

## Independent Auditor's Report

### To the Members of AeroStructures Manufacturing India Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AeroStructures Manufacturing India Private Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

**Independent Auditor's Report (Continued)****AeroStructures Manufacturing India Private Limited****Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



**Independent Auditor's Report (Continued)**

**AeroStructures Manufacturing India Private Limited**

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 27 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 29(vii)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 29(vii)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company has neither declared nor paid any dividend during the year.



**Independent Auditor's Report (Continued)**

**AeroStructures Manufacturing India Private Limited**

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:
- i. at the database level to log any direct data changes.
  - ii. at the application level for certain fields / tables relating to all the significant financial processes
  - iii. for certain changes at the application level which were performed by users having privileged access rights.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail where enabled, has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Date: 30 August 2025

Membership No.: 060573

ICAI UDIN:25060573BMOKGJ5729

**Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. In the case of one class of inventory the discrepancies noticed on verification between the physical stocks and the book records were more than 10% in the aggregate and these have been properly dealt with in the books of account.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:



**Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025 (Continued)**

Quarter	Name of bank	Particulars	Amount as per books of account (Rs. millions)	Amount as reported in the quarterly return/statement (Rs. millions)	Amount of difference (Rs. millions)	Whether return/statement subsequently rectified
Jun-24	HDFC Bank	Inventories	2,019	2,020	(1)	No
Dec-24		Inventories	2,574	2,577	(3)	No
Mar-25		Inventories	2,451	2,481	(30)	No
Jun-24		Trade receivables	1,058	1,060	(2)	No
Mar-25		Trade receivables	1,267	1,277	(10)	No
Jun-24	Axis Bank	Inventories	2,019	2,020	(1)	No
Dec-24		Inventories	2,574	2,577	(3)	No
Mar-25		Inventories	2,451	2,481	(30)	No
Jun-24		Trade receivables	1,058	850	208	No
Sep-24		Trade receivables	1,061	780	281	No
Dec-24		Trade receivables	1,059	760	299	No
Mar-25		Trade receivables	1,267	984	283	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans as specified under Section 185 of the Companies Act, 2013 ("the Act"), or provided any guarantee or security as specified under Section 185 and 186 of the Act. In respect of the loans given and investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

**Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025 (Continued)**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	16	Assessment Year 2020-21	Commissioner of Income Tax-(Appeals)
		21	Assessment Year 2021-22	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the



**Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025 (Continued)**

financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business, except that internal audit has only been completed for part of the year.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.





**Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025 (Continued)**

Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) According to the information and explanations provided to us, the group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Membership No.: 060573

Date: 30 August 2025

ICAI UDIN:25060573BMOKGJ5729

**Annexure B to the Independent Auditor's Report on the financial statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of AeroStructures Manufacturing India Private Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to

**Annexure B to the Independent Auditor's Report on the financial statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2025 (Continued)**

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Membership No.: 060573

Date: 30 August 2025

ICAI UDIN:25060573BMOKGJ5729

## Balance Sheet as at March 31, 2025

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(i)	490	302
Right-of-use assets	4(ii)	1,043	1,291
Capital work in progress	4(iii)	90	-
Intangible assets	5(i)	42	60
Intangible assets under development	5(ii)	-	-
Financial assets			
Investments	6(i)	755	755
Other financial assets	6(vi)	73	71
Deferred tax assets (net)	14	197	172
Other non-current assets	7(i)	43	29
<b>Total non-current assets</b>		<b>2,733</b>	<b>2,680</b>
<b>Current assets</b>			
Inventories	8(i)	2,451	1,872
Financial assets			
Trade receivables	6(iii)	1,267	1,097
Cash and cash equivalents	6(iv)	0	1
Bank balances other than above	6(v)	10	4
Loans	6(ii)	350	349
Other financial assets	6(vi)	5	7
Other current assets	7(i)	143	78
<b>Total current assets</b>		<b>4,226</b>	<b>3,408</b>
<b>Total assets</b>		<b>6,959</b>	<b>6,088</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	487	487
Other equity	10	1,970	1,615
<b>Total equity</b>		<b>2,457</b>	<b>2,102</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	12(i)	121	135
Lease liabilities	4(ii)	675	979
Provision for employee benefits	11(i)	73	51
<b>Total non current liabilities</b>		<b>869</b>	<b>1,165</b>



## Balance Sheet as at March 31, 2025

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

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	12(i)	1,715	1,340
Lease liabilities	4(ii)	374	264
<b>Trade payables</b>			
(a) Total outstanding dues of micro enterprises and small enterprises;	12(ii)	49	3
(b) Total outstanding dues of creditors other than micro enterprises	12(ii)	1,316	1,053
Other financial liabilities	12(iii)	54	39
Contract liabilities	12(iv)	1	5
Provision for employee benefits	11(i)	32	22
Current tax liabilities (net)		78	87
Other current liabilities	13(i)	13	8
<b>Total current liabilities</b>		<b>3,633</b>	<b>2,821</b>
<b>Total liabilities</b>		<b>4,502</b>	<b>3,986</b>
<b>Total equity and liabilities</b>		<b>6,959</b>	<b>6,088</b>
Summary of material accounting policies	2		

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022


**Sampad Guha Thakurta**

Partner


Membership No.: 060573

Place: ChennaiDate: 30/8/2025

for and on behalf of the Board of Directors of

**AeroStructures Manufacturing India Private Limited**

CIN: U29253KA2013PTC067763


**Dinesh Iyer**

Director

DIN: 09515485

Place: Belagavi

Date: August 30, 2025


**Nagesh Hassan Rangaswamy**

Director

DIN: 07889411

Place: Belagavi

Date: August 30, 2025


**Ravi Hugar**

Company Secretary

M. No.: A20823

Place: Belagavi

Date: August 30, 2025

## Statement of Profit and Loss for the year ended March 31, 2025

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

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	15	5,082	4,598
Other income	16	47	91
<b>Total income (A)</b>		<b>5,129</b>	<b>4,689</b>
<b>Expenses</b>			
Cost of materials consumed	17	2,246	1,959
Changes in inventories of work in progress and finished goods	18	(194)	(168)
Employee benefit expenses	19	503	389
Net impairment losses on financial assets		19	(2)
Other expenses	21	1,497	1,239
<b>Total expenses (B)</b>		<b>4,071</b>	<b>3,417</b>
<b>Earnings before finance cost, depreciation and amortisation and tax(A-B)</b>		<b>1,058</b>	<b>1,272</b>
Finance cost	22	290	273
Depreciation and amortisation expense	20	390	383
<b>Profit before exceptional items and tax</b>		<b>378</b>	<b>616</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>378</b>	<b>616</b>
<b>Income Tax expense</b>			
- Current tax	14	130	115
- Deferred tax	14	(86)	(18)
<b>Total tax expense</b>		<b>44</b>	<b>97</b>
<b>Profit for the year</b>		<b>334</b>	<b>519</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		(3)	(1)
- Income tax relating to these items		-	-
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>(3)</b>	<b>(1)</b>
<b>Total comprehensive income / (loss) for the year, net of tax</b>		<b>331</b>	<b>518</b>
Earnings per equity share:	32	6.87	10.67
(Basic and diluted - in INR) [Nominal value per share: ₹10 (2024: ₹10)]			
Summary of material accounting policies	2		

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of

**AeroStructures Manufacturing India Private Limited**

CIN: U29253KA2013PTC067763

  
**Sampad Guha Thakurta**

Partner

Membership No.: 060573

Place: Chennai  
Date: 30/8/2025  
**Dinesh Iyer**


Director

DIN: 09515485

Place: Belagavi  
Date: August 30, 2025  
**Nagesh Hassan Rangaswamy**

Director

DIN: 07889411

Place: Belagavi  
Date: August 30, 2025  
**Ravi Hugar**

Company Secretary

M. No.: A20823

Place: Belagavi  
Date: August 30, 2025

## Statement of Changes in Equity for the year ended March 31, 2025

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

## A. Equity share capital (Refer note 9)

	Note	Amount
Balance as at April 1, 2023		487
Changes during the year	9	-
Balance as at March 31, 2024		487
Changes during the year	9	-
Balance as at March 31, 2025		487

## B. Other equity (Refer note 10)

	Other equity				
	Reserves and Surplus				Total other equity
	Retained earnings	Securities premium	Share options outstanding account	Other reserves	
Balance as at April 1, 2023	(326)	1,222	4	165	1,065
Profit for the year	519	-	-	-	519
Other comprehensive income/(loss) for the year	(1)	-	-	-	(1)
Total comprehensive income for the year	518	-	-	-	518
Transactions with owners of the company					
Employee stock option expenses	-	-	1	-	1
Total contributions and distributions	-	-	1	-	1
Financial guarantee received during the year	-	-	-	31	31
Sub total	-	-	-	31	31
Balance as at March 31, 2024	192	1,222	5	196	1,615
Balance as at April 01, 2024	192	1,222	5	196	1,615
Profit for the year	334	-	-	-	334
Other comprehensive income/(loss) for the year	(3)	-	-	-	(3)
Total comprehensive income for the year	331	-	-	-	331
Transactions with owners of the company					
Employee stock option expenses	-	-	3	-	3
Total contributions and distributions	-	-	3	-	3
Financial guarantee received during the year	-	-	-	21	21
Sub total	-	-	-	21	21
Balance as at March 31, 2025	523	1,222	8	217	1,970

Summary of material accounting policies (note 2)

