exposure of Company's borrowings to interest rate changes at the end of the reporting period			
Variable rate borrowings	-	-	-
Fixed rate borrowings	267.14	379.86	606.31
Total borrowings	**267.14**	**379.86**	**606.31**

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Note 27 - Capital management

For the purpose of Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature 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.

(i) Net Debt to Equity Ratio	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Total borrowings including lease liabilities	294.45	510.43	816.08
Less: Cash and cash equivalents	(1,829.27)	(816.12)	(736.60)
Adjusted net debt	(1,534.83)	(305.69)	79.47
Total Equity	1,774.91	1,488.02	2,616.98
Net debt to equity ratio	**(0.86)**	**(0.21)**	**0.03**

Note 28 - Contingent liabilities **Nil**

Note 29 - Capital commitments **Nil**

Note 30 - Earnings per share

Profits attributable to equity shareholders

Profit for basic earning per share of USD. 0.01 each			
Profit for the year	282.66	(1,141.80)	95.52
Weighted average number of equity shares outstanding during the year	1,000.00	1,000.00	1,000.00
Basic EPS	**0.28**	**(1.14)**	**0.10**
Profit for diluted earning per share of USD. 0.01 each			
Profit for the year	282.66	(1,141.80)	95.52
Weighted average number of equity shares outstanding during the year	1,000.00	1,000.00	1,000.00
Diluted EPS	**0.28**	**(1.14)**	**0.10**

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Note 31 - 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.
Holding company	Aequs Aerospace LLC ('AALLC')
Intermediate Holding company of AALLC	Aequs Private Limited ('Aequs')
Fellow Subsidiaries	Aequs Aerospace BV ('AABV') Aequs Aerospace SAS ('ASAS') (Subsidiary of 'AABV') Aequs Aerospace France SAS ('AAF') Aerospace Manufacturing Holdings Private Limited (formerly, Aequs Aerospace Private Limited) ('AMHPL') Aequs Oil & Gas LLC ('AOGLLC') Aerostructures Manufacturing India Private Limited ('ASMIPL') Aerostructures Assemblies India Private Limited ('AAIPL')
Key management personnel	Aravind Melligiri, CEO and Chairman
Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Aequs Holdings LLC ('AHLLC') Melligeri Investment LLC ('MILLC')
Related parties with whom transactions have taken place during the year	
Ultimate holding company	Aequs Inc.
Intermediate Holding company of AALLC **Holding company**	Aequs Private Limited ('Aequs') Aequs Aerospace LLC ('AALLC')
Fellow Subsidiaries	Aequs Aerospace BV ('AABV') Aequs Aerospace France SAS ('AAF') Aequs Oil & Gas LLC ('AOGLLC') Aerostructures Assemblies India Private Limited ('AAIPL') Aerostructures Manufacturing India Private Limited ('ASMIPL')
Key management personnel	Aravind Melligiri, CEO and Chairman
Enterprises in which individuals owning interest in the Group, or their relatives have control, joint control or significant influence	Melligeri Investment LLC ('MILLC')

*Aequs Inc. is 100% beneficially owned and controlled by the Melligiri Foundation.

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Note 31 - Related party disclosures - Transactions

Year ended March 31, 2024 :

Transactions	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Advances Paid	-	-	-	-	-
Sale of goods	2.06	660.69	-	-	**662.75**
Purchase of material	-	6,068.60	-	-	**6,068.60**
Expenses paid on behalf of Company	-	-	-	0.14	**0.14**
Expenses incurred on behalf of Company	23.11	-	-	-	**23.11**
Other Income	407.27	-	-	-	**407.27**
Remuneration	-	-	429.87	-	**429.87**

Year ended March 31, 2023 :

Transactions	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Advances Paid	160.44	-	-	-	**160.44**
Sale of goods	-	338.70	-	-	**338.70**
Purchase of material	-	2,787.73	-	-	**2,787.73**
Expenses paid on behalf of Company	15.90	27.48	-	0.34	**43.72**
Expenses incurred on behalf of AAM	31.93	-	-	-	**31.93**
Other income	847.11	-	-	-	**847.11**
Remuneration	-	-	416.87	-	**416.87**

Year ended March 31, 2022 :

Transactions	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Advances Paid	153.95	-	-	-	**153.95**
Sale of goods	0.78	53.33	-	-	**54.11**
Purchase of material	-	931.86	-	-	**931.86**
Expenses paid on behalf of Company	235.58	51.91	-	44.53	**332.03**
Interest Income on Loan Given	-	10.49	-	-	**10.49**
Expenses incurred on behalf of Company	17.82	-	-	-	**17.82**
Royalty expense	69.90	-	-	-	**69.90**
Other income	714.18	-	-	-	**714.18**
Remuneration	-	-	137.96	-	**137.96**

