

Independent Auditor's Report

To the Members of Aequs Limited (formerly known as Aequs Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) (the "Company"), its Aequs Stock Option Plan Trust which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (herein referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 loss and other comprehensive income, 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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. The respective Management and Board of Directors of the companies/Board of Trustees of the Aequs Stock Option Plan Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company/trust 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of

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)

Aequs Limited (formerly known as Aequs Private Limited)

Directors/Board of Trustees are responsible for assessing the ability of each company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of each company/trust.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.



Independent Auditor's Report (Continued)

Aequs Limited (formerly known as Aequs Private Limited)

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.
- 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 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) 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 standalone financial statements - Refer Note 29 to the standalone 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 respective management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 36(vi)(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report 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 respective management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 36(vi)(b) to the standalone financial statements, no funds



Independent Auditor's Report (Continued)

Aequs Limited (formerly known as Aequs Private Limited)

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, as on the date of this audit report, 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.
- 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.

- A. In our opinion and according to the information and explanations given to us, the provisions of Section 197 of the Act are not applicable to the Company and its Aequs Stock Option Plan Trust incorporated in India since none of these companies is a public company as on 31 March 2025. 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:25060573BMOKGH5853

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs 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. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (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 Standalone Financial Statements of Aequs Limited (formerly known as Aequs 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
Mar-25	HDFC Bank	Inventories	372.74	378.00	(5.26)	No
Mar-25		Trade receivables	171.44	172.00	(0.56)	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 security, granted advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties during the year. The Company has made investments, provided guarantee and granted unsecured loans to Companies during the year in respect of which the requisite information is as below. The Company has not made investments, provided guarantee and granted loans secured or unsecured in any firms and limited liability partnerships or any other parties during the year.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investments and provided unsecured loans or stood guarantee, to any other entity as below:

Particulars	Guarantees [Rs. Millions]	Loans [Rs. Millions]
Aggregate amount during the year		
Subsidiaries*		
Joint ventures*	1,310.00	541.50
Others*	407.06	-
	-	-
Balance outstanding as at balance sheet date	1,250.00	519.00
Subsidiaries*	407.06	-
Joint ventures*	-	-
Others*		

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025 (Continued)

of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loan of Rs. 361.50 million given to subsidiaries which are repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year. However, in case of outstanding advance in the nature of loan of Rs. 19.33 million given to Fellow subsidiary and Rs. 47.27 million to Subsidiary, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans of Rs. 19.33 million given to Fellow subsidiary and Rs. 47.27 million to Subsidiary, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) 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 Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its Related Party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Party [Rs. Millions]
Aggregate of loans - Repayable on demand	361.50
Percentage of loans to the total loans	66.76%

Further, the Company has not given any advances in the nature of loans to any party during the year.

- (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 made any investments, given any loans, or provided security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the guarantees provided by the Company, in our opinion the provisions of Section 185 of the Act have been complied with.
- (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

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025 (Continued)

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 Services Tax, 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. The Company has generally been regular in depositing Provident Fund dues 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 Services 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	25.30	Financial 2016-17	Year	Commissioner of Income Tax- (Appeals)
		779.56	Financial 2017-18	Year	High Court of Karnataka
		0.48	Financial 2017-18	Year	Commissioner of Income Tax- (Appeals)

*Net of amounts paid under protest amounting to Rs. 22.53 million.

- (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, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (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 Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025 (Continued)

standalone 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 standalone 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, associates or joint ventures 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, joint ventures 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) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received during the year under the vigil mechanism established voluntarily by the Company.
- (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 standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system as per Section 138 of the Act. However, the Company has an internal audit system which is 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.



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025 (Continued)

- (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. 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) are 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) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. 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

Date: 30 August 2025

Membership No.: 060573

ICAI UDIN:25060573BMOKGH5853

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone 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 Aequs Limited (formerly known as Aequs Private Limited) ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone 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 such internal controls 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 the 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 standalone 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.



Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Limited (formerly known as Aequs Private Limited) for the year ended 31 March 2025 (Continued)

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 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:25060573BMOKGH5853

Aequs Limited (formerly known as Aequs Private Limited)

CIN : U80302KA2000PLC026760

Standalone Balance Sheet as at March 31, 2025*(All amounts are in INR millions, except share data, unless otherwise stated)*

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4	99.82	96.89
Right-of-use assets	4A	282.28	361.40
Intangible assets	5	22.64	27.20
Intangible assets under development	5A	-	0.40
Financial assets			
Investments in subsidiaries, associates and joint ventures	6	8,519.50	7,808.66
Loans	7 (v)	-	-
Other financial assets	7 (vi)	25.22	24.10
Deferred tax assets (net)	25	116.67	151.50
Current tax assets		42.77	35.72
Other non-current assets	8	6.72	7.75
Total non-current assets		9,115.62	8,513.62
Current assets			
Inventories	9	372.74	302.35
Financial assets			
Investments	7 (i)	-	274.49
Trade receivables	7 (ii)	171.44	117.74
Cash and cash equivalents	7 (iii)	168.25	302.90
Bank balances other than above	7 (iv)	0.11	1,596.29
Loans	7 (v)	523.00	-
Other financial assets	7 (vi)	57.26	81.22
Contract assets	7A	3.64	2.71
Other current assets	8	102.52	45.53
Total current assets		1,398.96	2,723.23
Total assets		10,514.58	11,236.85
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10	5,818.29	4,247.59
Instruments entirely equity in nature	10A	-	4,071.16
Other equity	11	3,277.09	1,472.86
Total equity		9,095.38	9,791.61
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13 (i)	-	-
Lease liabilities	4A	225.45	288.90
Other financial liabilities	13 (iii)	464.25	492.45
Provision for employee benefits	12	19.68	27.84
Total non current liabilities		709.38	809.19