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

As per our report of even date attached

for BSR &amp; Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of

AeroStructures Manufacturing India Private Limited

CIN: U29253KA2013PTC067763

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: 30/8/2025

Dinesh Iyer

Director

DIN: 09515485

Place: Belagavi

Date: August 30, 2025

Nagesh Hassan Rangaswamy

Director

DIN: 07889411

Place: Belagavi

Date: August 30, 2025

Ravi Hugar

Company Secretary

M. No.: AZ0823

Place: Belagavi

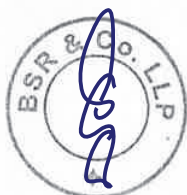
Date: August 30, 2025



## Statement of Cash Flows for the year ended March 31, 2025

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

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash flow from operating activities</b>		
Profit before income tax	378	616
<b>Adjustments for:</b>		
Depreciation and amortisation expense	390	383
Unrealized exchange gain	(13)	(27)
Realized exchange loss on lease payments	29	-
Equity-settled share-based payment transactions	3	1
Interest income from financial asset at amortised cost	(27)	(36)
Liabilities no longer required written back	(6)	(6)
Loss allowance on trade receivables	19	2
Provision for slow moving inventory	12	13
Interest expense on borrowings & lease	186	211
Finance guarantee expense	31	31
Finance guarantee income	-	(27)
Unwinding of discount on security deposit	(4)	(3)
Assets written off	-	6
	<b>620</b>	<b>548</b>
<b>Working capital adjustments</b>		
- Increase in trade receivables	(209)	(270)
- Increase in inventories	(591)	(372)
- Decrease in other financial assets (current and non-current)	4	14
- Increase in other non-current assets	(28)	(6)
- Increase in other current assets	(79)	(33)
- Decrease in trade payables	308	(30)
- Decrease in employee benefit obligations	33	10
- Decrease in other financial liabilities (current and non-current)	17	22
- Decrease in other current liabilities	5	-
- Increase in contract liabilities	(4)	(80)
<b>Cash generated from operations</b>	<b>454</b>	<b>419</b>
Income taxes paid (net of refunds)	(78)	(37)
<b>Net cash generated from operating activities (A)</b>	<b>376</b>	<b>382</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(329)	(84)
Interest received	29	10
Proceeds from maturity of bank deposits	56	16
Investment in bank deposits	(62)	-
Proceeds from loan given to related parties	-	164
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(306)</b>	<b>106</b>



## Statement of Cash Flows for the year ended March 31, 2025

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

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(160)	(141)
Proceeds from long term borrowings	174	35
Principal payments of lease liability	(269)	(184)
Proceeds from / (repayment of) from short-term borrowings (net)	367	(69)
Finance cost paid	(183)	(211)
<b>Net cash used in financing activities (C)</b>	<b>(71)</b>	<b>(570)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(1)</b>	<b>(82)</b>
Cash and cash equivalents at the beginning of the financial year	1	83
<b>Cash and cash equivalents at end of the year [Refer Note 6(iv)]</b>	<b>0</b>	<b>1</b>
<b>Cash and cash equivalents comprise the following: [Refer Note 6(iv)]</b>		
<b>Cash and cash equivalents (Refer Note 6(iv))</b>		
<b>Balances with banks</b>		
- current accounts	0	1
- Deposits with original maturity of three months or less	-	0
Cash on hand	-	-
<b>Total cash and bank balance at the end of the period/year</b>	<b>0</b>	<b>1</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date attached

for B S R &amp; Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: 30/8/2025

for and on behalf of the Board of Directors of  
AeroStructures Manufacturing India Private Limited  
CIN: U29253KA2013PTC067763

Dinesh Iyer

Director

DIN: 09515485

Place: Belagavi

Date: August 30, 2025

Nagesh Hassan Rangaswamy

Director

DIN: 07889411

Place: Belagavi

Date: August 30, 2025

Ravi Hugar

Company Secretary

M. No.: A20823

Place: Belagavi

Date: August 30, 2025

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

**1. Background**

AeroStructures Manufacturing India Private Limited ('the Company') was incorporated on February 7, 2013 under the Companies Act 1956, in India. The Company is a wholly owned subsidiary of Aequs Limited (formerly known as Aequs Private Limited) (AL).

The Company is engaged in the business of machining and manufacturing of aerostructures components.

On March 21, 2013, the Company obtained approval from Office of the Cochin Special Economic Zone Assistant Development Commissioner, Government of India to carry on the operations relating to manufacture and export of aerospace parts under SEZ unit. The commercial operations of the Company started in August, 2013.

On August 1, 2013, the Company entered into a business purchase agreement with Aequs Limited (formerly known as Aequs Private Limited) (AL) to purchase its business of manufacturing of machined parts for aerostructure components ('Unit I') being carried out from Aequs Special Economic Zone ('Aequs SEZ') at Hattargi, Belagavi.

On March 18, 2014, the Company obtained approval from Office of the Cochin Special Economic Zone Development Commissioner, Government of India to carry on the operations relating to manufacture and export of aerospace parts from new unit ('Unit II') under SEZ unit. The commercial operations of Unit II started in November, 2015.

On January 30, 2018, the Company obtained approval from Development Commissioner, Office of the Cochin Special Economic Zone, Government of India to carry on the operations relating to manufacture and export of machined aerospace parts from its new unit ('Unit III') located at Aequs SEZ. The commercial operation commenced from August 2018.

**2. Summary of material accounting policies****(a) Basis of preparation****(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**(ii) Historical cost convention**

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

- certain financial assets and liabilities are measured at fair value;
- share-based payments

**(iii) Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**(iv) New and amended standards adopted by the Company**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine months ended December 31, 2024, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

**(b) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The Company's CODM is identified to be the Executive Chairman and Chief Executive Officer of the Company who plans the allocation of resources and assesses the performance of the segments. Refer Note 30 for segment information presented.

**(c) Foreign currency translation****(i) Functional and presentation currency**

The Financial Statements of the Company is presented in Indian Rupees (INR / ₹), which is the functional currency and the presentation currency. All amounts disclosed in the Financial Statements have been rounded to the whole number as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amounts mentioned as "0.00" in the financial statements denote amounts rounded off being less than ₹ 1 Million.

**(ii) Transactions and balances**

In preparing the Financial Statements, 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.

**(d) Revenue recognition**

Revenue from services is recognised in the accounting period in which services are rendered. The Company has determined that it is a principal in all its arrangements with its customers.

The Company recognises when control of products has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Control of products is considered to be transferred at a point-in-time when goods have been dispatched 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.

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**Notes forming part of the financial statements**

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

**(d) Revenue recognition (continued)**

The Company does not 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 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 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.

**(e) Other income**

Interest income from financial assets at amortized cost is recognized in the statement of profit and loss using effective interest method. Revenue from export incentives are recognised as income in other income in the statement of profit and loss, on an accrual basis.

**(f) Government grants**

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognizes, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred, Government grants related to assets are deferred and amortised over the useful life of the asset.

**(g) Income tax**

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

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets are reviewed at each reporting date.

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

**(h) 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.

Leases are recognised as 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 entity under residual value guarantees
- The exercise price of a purchase option if the entity is reasonably certain to exercise that option,
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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 entity's incremental borrowing rate is used, being the rate that the entity 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.

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**Notes forming part of the financial statements**

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

**(h) Leases (continued)**

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.

**(i) 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.

**(j) 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.

**(k) Provisions and onerous contracts**

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 be 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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

**(l) 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.

**(m) Inventories****Raw materials and stores, work in progress and finished goods**

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 realisable value. Cost of raw materials comprises cost of purchases net of rebates and discounts. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. (Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition) Costs are assigned to individual items on weighted average basis which is calculated on the basis of total cost of raw materials divided by the quantities purchased. Net realisable 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.

**(n) Investments and other financial assets****(i) 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.

**(ii) Recognition**

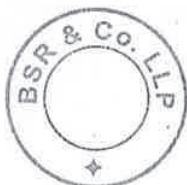
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sale the financial assets.

**(iii) Measurement**

At initial recognition, the Company measures a financial asset 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) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

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## Notes forming part of the financial statements

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

**(n) Investments and other financial assets (continued)**

(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 derecognised, 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.

**(c) Investments in equity instruments of subsidiaries and associates**

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

The management assesses the performance of these entities including the future projections, relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured the higher of

(i) 'fair value less cost of disposal' determined using market price information, where available, and

(ii) 'value-in-use' estimates recoverable amounts

determined using discounted cash flow projections, where available. The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as revenue projections, EBITDA, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used with required tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

**(iii) Impairment of financial assets**

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. Refer note 24 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.

**(iv) Derecognition of financial assets**

A financial asset is derecognised 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 derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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 derecognised 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.

**(v) Income recognition**

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

**(o) 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. 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. 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 gains/losses.

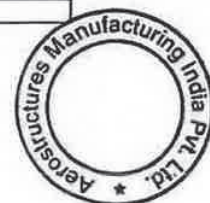
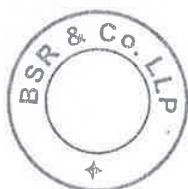
**Depreciation methods, estimated useful lives and residual value**

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:

The estimated useful lives of assets are as follows:

Asset category	Useful life (in years)	Schedule II useful life (in years)
Leasehold improvements	10 years or lease period, whichever is lower	Not applicable
Plant and machinery	1.5 to 10	8 to 15
Computer equipments	3 to 6	3 to 6
Office equipment	1.5 to 5	5

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## Notes forming part of the financial statements

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

## (o) Property, plant and equipment:(continued)

The useful lives have been determined based on technical evaluation done by the management which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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 and freehold land are not depreciated.

## (p) Intangible assets

Intangible assets include Computer software and Technical knowhow. Costs associated with maintaining software programs are recognised as an expense as incurred. Technical knowhow comprises of capitalised product development costs being an internally generated intangible assets.

The Company amortises intangible assets with finite useful life using the straight-line method over the following estimated useful lives :

Computer software	1-10 years
Technical knowhow	5 years

## (q) Accounting policy on Earnings before interest, tax, depreciation and amortisation (EBITDA)

As permitted by the Guidance Note on Division II - Ind AS Schedule III to the Companies Act 2013, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Restated Consolidated Statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, share of net profit/(loss) of associate and joint ventures accounted for using the equity method net of tax, exceptional items gain/ (loss) and income tax expenses.

## (r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial 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 amortised cost using the effective interest method.

## (s) 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.

## (t) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## (u) Employee benefits

## (i) 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.

## (ii) Other long-term employee benefit obligations

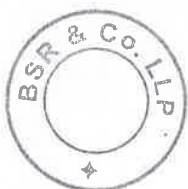
Leave obligations are presented as current liabilities in the balance sheet since the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund and Employees' State Insurance (ESI)

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## Notes forming part of the financial statements

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

**(u) Employee benefits: (continued)****Gratuity obligation**

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined Contribution Plans:**

The Company makes specified monthly contributions towards Employees Provident Fund Organisation and Employees State Insurance Corporation. Obligations for contributions to defined contribution plans are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(i) Share-based payments**

Share-based compensation benefits are provided to employees through the Aequus Stock Option Plan introduced by Aequus Limited (formerly known as Aequus Private Limited) (AL). The cross charge of these expenses are recognised as a part of Employee benefit expenses.

**(ii) Bonus**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**(v) Financial Guarantee contracts**

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

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments.

**(w) Contributed equity**

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from securities premium.