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

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Note 31 - Related party disclosures-Balances

As at March 31, 2024

Balances	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Dues to related parties	637.77	-	-	-	**637.77**
Trade Receivables	-	438.06	-	-	**438.06**
Trade Payable	23.28	2,721.02	-	-	**2,744.30**
Dues from related parties	16.34	-	-	0.53	**16.87**

As at March 31, 2023

Balances	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Dues to related parties	628.40	-	-	-	**628.40**
Trade Receivables	1,261.82	99.99	-	-	**1,361.82**
Trade Payables	-	1,925.95	-	-	**1,925.95**
Dues from related parties	16.10	28.34	-	0.66	**45.09**

As at March 31, 2022

Balances	Holding company	Fellow Subsidiaries	Key management personnel	Enterprises in which individuals owing interest in the Company, or their relatives have significant influence	Total
Dues to related parties	426.77	-	-	-	**426.77**
Trade Receivables	725.48	73.13	-	-	**798.61**
Trade Payables	30.25	725.90	-	-	**756.15**
Dues from related parties	-	1,282.82	-	0.29	**1,283.10**
Loan Receivables	-	252.55	-	-	**252.55**

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AEQUS AERO MACHINE INC

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Aequs Aero Machine Inc.

Notes to the special purpose financial statements

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

Note 32 - 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	1.28	1.27	1.14%	-
Debt-Equity Ratio	0.15	0.26	-41.04%	The debt has been repaid, and no additional loans have been taken.
Debt Service Coverage Ratio	2.10	(4.54)	-146.24%	As increase in the profit, increase in the earning available for debt services & loan repayments are as per schedule and not proportionately increased.
Return on Equity Ratio	14.57%	-90.05%	-116.18%	Due to profits in the ended March 31,2024 as the turnover increases, debt Service Coverage Ratio is improved.
Inventory turnover ratio	2.71	2.48	8.91%	-
Trade Receivables turnover ratio	8.00	4.97	61.05%	-
Trade payables turnover ratio	2.15	2.26	-4.82%	-
Net capital turnover ratio	845.51%	683.82%	23.64%	-
Net profit ratio	2.34%	-20.00%	-111.69%	There has been an increase in turnover from the previous year to the ended March 31,2022, with the company reporting a profit this year compared to a loss in the previous year.
Return on Capital employed	2.58%	-111.55%	-102.31%	The company reported a profit in the ended March 31,2024, as compared to a loss in the previous year, with no external changes in the capital employed.
Return on investment	14.57%	-90.05%	-116.18%	-

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	1.27	1.86	-31.66%	Recoverable from related parties are provided in the year ended March 31, 2023
Debt-Equity Ratio	0.26	0.23	10.18%	-
Debt Service Coverage Ratio	(4.54)	2.43	-286.81%	Company has incurred loss hence no earning available for debt services from profit.
Return on Equity Ratio	-90.05%	0.53%	-17032.39%	Company has incurred loss in ended March 31,2023 as compared to ended March 31,2022.
Inventory turnover ratio	2.48	1.05	137.15%	Increase in the inventory at year ending March31, 2023, with Significant increase in the COGS.
Trade Receivables turnover ratio	4.97	6.43	-22.72%	Proportion of trade receivable with respect to turnover is more as compared to year ended March 31, 2022.
Trade payables turnover ratio	2.26	1.51	49.53%	Increases purchase with more balance in trade payables as compares to ended March 31,2022.
Net capital turnover ratio	683.82%	192.64%	254.97%	There has been an increase in turnover from the previous year to the current year, with increase in the payable to outside parties impacting working capital
Net profit ratio	-20.00%	0.33%	-6199.08%	As losses incurred in the year 2022-23 as compared to profit in year ended March 31,2022
Return on Capital employed	-111.55%	-20.38%	447.29%	The company reported a more loss in the current year, as compared to a profit in the previous year.
Return on investment	-90.05%	0.53%	-17032.39%	The company reported a more loss in the current year, as compared to a profit in the previous year, further there is no material movement in capital other than loss in the year ended March 31, 2023.