**(x) Earnings per share****(i) 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.

**(ii) 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.

**(y) Exceptional items**

Exceptional items are material items of income or expenses that are disclosed separately due to the significance of their nature or amount, to provide further understanding of the financial performance of the Company.

**(z) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded to nearest millions (million) as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amounts mentioned as "0" in the financial statements denote amounts rounded off, being less than ₹ 500,000. Due to rounding, numbers presented in the financial statements may not add up precisely to the totals provided.

**3. Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates are as below:

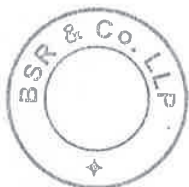
**• Estimation of fair value of investments.**

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years.

**• Estimation of deferred tax expense/benefit.**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



**AeroStructures Manufacturing India Private Limited**

**Notes forming part of the financial statements**

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

CIN: U29253KA2013PTC067763

**4(i) Property, plant and equipments**

	Gross Carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	Transfer from Right of Use asset	As at March 31, 2025	Charge for the year / Transfer from ROU	Transfer from Right of Use asset	Disposals	As at March 31, 2025
Leasehold improvements	20	1	-	-	21	13	1	-	14
Plant and machinery	1,061	223	(0)	79	1,363	776	118	-	894
Computer equipments	36	7	-	-	43	29	4	-	33
Office equipments	17	2	-	-	19	14	1	-	15
<b>Total</b>	<b>1,134</b>	<b>233</b>	<b>(0)</b>	<b>79</b>	<b>1,446</b>	<b>832</b>	<b>124</b>	<b>-</b>	<b>956</b>
									<b>490</b>

	Gross Carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals	Transfer from Right of Use asset	As at March 31, 2024	Charge for the year	Transfer from Right of Use asset	Disposals	As at March 31, 2024
Leasehold improvements	20	-	-	-	20	11	2	-	13
Plant and machinery	823	75	-	163	1,061	570	85	-	776
Computer equipments	35	1	-	-	36	26	3	-	29
Office equipments	17	-	-	-	17	13	1	-	14
<b>Total</b>	<b>895</b>	<b>76</b>	<b>-</b>	<b>163</b>	<b>1,134</b>	<b>620</b>	<b>91</b>	<b>-</b>	<b>832</b>
									<b>302</b>

a. Refer to Note 34 for information on property, plant and equipment (excluding buildings on leasehold land and leasehold improvements) pledged as security.

b. Refer to Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment and Leases.

c. Additions in Plant and machinery include assets transferred from Right-of-use assets with gross carrying amount of March 31, 2025 ₹ 345 (March 31, 2024: ₹163) and accumulated depreciation of March 31, 2025 ₹ 266 (March 31, 2024: ₹121) on settlement of contractual payments.

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# AeroStructures Manufacturing India Private Limited

## Notes forming part of the financial statements

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

CIN: U29253KA2013PTC067763

### 4(ii) Right of use assets

The Company has entered into agreements with lessor for lease of factory, office premises and Plant & Machinery. The lease term ranges from 8-10 years and incremental borrowing rate ranges from 9%-12%. Some property leases contain extension option exercisable by the company. Where practicable, the company seek to include extension options in new leases to provide operational flexibility. The extension option held are exercisable by the company and the lessors. The Company assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals / Transfer to PPE	As at March 31, 2025	Charge for the year	Disposals / Transfer to PPE	As at March 31, 2025
Plant and machinery	1,846	73	(356)	1,563	171	(275)	844
Buildings	657	-	(1)	656	68	-	332
<b>Total</b>	<b>2,503</b>	<b>73</b>	<b>(357)</b>	<b>2,219</b>	<b>239</b>	<b>(275)</b>	<b>1,176</b>
							<b>1,043</b>

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals / Transfer to PPE	As at March 31, 2024	Charge for the year	Disposals / Transfer to PPE	As at March 31, 2024
Plant and machinery	2,009	-	(163)	1,846	183	(118)	948
Buildings	657	-	-	657	73	-	264
<b>Total</b>	<b>2,666</b>	<b>-</b>	<b>(163)</b>	<b>2,503</b>	<b>256</b>	<b>(118)</b>	<b>1,212</b>
							<b>1,291</b>

### (a) Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current	374	264
Non-current	675	979
<b>Total</b>	<b>1,049</b>	<b>1,243</b>

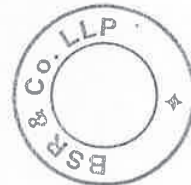
### (b) Company's lease liabilities, by maturity are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	428	310
Between one and five years	626	863
After five years	171	251
<b>Total minimum lease payments</b>	<b>1,225</b>	<b>1,424</b>
Less: imputed interest	176	182
<b>Present value of lease payments</b>	<b>1,049</b>	<b>1,243</b>

### (c) The following are the amounts recognised in the statement of profit and loss and statement of cashflow:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on lease liabilities	67	77
Expense relating to leases of low-value assets (included in other expenses)	5	4
Cash outflow for leases (principle and interest)	335	261

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## 4(iii) Capital work-in-progress

	As at April 1, 2023	Additions	Capitalised during the year	As at March 31, 2024	As at April 1, 2024	Additions	Capitalised during the year	As at March 31, 2025
Capital work-in-progress	-	-	-	-	-	90	-	90

## Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

	March 31, 2025				March 31, 2024			
	To be completed in				To be completed in			
	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total As at March 31, 2025	Less than one year	1-2 Years	2-3 Years
i. Projects in progress								
Project A	90	-	-	-	90	-	-	-
Total	90	-	-	-	90	-	-	-

## 5(i) Intangible assets

	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals	As at March 31, 2025	
Computer Software	75	10	-	85	57	5	-	63	22
Technical know-how	114	(0)	-	114	72	22	-	94	20
Total	189	10	-	199	129	27	-	157	42

	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	As at April 01, 2023	Charge for the year	Disposals	As at March 31, 2024	
Computer Software	74	1	-	75	52	5	-	57	18
Technical know-how	147	0	(33)	114	69	31	(28)	72	42
Total	221	1	(33)	189	121	36	(28)	129	60

(a) Technical knowhow comprises of capitalised product development costs being an internally generated intangible asset

## 5(ii) Intangible assets under development

	As at April 01, 2023	Additions	Transfer	As at March 31, 2024	As at April 01, 2024	Additions	Transfer	As at March 31, 2025
Technical know-how	4	-	(4)	-	-	-	-	-
Total	4	-	(4)	-	-	-	-	-

Note: Intangible assets under development comprises of cost incurred towards new products under development.



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## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>6(i) Non-current investments</b>		
(A) Investment in equity instruments (fully paid-up)		
Unquoted		
Investment in subsidiary at cost		
100% (March 31, 2024 : 100%) shares in common stock of Aequs Aerospace LLC.	887	887
Investment in associate at cost		
2,910,000 (March 31, 2024 : 2,910,000) equity shares (face value 1 Euro) of Aequs Aerospace BV	203	203
<b>Aggregate amount of unquoted investments</b>	<b>1,090</b>	<b>1,090</b>
Aggregate amount of impairment in the value of investments	(335)	(335)
<b>Total non-current investments</b>	<b>755</b>	<b>755</b>
Note: Investment in equity shares of Aequs Aerospace BV includes the amount of notional investment recognized towards fair value of financial guarantee given Nil (March 31, 2024: ₹45)		

**6(ii) Loans****Current (unsecured, considered good)**

Loans to related parties (Refer note 25)

350	349
<b>350</b>	<b>349</b>

**6(iii) Trade receivables****(Unsecured)**

Trade receivables from other than related parties (considered good)

1,003 829

Receivables from related parties (considered good) (Refer note 25)

283 268

Less: Loss allowance (Refer note 24)

(19) (0)

**Total trade receivables****1,267 1,097****Note:**

1. For lien/charge against trade receivables refer Note 34.

**Ageing of Trade receivables as on March 31, 2025**

Particulars	Not due	Outstanding for following periods from the due date					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	990	261	15	20	0	(0)	1,286
<b>Disputed trade receivables</b>							
Less: Loss allowance	-	-	-	(19)	(0)	0	(19)
<b>Total trade receivables</b>	<b>990</b>	<b>261</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>1,267</b>

**Ageing of Trade receivables as on March 31, 2024**

Particulars	Not due	Outstanding for following periods from the due date					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivables</b>							
Considered good	869	224	2	2	0	-	1,097
<b>Disputed trade receivables</b>							
Less: Loss allowance	-	-	-	(0)	(0)	-	(0)
<b>Total trade receivables</b>	<b>869</b>	<b>224</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>1,097</b>

**6(iv) Cash and cash equivalents**

Balances with banks:

- In current accounts

0 1

- Deposits with original maturity of less than 3 months

- 0

**0 1****6(v) Bank balances other than above**

Deposits with original maturity of more than 3 months but less than 12 months

10 4

**10 4****Notes :**

(i) The deposits are hypothecated as Margin money deposits

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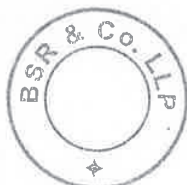


## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>6(vi) Other financial assets (unsecured, considered good unless otherwise specified)</b>		
<b>Non current</b>		
Security deposits	73	71
	<b>73</b>	<b>71</b>
<b>Current</b>		
Recoverable from related parties (Refer note 25)	124	126
Less: Expected credit loss	(119)	(119)
	<b>5</b>	<b>7</b>
<b>Expected credit loss includes:</b>		
Expected credit loss towards recoverables from related parties*	(119)	(119)
Provision for doubtful export incentives receivable	-	-
	<b>(119)</b>	<b>(119)</b>
<b>7(i) Other assets</b>		
<b>Non current</b>		
Capital advances	3	16
Prepaid expenses	6	4
Contract assets	34	9
	<b>43</b>	<b>29</b>
<b>Current</b>		
Advance to suppliers	110	24
Advances to employees	1	0
Prepaid expenses	20	25
Contract assets	9	12
Deferred financial guarantee expense	3	17
	<b>143</b>	<b>78</b>
<b>8(ii) Inventories</b>		
Raw materials (includes Goods in transit: ₹ 185 (March 31, 2024: ₹ 95))	1,358	988
Work-in-progress	514	514
Finished goods	655	446
Stores and spares, including packing materials (Goods in transit: ₹ 7 (March 31, 2024: ₹ 1))	55	43
	<b>2,582</b>	<b>1,991</b>
Less: Provision for slow moving inventory	(131)	(119)
	<b>2,451</b>	<b>1,872</b>
<b>Note:</b>		
(a) Write-down of inventories to net realizable value amounted to ₹ 118 (March 31, 2024: ₹ 78). These were recognized as an expense during the year and included in 'changes in inventories of work-in-progress and finished goods in statement of profit and loss.		
(b) For lien/charge against inventory refer note no. 34		
(c) An amount of ₹ 6 (March 31, 2024: Nil) was written off during the year on account of differences identified on physical verification of inventories. During the year an amount of Nil (March 31, 2024: ₹ Nil) was written off on account of obsolete inventory.		
(d) Provision for slow moving inventory includes provision in respect of:		
Raw materials	(65)	(63)
Work-in-progress	(17)	(12)
Finished goods	(32)	(22)
Stores and spares	(17)	(22)
	<b>(131)</b>	<b>(119)</b>

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## Notes forming part of the financial statements

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

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
<b>9 Equity share capital</b>				
<b>Authorised</b>				
Equity shares of ₹10 each	48,650,000	487	48,650,000	487
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	48,642,438	487	48,642,438	487

## (i) Reconciliation of the number of shares and amount authorised at the beginning and at the end of the year :

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	48,650,000	487	48,650,000	487
Add: Increase during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	48,650,000	487	48,650,000	487

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

	As at March 31, 2025		As at March 31, 2024	
	Nos. of shares	Amount	Nos. of shares	Amount
<b>At the beginning of the year</b>	48,642,438	487	48,642,438	487
Add: Issued and allotted during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	48,642,438	487	48,642,438	487

## (iii) Terms &amp; rights attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Nos. of shares	Amount	Nos. of shares	Amount
Aequs Limited (formerly known as Aequs Private Limited)	48,642,437	487	48,642,437	486

There is no movement in shareholding during the year.

## (v) Details of share holders holding more than 5% of the aggregate shares in the company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Nos. of shares	% holding	Nos. of shares	% holding
Aequs Limited (formerly known as Aequs Private Limited)	48,642,438	100%	48,642,438	100%
	48,642,438	100%	48,642,438	100%

**Note:** 1 share is held by Rajeev Kaul on behalf of Aequs Limited (formerly known as Aequs Private Limited).

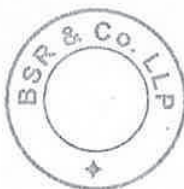
(vi) There have been no movement in promoters' holding during the current and previous year.

(vii) There are no shares issued for consideration other than cash during the current year and prior year.

(viii) There are no shares reserved for issue under options, contracts or commitments.

(ix) There are no bonus shares issued during the period of five years immediately preceding the year end.

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## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>10 Other equity</b>		
<b>Reserves and surplus</b>		
Retained earnings	523	192
Securities premium reserve	1,222	1,222
Share options outstanding account	8	5
Other reserves	217	196
	<b>1,970</b>	<b>1,615</b>

**Nature and purpose of reserves****(a) Retained earnings**

Retained earnings comprises of prior and current year's undistributed earnings after tax.

**(b) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of Companies Act 2013.

**(c) Share options outstanding account**

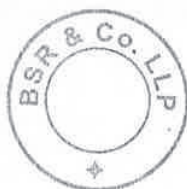
The share options outstanding account is used to recognise the cost of employee stock option expenses incurred by the ultimate holding company Aequs Limited (formerly known as Aequs Private limited). Cost associated with the outstanding share option is valued based on the fair value as on the grant date. Charge related to employee stock option plans are not material, hence details disclosure as required under Ind AS 102 - Share Based Payments, are not included in these financial statements.

**(d) Other reserves**

Other reserves comprises of the recognition of fair value of financial guarantee received from Aequs Limited (formerly known as Aequs Private limited), the holding company, Aequs SEZ Private Limited which is other related party.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) Retained earnings</b>		
Opening balance	192	(326)
Net profit for the year	334	519
<b>Items of other comprehensive income recognised directly in retained earnings :</b>		
- Remeasurement of post employment benefit obligations	(3)	(1)
Closing balance	<b>523</b>	<b>192</b>
<b>(ii) Securities premium reserve</b>		
Opening balance	1,222	1,222
Add: Issue of equity shares	-	-
Less: Utilisation towards share issue expenses	-	-
Closing balance	<b>1,222</b>	<b>1,222</b>
<b>(iii) Share options outstanding account</b>		
Opening balance	5	4
Employee stock option expenses	3	1
Closing balance	<b>8</b>	<b>5</b>
<b>(iv) Other reserves</b>		
Opening balance	196	165
Add: Addition/utilisation during the year	21	31
Closing balance	<b>217</b>	<b>196</b>

For movement in other equity, refer "Statement of Changes in Equity"



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## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>11(i) Provision for employee benefits</b>		
<b>Non-current</b>		
Provision for gratuity	73	51
	<b>73</b>	<b>51</b>
<b>Current</b>		
Provision for gratuity	3	3
Provision for leave obligation	29	19
	<b>32</b>	<b>22</b>

**(i) Leave obligations**

The leave obligations cover the company's liability for earned leave.

The amount of provision of ₹30 (March 31, 2025: ₹19) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Leave obligation not expected to settled within next 12 months is ₹24 (March 31, 2024: ₹14)

**(ii) Defined contribution plans**

The Company has defined contribution plan in the form of Provident fund and Pension scheme for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹20 (March 31, 2024: ₹15).

**In respect of such contributions, the Company has recognised the following amounts in the Statement of Profit and Loss:**

	For the year ended March 31, 2025	For the year ended March 31, 2024
Provident fund paid to the authorities	20	15
Employees State Insurance	0	0
	<b>20</b>	<b>15</b>

**(iii) Defined benefit obligations****Gratuity**

The Company provides for gratuity for employees in India as per Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is unfunded.

The amount recognised in the balance sheet and movements in net defined benefit obligation over the years are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(a) Total amount recognised in statement of profit and loss account</b>		
Current service cost	10	8
Interest on defined obligation	4	3
<b>Total amount recognised in statement of profit or loss (A)</b>	<b>14</b>	<b>11</b>
<b>(b) Total amount recognised in other comprehensive income</b>		
Actuarial (gains)/losses arising from changes in :		
- demographic assumptions	2	2
- financial assumptions	2	2
- experience adjustments	(1)	(3)
<b>Total amount recognised in other comprehensive income (B)</b>	<b>3</b>	<b>1</b>
<b>Total amount recognised in statement of profit and loss and other comprehensive income (A+B)</b>	<b>17</b>	<b>12</b>

**(c) Changes in the defined benefit obligation during the year**

Particulars	As at March 31, 2025	As at March 31, 2024
Obligations at the beginning of the year	53	46
Current service cost	10	8
Past service cost		
Interest cost	4	3
Benefits paid	(3)	(5)
Liabilities assumed/(settled) on transfer of employees	8	0
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	2	2
- arising from changes in financial assumptions.	2	2
- arising from changes in experience adjustments.	(1)	(3)
<b>Defined benefit obligation as at the end of the year</b>	<b>75</b>	<b>53</b>

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## Notes forming part of the financial statements

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

## (d) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate per annum	7.00%	7.20%
Salary escalation rate per annum	10.00%	10.00%
<b>Other actuarial assumptions</b>		
Attrition rate	11% at younger ages and reducing to 0% at older ages according to graduated scale.	14% at younger ages and reducing to 0% at older ages according to graduated scale.
Retirement age	58	58

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as under:

Changes in assumption	As at March 31, 2025	As at March 31, 2024
<b>Discount rate</b>		
Defined benefit obligation (DBO) on increase in 50 bps	71	50
Discount rate +50 basis points impact (%)	-6.50%	-6.13%
Defined benefit obligation (DBO) on decrease in 50 bps	81	56
Discount rate -50 basis points impact (%)	7.13%	6.72%
<b>Salary increase rate</b>		
Defined benefit obligation (DBO) on increase in 50 bps	80	56
Impact of increase in 50 bps on DBO	6.34%	6.28%
Defined benefit obligation (DBO) on decrease in 50 bps	70	50
Impact of decrease in 50 bps on DBO	-5.92%	-5.83%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

The mortality and attrition does not have a significant impact on the liability hence are not considered as significant actuarial assumption for the purpose of sensitivity analysis.

## Maturity profile of the defined benefit obligations

Expected future cashflows (in million) [Undiscounted]	As at March 31, 2025	As at March 31, 2024
Less than 1 year	3	3
Between 1 and 5 years	13	12
After 5 years	216	146
<b>Total</b>	<b>232</b>	<b>161</b>
Weighted average duration of the defined benefit obligation in years	13.60 years	12.83 years

## Risk exposure

Through its defined benefit plans, the company is exposed to number of risks, the most significant of which are detailed below:

## (i) Market risk (discount rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

## (ii) Longevity risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

## (iii) Annual risk

## Salary increase assumption

Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

## Attrition/withdrawal assumption

If actual withdrawal rates are higher than assumed withdrawal rate assumption, then the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>12(i) Borrowings</b>		
<b>Non current:</b>		
Term loans from banks (Secured)	283	270
Less: Interest accrued but not due on borrowings	(4)	(4)
Less: Current maturities of term loans (Secured)	(158)	(131)
	<b>121</b>	<b>135</b>
<b>Current:</b>		
<b>Loans repayable on demand</b>		
Working capital facilities from banks (secured)	1553	1205
Interest accrued but not due on borrowings	4	4
Current maturities of term loans (secured)	158	131
	<b>1,715</b>	<b>1,340</b>

## (i) Term loans

1) HDFC Bank: Term loan taken by the Company carries an interest at 1YRS MCLR + 1.35% p.a. and is repayable in 60 monthly instalments and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/s. MFRE Private Trust, the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Holding Company and corporate guarantee given by M/s. Aequs Limited (formerly known as Aequs Private Limited) (restricted to the extent of ₹600) and & M/s. MFRE Private Trust to the extent of value of the property which is provided as collateral. The outstanding balance of the loan as on March 31, 2025 is ₹ 2. An amount of ₹ 1 has been has been adjusted against this loan on account of unamortised financial guarantee expense and unamortised loan processing fees.