AEQUS AERO MACHINE INC

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Acqus Aero Machine Inc.
Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

Note 32 (a)

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**	5,925.64	4,617.37	4,622.79	3,643.15	4,774.22	2,571.31
Debt-Equity Ratio	**Debt** :- long term borrowings + shortterm borrowings	**Equity** :- Total Equity	267.14	1,774.91	379.86	1,488.02	606.31	2,616.98
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	669.57	318.84	(984.31)	216.73	311.27	128.04
Return on Equity Ratio	Total Profit / (loss) for the period / year	Total Equity	258.58	1,774.91	(1,339.98)	1,488.02	13.92	2,616.98
Inventory turnover ratio	**Cost of good sold** :- purchase of stock in trade + changes in inventories of stock-in-trade	Average Inventory	6,713.37	2,480.61	4,306.89	1,733.22	1,405.15	1,341.04
Trade Receivables turnover ratio	Revenue from operations	Average Trade Receivables	11,061.56	1,382.40	6,698.98	1,348.28	4,243.71	660.07
Trade payables turnover ratio	Total Purchase	Average Trade Payables	6,713.37	3,126.49	4,306.89	1,909.15	1,405.15	931.38
Net capital turnover ratio	Revenue from operations	Working Capital	11,061.56	1,308.27	6,698.98	979.64	4,243.71	2,202.91
Net profit ratio	**Profit / (loss) after tax**	Revenue from operations	258.58	11,061.56	(1,339.98)	6,698.98	13.92	4,243.71
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	52.61	2,042.05	(2,083.60)	1,867.88	(656.97)	3,223.28
Return on investment	Profit / (loss) after tax	Equity shareholders' fund	258.58	1,774.91	(1,339.98)	1,488.02	13.92	2,616.98

ACQUS AERO MACHINE INC

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Aequs Aero Machine Inc.
Notes to the special purpose financial statements
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

Note 33 - Net debt reconciliation

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	1,829.27	816.12	736.60
Lease liabilities	(27.30)	(130.57)	(209.77)
Term loans from banks	(267.14)	(379.86)	(606.31)
Net debt	**1,534.83**	**305.69**	**(79.47)**

Net debt reconciliation:

Cashflows	Liabilities from financing activities		Total
	Lease obligations	Term loans from banks	
Net debt as at April 1, 2021	**(283.97)**	**(624.15)**	**(908.11)**
Cashflows			
New leases/ new borrowings	-	(36.83)	**(36.83)**
Repayments	81.46	89.09	**170.55**
Interest expense	-	(14.84)	**(14.84)**
Foreign currency translation reserve	(7.26)	(19.59)	**(26.86)**
Net debt as at March 31, 2022	**(209.77)**	**(606.31)**	**(816.08)**
Cashflows			
New leases/ new borrowings	-	(238.02)	**(238.02)**
Repayments	93.61	123.03	**216.63**
Interest expense	-	(19.42)	**(19.42)**
Loan waived off (CARES & UAMJP)	-	407.60	**407.60**
Foreign currency translation reserve	(14.40)	(46.74)	**(61.14)**
Net debt as at March 31, 2023	**(130.57)**	**(379.86)**	**(510.43)**
Cashflows	-		
Repayments	104.30	136.47	**240.77**
Interest expense	-	(18.92)	**(18.92)**
Foreign currency translation reserve	(1.03)	(4.81)	**(5.85)**
Net debt as at March 31, 2024	**(27.30)**	**(267.12)**	**(294.43)**

Note 34 - Assets pledged as security

The carrying amount of assets pledged as security for current and non-current

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Non financial assets:			
- Property plant and equipment	496.86	562.43	340.16
Total non-current assets pledged as security	**496.86**	**562.43**	**340.16**
Total assets pledged as security	**496.86**	**562.43**	**340.16**

AEQUS AERO MACHINE INC

Note 35 - Stock option plan

The Parent Company grants stock options to the employees of the Parent Company and its operating subsidiaries and other group entities.

At the year ended March 31, 2024 four employee stock option plans (ESOP) viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. ESOP scheme is administered through ESOP trust called as "Aequs Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. The relevant details of the schemes and the grants are listed separately below.

The fair value of the employee stock options has been measured using the Black-Scholes formula. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans are as follows.