2) HDFC Bank: Term loan taken by the Company carries an interest at 3 MT BILL+2.2.% p.a. and is repayable in 60 monthly instalments and is secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited ('ASEZ') and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company and personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Holding Company. The outstanding balance of the loan as on March 31, 2025 is ₹27

3) Axis Bank: Term loan taken by the Company carries an interest at REPO+3.40% p.a. and is repayable in 60 monthly instalments and is secured Hypothecation on entire Plant and Machinery Purchased out of Term Loan of the borrower, both present and future. The outstanding balance of the loan as on March 31, 2025 is ₹ 145

4) Emergency Credit Line Guarantee Scheme (ECLGS) Loan - INR Loan

a) HDFC Bank: ECLGS Loan taken by the Company carries an interest at 1YRS MCLR + 1.35% p.a. and is repayable in 60 monthly instalments after 12 months of moratorium period and is secured by extension of second charge over Primary and secondary securities including Mortgage Created in favour of bank. ECLGS Loan is 100% guaranteed by NCGTC+C11 (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹42.

b) Axis Bank: ECLGS Loan taken by the Company carries an interest at REPO + 4.85% p.a.(Capped @9.25%) and is repayable in 48 monthly instalments after 12 months of moratorium period and is secured by hypothecation of plant & machinery, collateral security over parcel of land owned by Aequs SEZ Private Limited (restricted to the value of the land), ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹21.

c) Axis Bank: ECLGS Loan taken by the Company carries an interest at REPO + 4.85% p.a (Capped @9.25%), and is repayable in 48 monthly instalments after 12 months of moratorium period and is secured by hypothecation on entire current assets of the borrower both present and future, ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹46.

## (ii) Working capital facility from banks

a) Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC). Working capital facilities are secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited ('ASEZ') and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company and personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Holding Company and corporate guarantee given by Aequs Limited (formerly known as Aequs Private Limited ('AL'), ASEZ and MFRE Private Trust. CC carries an interest of T-Bill 3 months+2.59% p.a. while PCFC carries an interest of Term SOFR + 200 bps. Loan outstanding as at March 31, 2025 towards CC and PCFC facilities availed from HDFC Bank are ₹ 33 million and ₹ 709 million, respectively and availed from Axis Bank are ₹ 66 million and ₹ 746 million, respectively.

Working capital facilities are repayable on demand, and below interest rates are applicable

	As at March 31, 2025			As at March 31, 2024		
	PCFC	EPC	CC	PCFC	EPC	CC
HDFC Bank	Term SOFR + 200 bps	T-Bill 3 Months + Spread 1.23%	T-Bill 3 Months + Spread 2.59%	Term SOFR + 200 bps	T-Bill 3 Months + Spread 1.23%	T-Bill 3 Months + Spread 2.59%
Axis Bank	1 YR SOFR+190 bps	Repo + 3.50%	Repo + 3.50%	1 YR SOFR+200 bps	3 M MCLR+1.45%	3 M MCLR+1.45%

(iii) The carrying amounts of financial and non- financial assets pledged as security for current and non-current borrowings are disclosed in Note 34.





## Notes forming part of the financial statements

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

## Financial liabilities - Borrowings (continued)

(iv) Details of quarterly statements of current assets filed by the Company with bank and reconciliation with the books of account for the year ended March 31, 2025:

## a. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-24	Axis Bank	Inventories	2,019	2,020	(1)	Refer Note a
Sep-24		Inventories	2,440	2,440	0	-
Dec-24		Inventories	2,574	2,577	(3)	Refer Note b
Mar-25		Inventories	2,451	2,481	(30)	Refer Note b
Jun-24	HDFC Bank	Inventories	2,019	2,020	(1)	-
Sep-24		Inventories	2,440	2,440	0	Refer Note a
Dec-24		Inventories	2,574	2,577	(3)	Refer Note b
Mar-25		Inventories	2,451	2,481	(30)	Refer Note b

Notes:

(a) Rounding off difference.

(b) Inventory true up after submitting of stock statement during audit.

## b. Trade Receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-24	Axis Bank	Trade receivables	1,058	850	208	Refer note a
Sep-24		Trade receivables	1,061	780	281	Refer note a
Dec-24		Trade receivables	1,059	760	299	Refer note b
Mar-25		Trade receivables	1,267	984	283	Refer note b
Jun-24	HDFC Bank	Trade receivables	1,058	1,060	(2)	Refer note c
Sep-24		Trade receivables	1,061	1,061	0	Refer note c
Dec-24		Trade receivables	1,059	1,059	-	-
Mar-25		Trade receivables	1,267	1,277	(10)	Refer note b

(a) Excludes trade receivable from related party, unearned revenue, unrealised forex gain/loss and provision for doubtful debts.

(b) Excludes trade receivable from related party, provision for doubtful debts and audit adjustments if any.

(c) Rounding off difference.

(v) Details of quarterly statements of current assets filed by the Company with bank and reconciliation with the books of account for the year ended March 31, 2024 :

## a. Inventories

Quarter	Name of bank	Particulars of	Amount as per	Amount as	Amount of	Reason for
Jun-23	Axis Bank & HDFC Bank	Inventories	1,587	1,679	(92)	Refer Note a
Sep-23		Inventories	1,775	1,888	(113)	Refer Note a
Dec-23		Inventories	1,686	1,803	(117)	Refer Note a
Mar-24		Inventories	1,872	1,851	21	Refer Note b

Notes:

(a) Amount reported quarterly to a bank is before considering the provision for slow moving inventory.

(b) Valuation related adjustments.

## b. Trade Receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/statements	Amount of difference	Reason for discrepancies
Jun-23	Axis Bank & HDFC Bank	Trade receivables	881	689	192	Refer note a & b
Sep-23		Trade receivables	892	665	227	Refer note a & b
Dec-23		Trade receivables	958	699	259	Refer note a & b
Mar-24		Trade receivables	1,097	850	247	Refer note a & b

(a) Adjustments made by the Company post submission of information to the bank.

(b) Excludes trade receivable from related party and unrealised forex gain/loss.



## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>12(ii) Trade Payables</b>		
Current:		
Trade payables		
- Dues to micro enterprises and small enterprises ('MSME') (refer note 33)	49	3
	49	3
- Payable to related parties (refer note 25)	271	189
- Other trade payables	1,045	864
	1,316	1,053
	1,365	1,056

## Ageing of Trade payables: March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	16	33	-	-	-	49
(ii) Undisputed dues -Others	-	559	23	1	0	583
Unbilled	733	-	-	-	-	733
	749	592	23	1	0	1,365

## Ageing of Trade payables: March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	2	1	-	-	-	3
(ii) Undisputed dues -Others	-	810	1	0	0	811
Unbilled	243	-	-	-	-	243
	245	811	1	0	0	1,056

## 12(iii) Other financial liabilities

## Current:

Capital creditors  
Employees related liability  
Dues to related parties (refer note 25)

	As at March 31, 2025	As at March 31, 2024
Capital creditors	11	13
Employees related liability	43	22
Dues to related parties (refer note 25)	0	4
	54	39

## 12(iv) Contract liabilities

## Current

Advance from customers

Advance from customers	1	5
	1	5

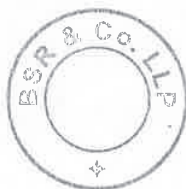
## 13(i) Other current liabilities

## Current:

Statutory dues payable

Statutory dues payable	13	8
	13	8

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**14 Income tax expense**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Current tax</b>		
Current tax on profits of the period / year	130	115
<b>Total current tax expense (A)</b>	<b>130</b>	<b>115</b>
<b>Deferred tax</b>		
Deferred tax (credit) for the period / year	(86)	(18)
<b>Total deferred (benefit) (B)</b>	<b>(86)</b>	<b>(18)</b>
<b>Income tax expense (A+B)</b>	<b>44</b>	<b>97</b>

Reconciliation of tax expenses and the accounting profit multiplied by India's tax rates.

Tax expenses under general provisions of the income tax expenses	Year ended March 31, 2025	Year ended March 31, 2024
Profit from continuing operations before income tax expense	378	616
Tax rate	29.12%	29.18%
Tax at the of 29.12% (March 31, 2024: 29.18%)	110	179
<b>Effects of:</b>		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Tax impact of permanent differences	12	1
10AA deduction / (reversal) during tax holiday period	(74)	(91)
Others	(4)	8
<b>Total tax expense</b>	<b>44</b>	<b>97</b>

**Deferred tax assets (net)**

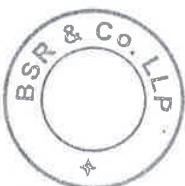
Particulars	March 31, 2025	March 31, 2024
<b>Deferred tax liabilities</b>		
Depreciation and amortisation	(33)	(52)
Right of use asset	(94)	(115)
	<b>(127)</b>	<b>(167)</b>
<b>Deferred tax assets</b>		
Lease liability	142	164
Provision for inventory obsolescence	38	35
Provisions allowed on payment basis and others	110	45
MAT credit entitlement	34	95
	<b>324</b>	<b>339</b>
<b>Total - Deferred tax assets (net)</b>	<b>197</b>	<b>172</b>

**(a) Movement in deferred tax liabilities**

Particulars	Depreciation and amortisation	Right-of-use assets	Total
<b>Balance at April 1, 2023</b>	<b>(61)</b>	<b>(97)</b>	<b>(158)</b>
Recognised in profit or loss	9	(18)	(9)
Recognised in OCI	-	-	-
<b>Balance at March 31, 2024</b>	<b>(52)</b>	<b>(115)</b>	<b>(167)</b>
<b>Balance at April 1, 2024</b>	<b>(52)</b>	<b>(115)</b>	<b>(167)</b>
Recognised in profit or loss	19	21	40
Recognised in OCI	-	-	-
<b>Balance at March 31, 2025</b>	<b>(33)</b>	<b>(94)</b>	<b>(127)</b>

**(b) Movement in deferred tax assets**

Particulars	MAT credit entitlement	Lease liability	Provision for inventory obsolescence	Provisions allowed on payment basis and others	Total
<b>Balance at April 1, 2023</b>	<b>95</b>	<b>132</b>	<b>21</b>	<b>65</b>	<b>313</b>
Recognised in profit or loss	-	32	14	(20)	26
Recognised in OCI	-	-	-	-	-
<b>Balance at March 31, 2024</b>	<b>95</b>	<b>164</b>	<b>35</b>	<b>45</b>	<b>339</b>
<b>Balance at April 1, 2024</b>	<b>95</b>	<b>164</b>	<b>35</b>	<b>45</b>	<b>339</b>
Recognised in profit or loss	(61)	(22)	3	65	(15)
MAT credit utilisation	-	-	-	-	-
Recognised in OCI	-	-	-	-	-
<b>Balance at March 31, 2025</b>	<b>34</b>	<b>142</b>	<b>38</b>	<b>110</b>	<b>324</b>





**14 Income tax expense (Continued)****(a) Transfer pricing:**

The Finance Act, 2001, had introduced, with effect from assessment year 2002-03 (effective April 1, 2001), detailed Transfer Pricing Regulations (the regulations) for computing the taxable income and expenditure from 'international transactions' between 'associated enterprises' on an arm's length basis. Further, the Finance Act, 2012 has widened the ambit of transfer pricing provisions to cover specified domestic transactions. The regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing are part from an accountant within the due date of filing the return of income.