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fair value at grant date			9.60 - 11.50
Share price at grant date			26.10
Exercise price			23.78 - 26.10
Expected volatility (weighted-average)	Not applicable	Not applicable	21.20% - 21.7%
Expected life (weighted-average) (years)			6.14 - 10.15
Expected dividends			0
Risk-free interest rate (based on government securities)			6.3%- 7.00%

ESOP Scheme 2013

On July 4, 2013, the Board of Directors of parents company approved the equity settled ESOP scheme 2013 for issue of stock options to the key employees, consultants and directors of the Company and its subsidiaries, joint ventures and associates. According to the ESOP scheme 2013, the employee selected by the ESOP committee from time to time will be entitled to 20,000 to 500,000 options, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain market conditions.

The details of activity under the ESOP scheme 2013 are summarised below:

		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Particulars	**Exercise price range (INR)**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of the year	26.10	100000	26.10	100000	26.10	-	-
Add:							
Options granted during the year	26.10	-	-	-	-	1,00,000	26.10
Less:							
Options exercised during the year	26.10	-	-	-	-	-	-
Options forfeited during the year	26.10	-	-	-	-		-
Options outstanding at the end of year	26.10	**1,00,000**	**26.10**	**1,00,000**	**26.10**	**1,00,000**	**26.10**
Option exercisable at the end of year		**1,00,000**	**26.10**	**9,677**	**26.10**	-	-

ESOP Scheme 2016

The Board of Directors of parents company approved the Employee Share Option Plan 2016 structured to reward employees. Accordingly, the Parent Company has created 2,900,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain market conditions.

The details of activity under the ESOP scheme 2016 are summarised below :

		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Particulars	**Exercise price range (INR)**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of the year	23-78 - 26.10	250000	24.24	2,50,000	24.24	2,00,000	23.78
Add:							
Options granted during the year	23-78 - 26.10	-	-	-	-	50,000	26.10
Less:							
Options exercised during the year	23-78 - 26.10	-	-	-	-	-	-
Options forfeited during the year	23-78 - 26.10	(2,00,000)	23.78	-	-	-	-
Options outstanding at the end of year	23-78 - 26.10	**50,000**	**26.10**	**2,50,000**	**24.24**	**2,50,000**	**24.24**
Option exercisable at the end of year	23-78 - 26.10	**50,000**	**26.10**	**2,04,839**	**23.83**	**2,00,000**	**23.78**

AEQUS AERO MACHINE INC

Note 35 - Stock option plan(continued)

ESOP Scheme 2020

The Board of Directors of parents company approved the Employee Share Option Plan 2020 structured to reward employees. Accordingly, the Parent Company has created 3,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain market conditions.

The details of activity under the ESOP scheme 2020 are summarised below :

		As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
Particulars	**Exercise price range (INR)**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Options outstanding at beginning of the year	26.10	2,50,000	26.10	2,50,000	26.10	-	-
Add:							
Options granted during the year	26.10	-	-	-	-	2,50,000	26.10
Less:							
Options exercised during the year	26.10	-	-	-	-	-	-
Options forfeited during the year	26.10	(2,50,000)	26.10	-	-	-	-
Options outstanding at the end of year	26.10	-	-	**2,50,000**	**26.10**	**2,50,000**	**26.10**
Option exercisable at the end of year	26.10	-		**25,000**	**26.10**	-	-

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AEQUS AERO MACHINE INC

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Note 36
The Company has previously transitioned to Indian Accounting Standards (Ind AS) for the purpose of consolidation with its Intermediate holding company Aequs Limited (formerly known as Aequs Private Limited). Since the Company has already adopted Ind AS in prior periods for consolidation purposes, the disclosures required under Ind AS 101 – First-time Adoption of Indian Accounting Standards are not applicable in these standalone financial statements.

Note 37 - Additional regulatory information required by Schedule III

Details of Benami Property held
The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Details of Loans and advances
The company has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

Wilful Defaulter
The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

Discrepancy in utilization of borrowings
The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Utilisation of Borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).
(B) the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

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;

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

Details of Crypto Currency or Virtual Currency
The company has not traded or invested in Crypto currency or Virtual Currency.

Note 38 - Subsequent events
The Company has evaluated all events or transactions that occurred after March 31, 2024 up through May 30, 2025, the date the special purpose financial statements were authorised for issue by the Member. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the Special Purpose Financial Statements.

As per Our even date of report
For Manian & Rao
Chartered Accountants
ICAI Firm Registration Number: 001983S

PARESH DAGA Digitally signed by PARESH DAGA Date: 2025.05.30 23:57:48 +05'30'

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

For Aequs Aero Machine Inc.

Amit Melligeri
Authorised Signatory

Place: Paris, TX
Date: May 30, 2025

Dinesh Iyer
Authorised Signatory

Place: Belagavi
Date: May 30, 2025