For the year ended March 31, 2025, the Company would be carrying out a study to comply with transfer pricing regulations for which the prescribed certificate of accountant will be obtained. In the opinion of management, no adjustment is expected to arise based on completion of Transfer Pricing Study.

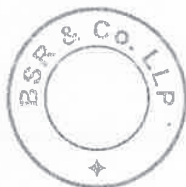
The tax impact for the above purpose has been arrived at by applying tax rate of 29.12% (March 31, 2024: 29.18%) being the substantively enacted prevailing tax rate for Indian Companies under Income Tax Act, 1961.

(b) Deductible temporary differences for which no deferred tax asset has been recognised amounts to INR Nil (2024: INR Nil). These items can be carried forward for 8 years from the year the Company claims deductions for the related expenses.

(c) Unabsorbed depreciation for which no deferred tax asset has been recognised amounts to INR Nil (March 31, 2024: Nil). There is no time limit to carry forward such losses.

(d) Deferred tax asset/(liability) accounted in other comprehensive income amounted to INR Nil [(March 31, 2024: INR Nil)]

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## Notes forming part of the financial statements

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

			Year ended March 31, 2025	Year ended March 31, 2024
<b>15 Revenue from operations</b>				
<b>Revenue from contracts with customers</b>				
Sale of manufactured goods			4,864	4,409
			<b>4,864</b>	<b>4,409</b>
<b>Other operating income</b>				
Scrap sales			218	189
			<b>218</b>	<b>189</b>
<b>Total revenue from operations</b>			<b>5,082</b>	<b>4,598</b>
Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date.			37	35
<b>Notes:</b>				
(i) Revenue from major customers are as follows:				
	<b>Customer</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>	
		<b>Revenue</b>	<b>Revenue</b>	<b>% of total revenue</b>
		<b>% of total revenue</b>	<b>% of total revenue</b>	
	Customer 1	2,194	1,812	39%
	Customer 2	1,130	1,011	22%
(ii) Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days.				
<b>16 Other income</b>				
Liabilities no longer required written back			6	6
Miscellaneous Income			(0)	1
Net gain on foreign currency transactions			10	18
Interest income from financial asset at amortised cost			27	36
Unwinding of discount on security deposit			4	3
Financial guarantee income			-	27
			<b>47</b>	<b>91</b>
<b>17 Cost of materials consumed</b>				
<b>Raw material consumed</b>				
Opening stock			988	781
Less: Provision for slow moving inventory			(63)	(47)
Add: Purchases during the year			2,613	2,150
Less: Closing stock			1,358	988
Less: Provision for slow moving inventory			(66)	(63)
<b>Cost of raw materials consumed</b>			<b>2,246</b>	<b>1,959</b>
<b>18 Changes in inventories of work in progress and finished goods</b>				
Inventory at the end of the year (a)				
Work-in-progress			514	514
Finished goods			655	446
			<b>1,169</b>	<b>960</b>
Inventory at the beginning of the year (b)				
Work-in-progress			514	460
Finished goods			446	335
			<b>960</b>	<b>795</b>
Less: Movement in provision for slow moving inventory (c)			(15)	3
<b>Change in inventories of work in progress and finished goods d-(b-a-c)</b>			<b>(194)</b>	<b>(168)</b>
<b>19 Employee benefit expenses</b>				
Salaries, wages and bonus			435	347
Contribution to provident and other funds			21	16
Employee stock option expense (refer note 10)			3	1
Gratuity (refer note 11(iii))			14	11
Staff welfare expenses			18	10
Leave compensation			12	4
			<b>503</b>	<b>389</b>
<b>20 Depreciation and amortisation expense</b>				
Depreciation of property, plant and equipment [Refer note 4(i)]			124	91
Amortisation of intangible assets [Refer note 5(i)]			27	36
Depreciation on Right-of-use assets [Refer note 4(ii)]			239	256
			<b>390</b>	<b>383</b>



## Notes forming part of the financial statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
<b>21 Other expenses</b>		
Consumption of stores and spares	261	236
Subcontracting expenses	662	544
Freight and forwarding	92	66
Power and fuel	96	109
Repairs and maintenance		
Machinery	46	41
Building	6	5
Others	48	42
Legal and professional fees	43	20
Payment to auditors [refer note (i) below]	2	2
Expenditure on corporate social responsibility	3	-
Rental charges	5	4
Printing and stationery	2	2
Insurance	23	23
Rates and taxes	4	3
Travelling and conveyance	20	6
Communication	0	21
Management service fee	81	33
Miscellaneous expenses	7	12
Bank charges	26	17
Advertisement and business promotion expenses	70	53
	<b>1,497</b>	<b>1,239</b>

## Notes :

## (i) Payments to auditors

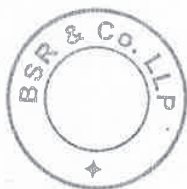
As auditor:

- Audit fee
- Reimbursement of expenses

2	2
0	0
<b>2</b>	<b>2</b>

**22 Finance cost**

Interest expense on working capital borrowings	119	134
Interest expense on lease liabilities	67	77
Net loss on foreign currency transactions (related to borrowings & lease)	59	23
Financial guarantee expense	31	31
Interest on income tax	14	8
	<b>290</b>	<b>273</b>



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## Notes forming part of the financial statements

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

## 23 Fair value measurement

## Financial instruments by category

	Classification	As at	As at
		March 31, 2025	March 31, 2024
		Amount	Amount
<b>Financial assets</b>			
Loan	Amortised cost	350	349
Investments	Refer Note (iii) below	755	755
Trade receivables	Amortised cost	1,267	1,097
Cash and cash equivalents	Amortised cost	0	1
Other financial assets	Amortised cost	78	78
Other bank balances	Amortised cost	10	4
<b>Total financial assets</b>		<b>2,460</b>	<b>2,284</b>
<b>Financial liabilities</b>			
Borrowings (including current maturities)	Amortised cost	1,836	1,475
Trade payables	Amortised cost	1,365	1,056
Financial guarantee liability	Amortised cost	-	-
Other financial liability	Amortised cost	54	39
Lease liabilities	Amortised cost	1,049	1,243
<b>Total financial liabilities</b>		<b>4,304</b>	<b>3,812</b>

There are no financial instruments which are measured at FVTPL &amp; FVOCI.

## (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 amortised cost and for which fair values are disclosed in the financial statements.

(b) To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the different levels prescribed under the accounting standard. An explanation of each level follows underneath the above 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 (such as over the counter derivatives) 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.

## (ii) Fair value of financial assets and liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other financial assets and liabilities are considered to be the same as their fair values, due to the short-term maturities of these instruments.

## (iii) Investments

The Company accounts the investments in equity shares of subsidiaries and others at cost in accordance with Ind AS 27. These investments are tested for impairment annually, accordingly these investments are not considered for categorisation.

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## Notes forming part of the financial statements

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

## 24 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity 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, monitoring of credit limits and bank guarantee
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 investments, trade receivables, deposits with bank, loans & lease deposits. The assessment of ECL is done as follows:

## 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) taken under operating lease. 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 they are maintained with banks having strong credit ratings and the period of such deposits is generally not exceeding one year.

## 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 very limited defaults and that the balances are not significantly aged. Full provision is made for balances that management believes are credit impaired.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information,

## Reconciliation of loss allowance provision - Trade receivables

	Amount
Loss allowance as on April 1, 2023	2
Loss allowance utilised during the year	-
Charged to profit and loss	(2)
Loss allowance as on March 31, 2024	0
Loss allowance utilised during the year	(0)
Charged to profit and loss	19
Loss allowance as on March 31, 2025	19

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## Notes forming part of the financial statements

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

## 24 Financial risk management (continued)

## 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.

## (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities from banks at the end of the reporting period:

	March 31, 2025	March 31, 2024
Floating rate		
A. Expiring within one year (bank overdraft and other facilities)	163	330
B. Expiring beyond one year (bank loans)	-	-
	163	330

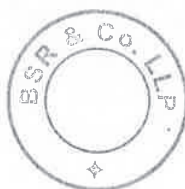
## (ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2025				
Non-derivatives				
Borrowings (includes accrued interest)	1,715	121	-	1,836
Trade payables	1,365	-	-	1,365
Other financial liabilities	54	-	-	54
Lease liabilities	428	626	171	1,225
Total Non derivative liabilities	3,562	747	171	4,480

Contractual maturities of financial liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
As at March 31, 2024				
Non-derivatives				
Borrowings	1,340	135	-	1,475
Trade payables	1,056	-	-	1,056
Other financial liabilities	43	-	-	43
Lease liabilities	310	863	251	1,424
Total Non derivative liabilities	2,749	998	251	3,998

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## Notes forming part of the financial statements

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

## 24 Financial risk management (continued)

## 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. Further, any additional exposure is continuously monitored and hedging options like forward contracts shall be 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 INR as against respective foreign currency are as follows:

	March 31, 2025			
	INR in millions			
	GBP	USD	EUR	AED
<b>Financial asset</b>				
Trade receivable	-	1,340	2	-
Loans to related party	-	256	-	-
Interest accrued on loan to related party	-	94	-	-
<b>Net Exposure to foreign currency risk (assets)</b>	-	<b>1,690</b>	<b>2</b>	-
<b>Financial liability</b>				
Trade payables	8	550	50	-
Lease liabilities	-	-	637	-
Capital creditors	-	-	-	-
Working capital facilities	-	1,468	-	-
<b>Net Exposure to foreign currency risk (liabilities)</b>	<b>8</b>	<b>2,018</b>	<b>687</b>	-

	March 31, 2024			
	INR in millions			
	GBP	USD	EUR	AED
<b>Financial asset</b>				
Trade receivable	-	1,426	2	-
Loans to related party	-	312	-	-
Interest accrued on loan to related party	-	37	-	-
<b>Net exposure to foreign currency risk (assets)</b>	-	<b>1,775</b>	<b>2</b>	-
<b>Financial liability</b>				
Trade Payables	6	495	40	0
Lease liabilities	-	-	766	-
Working capital facilities	-	1,100	-	-
<b>Net Exposure to foreign currency risk (liabilities)</b>	<b>6</b>	<b>1,595</b>	<b>806</b>	<b>0</b>

## (b) Sensitivity

The sensitivity of profit or loss and equity to changes in exchange rates arising from foreign currency denominated financial instruments is given below.

	Impact on profit after tax and equity	
	March 31, 2025	March 31, 2024
<b>USD Sensitivity</b>		
INR/USD - Increase by 5%	(11)	6
INR/USD - decrease by 5%	11	(6)
<b>EUR Sensitivity</b>		
INR/EUR - Increase by 5%	(22)	(29)
INR/EUR - decrease by 5%	22	29

## (ii) Interest rate risk exposure

(a) The exposure of company's borrowings to the interest rate changes at the end of the reporting period are included in the table below.

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowings	1,836	1,475
Fixed rate borrowings (including lease liability)	1,049	1,242
<b>Total borrowings</b>	<b>2,885</b>	<b>2,717</b>

## (b) Sensitivity and equity

Profit &amp; loss and equity is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax and equity	
	March 31, 2025	March 31, 2024
Interest rates - increase by 50 basis points	(6)	(5)
Interest rates - decrease by 50 basis points	6	5

## (iii) Price risk

Price risk is the risk of a decline in the value of a security or an investment portfolio. The company is not exposed to such risks, as it has not invested in any such securities.





## Notes forming part of the financial statements

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

## 25 Related party disclosures

## Names of related parties and related party relationship

## Name of related parties where control exists.

Relationship	Name of the related party
Ultimate Holding Company	: Aequs Inc., Cayman Islands ( 100% beneficially owned and controlled by the Melligiri Foundation)
Holding Company	: Aequs Limited (formerly known as Aequs Private Limited) ('AL')
Subsidiaries	: Aequs Aerospace LLC ('AALLC'), USA
Step down subsidiary	: Aequs Aero Machine Inc. ('AAM'), USA

## Related parties with whom transactions have taken place during the year

Relationship	Name of the related party
Associate	: Aequs Aerospace BV ('AABV'), Netherlands
Subsidiaries	: Aequs Aerospace LLC (AALLC)
Fellow subsidiaries	: Aequs Manufacturing Holdings Private Limited (AMHPL) : Aerostructures Assemblies India Private Limited (AAI) : Aequs Oil & Gas LLC (AOGLLC) : Aequs Engineered Plastics Private Limited (AEPPL) : Aequs Force Consumers Private Limited(AFC) : Aequs Consumers Products Private Limited(ACPPL) : Aequs Toys Private Limited(ATPL) : Aequs Material Management Private, Limited, (AMMPL) (AMMPL has been struck off w.e.f June 29, 2024.) : Koppal Toys Molding COE Private Ltd(KTMPL) : Koppal Toys Tooling COE Private Ltd(KTTCPL) (KTTCPL has been struck off w.e.f November 30, 2024) : Aequs Toys HongKong Pvt. Ltd. (ATHPL) : Aequs Force Technology Co. Ltd. (AFTCL) (AFTCL has been de-registered w.e.f. December 27, 2024) : Aequs Home Appliances Pvt. Ltd. (AHAPL) (AHAPL has made application for strike off on April 23, 2025) : Aequs Rajas Extrusion Private Limited(AREPL)
Step-down subsidiaries	: Aequs Aero Machine Inc. (AAM)
Step-down associates	: Aequs Holding France SAS (AHF) : Aequs Aerospace France SAS (AAF SAS)
Joint ventures of holding company	: SQuAD Forging India Private Limited ('SQuAD') : Aerospace Processing India Private Limited ('API') : Aequs Cookware Private Limited ('ACPL')
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence	: Aequs SEZ Private Limited ('ASEZ') : Automotive End Solution Private Limited (AESPL) : Industrial Knowledge Center Private Limited (IKC) : Huballi Durable Goods Consumer Limited(HDGCPL) : MFO IP Holdings Limited (MFO) : MFRE Estate Pvt. Ltd (MFREEPL) : Aequs Foundation(AF) : Altum Trust : MFRE Private Trust : Quest Global Engineering Services Private Limited (QGEPL) : Aequs Stock Option Plan Trust ('ESOP Trust')
Key Management Personnel	: Mr. Shirish Ganamukhi, Director (Ceased to be director w.e.f. 21/01/2025) : Mr. Dinesh Iyer, Director : Mr. Nagesh Hassan Rangaswamy, Director (Appointed as director w.e.f. 20/01/2025) : Mr. Ravi Hugar, Company Secretary

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## Notes forming part of the financial statements

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

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

## A. Transactions with related parties

Name	Nature of transactions	March 31, 2025	March 31, 2024
AMHPL	Expenses incurred on behalf of related entity	0	0
AL	Sale of manufactured goods	1	0
	Communication cost	-	25
	Expense incurred by related party	0	109
	Expense incurred on behalf of related party	9	7
	Employee stock option Expense	3	1
	Subcontracting expense	4	6
	Purchase of goods	0	0
	Fair value of the guarantee taken	20	29
	Interest Income	-	9
	Sale of services	0	0
	Financial guarantee expenses	29	29
	Unsecured loan given	-	60
	Loan repaid by related party	-	239
AESPL	Expenses incurred on behalf of related entity	-	0
AALLC	Interest income	25	26
AABV	Financial guarantee income	-	14
ASEZ	Services received	154	158
	Repayment of Lease Liability	64	52
	Interest on lease liability	47	53
	Expenses incurred on behalf of related entity	0	3
	Electricity deposits made	-	4
	Fair value of the guarantee taken	1	3
	Financial guarantee expenses	2	1
	Expense incurred by related party	0	0
ATPL	Expenses incurred on behalf of related entity	0	1
	Financial guarantee given	-	0
	Financial guarantee income	-	12
AAF SAS	Advertisement and business promotion expenses	51	48
	Management fees	33	-
SQuAD	Sale of manufactured goods	10	-
	Expenses incurred on behalf of related entity	0	0
	Financial guarantee income	-	0
	Purchase of goods	-	0
	Subcontracting expenses	0	0
AAM	Sale of manufactured goods	606	606
	Purchase of goods and consumables	163	66
	Management fees	44	-

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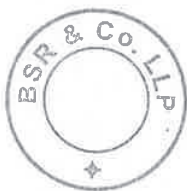
## Notes forming part of the financial statements

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

## A. Transactions with related parties (continued)

Name	Nature of transactions	March 31, 2025	March 31, 2024
AAI	Purchase of Goods	4	0
	Expenses incurred on behalf of related entity	0	1
	Sale of manufactured goods	13	7
	Subcontracting Expenses	6	6
	Expenses incurred by related entity	0	-
AEPPL	Expenses incurred on behalf of related entity	0	0
	Purchase of asset	0	-
ACPPL	Expenses incurred on behalf of related entity	0	1
	Sale of manufactured goods	-	0
	Sale of scrap	-	0
	Expenses incurred by related entity	0	-
	Sale of asset	3	-
AFC	Expenses incurred on behalf of related entity	0	0
	Purchase of asset	0	-
API	Subcontracting expenses	308	255
	Expenses incurred on behalf of related entity	0	0
	Sale of manufactured goods	0	-
	Purchase of goods	0	-
IKC	Subcontracting expenses	1	32
	Expenses incurred on behalf of related entity	0	0
QGEPL	Legal and professional fees	4	3
AREPL	Expenses incurred on behalf of related entity	-	0
HDGCPL	Expenses incurred on behalf of related entity	-	0
KTMCPPL	Expenses incurred on behalf of related entity	0	0
KTTCPL	Expenses incurred on behalf of related entity	-	0
MFREEPL	Expenses incurred on behalf of related entity	-	0
Altum Trust	Expense incurred on behalf of related entity	-	0
Aequs Foundation	Expenses incurred on behalf of related entity	-	0
MFRE Trust	Expenses incurred on behalf of related entity	-	1
	Financial guarantee expense	0	1
AMMPL	Expenses incurred on behalf of related entity	0	-
ACPL	Expenses incurred on behalf of related entity	0	-
Mr. Shirish Ganamukhi, Director	Remuneration	9	-
Mr. Nagesh Hassan Rangaswamy, Director	Remuneration	8	-

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## Notes forming part of the financial statements

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

## B. Balances as at year-end

Name	Nature of transactions	March 31, 2025	March 31, 2024
AL	Trade payables	1	2
	Trade receivables	0	0
	Dues to related parties	-	4
	Dues from related parties	0	0
	Deferred financial guarantee	7	15
AESPL	Dues from related parties	0	1
AALLC	Unsecured loan given	265	258
	Interest accrued on above loan	86	91
	Investments in equity instrument	887	887
	Impairment of Investments in equity instrument—	132	132
AABV	Investments in equity instrument	203	203
	Dues from related parties	118	118
	Impairment of dues from related parties	118	118
	Impairment of Investments in equity instrument	203	203
ASEZ	Trade payables	9	10
	Deposits	90	90
	Deferred financial guarantee	0	2
	Dues to related parties	0	0
	Dues from related parties	-	0
	Lease liability	413	476
AAF SAS	Trade payables	9	8
AAM	Trade payables	86	43
	Trade receivables	277	266
SQuAD	Trade Payables	-	0
	Dues from related parties	-	0
AAI	Dues from related parties	0	-
	Trade receivables	1	1
	Trade payables	3	1
AEPL	Dues from related parties	-	0
AFC	Dues from related parties	-	0

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## Notes forming part of the financial statements

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

## B. Balances as at year-end (continued)

Name	Nature of transactions	March 31, 2025	March 31, 2024
ACPPL	Dues from related parties	3	4
	Dues to related parties	0	-
	Trade receivables	3	1
API	Trade payables	104	68
	Dues from related parties	0	0
	Trade receivables	0	-
IKC	Dues from related parties	-	0
	Trade Payables	-	0
QGEPL	Trade Payables	1	0
MFO	Trade Payables	56	56
HDGCPL	Dues from related parties	0	0
MFREEPL	Dues from related parties	0	0
Aequs foundation	Dues from related parties	-	0
	Trade receivables	0	0
MFRE Private Trust	Dues from related parties	2	2
	Deferred financial guarantee	0	0
ATPL	Dues from related parties	-	-
AREPL	Dues from related parties	0	0
Altum	Dues from related parties	0	0
KT MPL	Dues from related parties	-	0
KTTCPL	Dues from related parties	0	0

## Notes:

- (i) An amount of ₹Nil (March 31, 2024: ₹11) has been cross charged by Aequs Ltd, the holding company, towards managerial remuneration of key managerial personnel.
- (ii) Mr. Arvind Melligeri, Executive Chairman and CEO of Aequs Limited (formerly known as Aequs Private Limited), the holding company has issued personal guarantee towards securing various working capital facilities and term loan obtained by the Company. Refer note 12.
- (iii) Loan given to AALLC is covered by a letter of comfort given by AL.

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## Notes forming part of the financial statements

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

**26 Capital management****Risk management**

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

The Company's objectives when managing capital are to;

- (i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

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

The below table depicts the company's net debt to equity ratio.

Particulars	March 31, 2025	March 31, 2024
Net debt	2,885	2,716
Total equity	2,457	2,102
<b>Net debt to equity ratio</b>	<b>1.17</b>	<b>1.29</b>

The Net debt to equity ratio for the current year decreased from 1.29 to 1.18 is due to increase in retained earnings (part of total equity) as a result of profit earned during the year. Also due to decrease of net debt as no new debt has been raised.

**27 Contingent liabilities**

	March 31, 2025	March 31, 2024
Labour related matters	43	38
Tax matters	37	39

(i) A case has been filed against the Company in District Labour court, Belagavu. If the Labour Court passes an award against the company, the probable compensation would amount to ₹43 (March 31, 2024: ₹37). The Company is however confident of winning this case based on council advice and hence the same is not provided in the financial statements.

The Company does not expect any reimbursement in respect of the above contingent liabilities.

- (ii) The Company has received Demand order u/s 156 of the Income Tax Act, 1961 amounting to ₹ 8 million with the tax impact of ₹16 on disallowance made for ₹ 58 million for the FY 2019-20 (AY 2020-21) and has appealed the said order before Commissioner Appeals.
- (iii) The Company has received order u/s 143(3) of the Income Tax Act, 1961 with tax impact of ₹ 21 million on disallowance amounting to ₹ 74 million relating to financial year 2020-21 (Assessment Year 2021-22) and has appealed the said order before Commissioner Appeals.
- (iv) The Company has received order u/s 143(3) of the Income Tax Act, 1961 with tax impact of ₹2 on disallowance amounting to ₹8 relating to financial year 2016-17 (Assessment Year 2017-18) and has appealed the said order before Commissioner Appeals.

Giving effect to the CIT(A) order in AY 2019-20, the total income as per normal tax provisions will increase by ₹ 2 million/- and as a result MAT credit to be c/f shall be reduced to ₹ 28 million/- (reduced by tax effect on 2 million of 27.82%). In the FS and ITR of AY 2024-25, ASMPL has to suo moto reduce the B/f MAT credit of AY 2019-20 by ₹ 1 million.

**28 Commitments****(a) Capital commitments**

	March 31, 2025	March 31, 2024
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	7	77
	<b>7</b>	<b>77</b>

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## Notes to the Financial Statements

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

**29 Additional regulatory information required by Schedule III**

## (i) Details of benami property held:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

## (ii) Borrowing secured against current assets:

The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer Note 12 for details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2025.

## (iii) Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## (iv) Relationship with struck off companies:

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

## (v) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

## (vi) Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. Also, refer note 36

## (vii) Intermediary transactions:

(a) The Company has not advanced or loaned or invested funds in other entities (Intermediaries) including foreign entities during the year ended March 31, 2025 with the understanding (whether recorded in writing or otherwise) that the entity 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.

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

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

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

(xi) The Company does not own any immovable properties.

(xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) The Company was not required to recognise any provision as at March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts and derivative contracts as at March 31, 2025.

(xiv) The Company does not have Core Investment Company (CIC) as part of the Group, as defined in the regulations made by the Reserve Bank of India as on 31 March 2025.

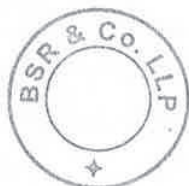
**30 Segment information****(a) Description of segments and principal activities**

The Company is primarily engaged in business of contract manufacturing machined parts used in aerospace sector. The Company's Chief Operating Decision Maker (CODM) is identified to be Executive Chairman and Chief Executive Officer of the Company, who plans the allocation of resources and assess the performance of the segments. The Company's CODM reviews the financial information by considering the entity as a whole, hence the operating segment being the company as one single segment.

(b) The Company is domiciled in India. The amount of its revenue from customers specified by location of customers are presented in the below table:

Particulars	March 31, 2025	March 31, 2024
<b>Revenue from operations</b>		
Asia & Middle East	693	735
America	1,613	1,396
Europe	2,776	2,467
	<b>5,082</b>	<b>4,598</b>

The CODM reviews the company as one reportable segment, hence no further segregation has been done.



## Notes to the Financial Statements

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

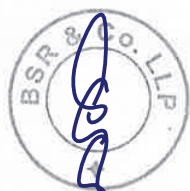
## 31 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for Variance
Current Ratio (times)	Current Assets	Current Liabilities	1.16	1.21	-4%	Note 1
Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	1.17	1.29	-9%	Note 1
Debt Service Coverage Ratio (times)	Earnings available for debt service	Debt Service	1.39	1.71	-19%	Note 1
Return on Equity Ratio (%)	Profit After tax	Average Equity	0.15	0.28	-48%	Note 2
Inventory Turnover Ratio (times)	Sales (revenue from operations)	Average Inventory	2.35	2.72	-13%	Note 1
Trade Receivables Turnover Ratio (times)	Sales (revenue from operations)	Average receivables	4.30	4.78	-10%	Note 1
Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expenses	Average Trade payables	3.41	3.16	8%	Note 1
Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Working Capital	8.57	7.83	9%	Note 1
Net Profit Ratio (%)	Profit after tax	Sales (revenue from operations)	0.07	0.11	-42%	Note 3
Return on Capital Employed (%)	Profit before interest & tax	Capital employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	0.13	0.19	-33%	Note 4

**Notes:**

- Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
- Decrease in profit after tax when compared to previous year. Also there is increase in average equity.
- Decrease in net profit and increase in revenue from operations when compared to previous year.
- Decrease in profit before interest and tax and increase in capital employed when compared to previous year.

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## Notes forming part of the financial statements

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

	As at March 31, 2025	As at March 31, 2024
<b>32 Earnings per share</b>		
(a) Basic Earnings per share [₹]	6.87	10.67
(b) Profit attributable to the equity share holders	334	519
(c) Weighted average number of equity shares of ₹10 each	48,642,438	48,642,438

Note: There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

**33 Dues to micro, small and medium enterprises**

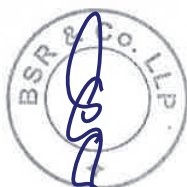
The Company has a process of identifying Micro, Small and Medium Enterprises (MSME), as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), by requesting vendor confirmation to the letters circulated by the Company. Disclosures of dues/payments to Micro, Small and Medium Enterprises to the extent such enterprises are identified by the Company, based on the responses received from vendors against request for confirmations. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	57	3
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year	1	0
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	88	7
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	2	0
(vi) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act, 2006	0	-
(vii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006. Further due and remaining for the earlier years.	-	-

**34 Assets pledged as security**

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

	As at March 31, 2025	As at March 31, 2024
<b>Current</b>		
<b>A. Financial assets:</b>		
- Trade receivables	1,267	1,097
- Other bank balances	-	4
- Other current assets	5	-
<b>B. Non financial assets:</b>		
- Inventories	2,451	1,872
- Other current assets	143	78
<b>Total current assets pledged as security</b>	<b>3,866</b>	<b>3,051</b>
<b>Non current</b>		
<b>A. Non financial assets:</b>		
- Plant and machinery	469	1,180
- Computer equipment	10	7
- Office equipment	4	3
- Furniture and fittings	0	-
<b>B. Financial Assets</b>		
- other financial assets	-	71
<b>Total non-current assets pledged as security</b>	<b>483</b>	<b>1,261</b>
<b>Total assets pledged as security</b>	<b>4,349</b>	<b>4,312</b>



## Notes forming part of the financial statements

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

## 35 Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	0	1
Bank balances other than above	10	4
Current borrowings	(1,552)	(1,205)
Non-current borrowings	(282)	(270)
Lease liabilities	(1,049)	(1,242)
<b>Net debt</b>	<b>(2,873)</b>	<b>(2,712)</b>

	Cash and cash equivalents and other bank balances	Lease obligations	Non-current borrowings	Current borrowings	Total
<b>Net debt as on April 01, 2023</b>	<b>103</b>	<b>(1,441)</b>	<b>(373)</b>	<b>(1,270)</b>	<b>(2,981)</b>
Cashflows	(98)	-	-	-	(98)
Acquisition of leases/ borrowings	-	-	(35)	-	(35)
Foreign exchange adjustments	-	15	-	(4)	11
Repayments	-	184	141	69	393
Other non-cash adjustment	-	-	(2)	-	(2)
Interest expense	-	(77)	(30)	(104)	(211)
Interest paid	-	77	30	104	211
<b>Net debt as on March 31, 2024</b>	<b>5</b>	<b>(1,242)</b>	<b>(270)</b>	<b>(1,205)</b>	<b>(2,712)</b>
Cashflows	5	-	-	-	5
Acquisition of leases/borrowings	-	(58)	(174)	(367)	(599)
Foreign exchange adjustments	-	(20)	-	20	(0)
Repayments	-	269	160	-	429
Other non-cash adjustment	-	2	1	-	3
Interest expense	-	(67)	(24)	(91)	(182)
Interest paid	-	67	25	91	183
<b>Net debt as on March 31, 2025</b>	<b>10</b>	<b>(1,049)</b>	<b>(282)</b>	<b>(1,552)</b>	<b>(2,873)</b>

36 The financial statements were approved for issue by the Board of Directors on August 30, 2025.

for B S R &amp; Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of

AeroStructures Manufacturing India Private Limited

Sampad Guha Thakurta  
Partner

Membership No.: 060573

Place: Chennai

Date: 30/8/2025

Dinesh Iyer

Dinesh Iyer  
Director

DIN: 09515485

Place: Belagavi

Date: August 30, 2025

Nagesh Hassan Rangaswamy

Nagesh Hassan Rangaswamy  
Director

DIN: 07889411

Place: Belagavi

Date: August 30, 2025

Ravi Hugar

Ravi Hugar  
Company Secretary

M. No.: A20823

Place: Belagavi

Date: August 30, 2025