Aequs Limited (formerly known as Aequs Private Limited)

CIN : U80302KA2000PLC026760

Standalone Balance Sheet as at March 31, 2025

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

	Notes	As at March 31, 2025	As at March 31, 2024
Current liabilities			
Financial liabilities			
Borrowings	13 (i)	224.56	229.88
Lease liabilities	4A	66.79	58.49
Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises; and	13(ii)	7.59	3.00
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	13(ii)	228.66	184.90
Other financial liabilities	13 (iii)	117.02	134.84
Contract liabilities	7A	53.76	1.01
Provision for employee benefits	12	8.58	14.66
Other current liabilities	14	2.86	9.27
Total current liabilities		709.82	636.05
Total liabilities		1,419.20	1,445.24
Total equity and liabilities		10,514.58	11,236.85
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

This is the Balance Sheet referred to in our report of even date.

As per our report of even date attached.

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No. 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

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760


Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025


Aravind S. Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025


Dinesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025


Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025

Aequs Limited (formerly known as Aequs Private Limited)

CIN : U80302KA2000PLC026760

Standalone Statement of profit and loss for the year ended March 31, 2025

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

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	15	922.39	742.42
Other income	16	195.72	290.56
Total income (A)		1,118.11	1,032.98
Expenses			
Cost of materials consumed	17	355.84	278.48
Changes in inventories of finished goods and work-in-progress	18	(0.62)	(35.71)
Employee benefit expense	19	138.33	128.92
Impairment losses on financial assets	27	0.82	-
Other expenses	21	349.57	288.02
Total expenses (B)		843.94	659.71
Earnings before depreciation and amortisation, finance costs, exceptional items and tax (A-B)		274.17	373.27
Depreciation and amortisation expense	20	102.12	110.48
Finance costs	22	52.64	67.67
Profit before exceptional items and tax		119.41	195.12
Exceptional items loss	24	824.92	1,495.53
Profit / (Loss) before tax		(705.51)	(1,300.41)
Tax expense			
- Current tax	25	-	-
- Deferred tax	25	35.27	2.68
Total tax expense		35.27	2.68
Profit / (Loss) for the year		(740.78)	(1,303.09)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	12	5.02	(1.87)
Other comprehensive income / (loss) for the year, net of tax		5.02	(1.87)
Total comprehensive income / (loss) for the year, net of tax		(735.76)	(1,304.96)
Earnings per equity share	33	(1.31)	(2.39)
(Basic and Diluted - in INR) (Nominal value per share: INR 10)			
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

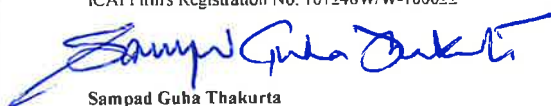
This is the Statement of Profit & Loss referred to in our report of even date.

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No. 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

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760



Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025



Aravind S. Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025



Dinesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025



Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025

Standalone 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 10)

	Note	Amount
Balance as at April 1, 2023		4,247.58
Changes during the year	10	0.01
Balance as at March 31, 2024		4,247.59
Changes during the year	10	1,570.70
Balance as at March 31, 2025		5,818.29

B. Instruments entirely equity in nature Compulsorily Convertible Preference Shares (CCPS) (refer note 10A)

	Note	Amount
Balance as at April 1, 2023		-
Changes during the year	10A	4,071.16
Balance as at March 31, 2024		4,071.16
Changes during the year		-
Converted into equity shares		(4,071.16)
Balance as at March 31, 2025		-

C. Other equity (refer note 11)

	Reserves and surplus					Total other equity
	Retained earnings	Securities premium	Share option outstanding account	Treasury shares	Other reserves	
Balance as at April 01, 2023	(4,345.82)	5,685.92	49.75	(265.09)	13.28	1,138.05
Loss for the year	(1,303.09)	-	-	-	-	(1,303.09)
Other comprehensive income / (loss) for the year	(1.87)	-	-	-	-	(1.87)
Total comprehensive income / (loss) for the year	(1,304.96)	-	-	-	-	(1,304.96)
Transactions with owners of the Company						
Premium on shares issued during the year	-	1,788.83	-	-	-	1,788.83
Employee stock option expense	-	-	14.96	-	-	14.96
Transfer of reserves relating to lapse of vested options	9.64	-	(9.13)	-	-	0.50
Share issue expenses	-	(168.42)	-	-	-	(168.42)
Total contributions and distributions	9.64	1,620.41	5.83	-	-	1,635.88
ESOP expenses cross charged to other group entities	-	-	-	-	(0.60)	(0.60)
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Sub total	-	-	-	-	3.90	3.90
Balance as at March 31, 2024	(5,641.14)	7,306.33	55.58	(265.09)	17.18	1,472.86
Balance as at April 01, 2024	(5,641.14)	7,306.33	55.58	(265.09)	17.18	1,472.86
Profit for the year	(740.78)	-	-	-	-	(740.78)
Other comprehensive income / (loss) for the year	5.02	-	-	-	-	5.02
Total comprehensive income / (loss) for the year	(735.76)	-	-	-	-	(735.76)
Transactions with owners of the Company						
Premium on shares issued during the year	-	2,500.46	-	-	-	2,500.46
Employee stock option expense	-	-	12.30	-	-	12.30
Transfer of reserves relating to lapse of vested options	1.90	-	(1.90)	-	-	-
Total contributions and distributions	1.90	2,500.46	10.40	-	-	2,512.76
Exercise of share option	-	-	-	23.10	-	23.10
ESOP expenses cross charged to other group entities	-	-	-	-	(0.37)	(0.37)
Financial guarantee received during the year	-	-	-	-	4.50	4.50
Sub total	-	-	-	23.10	4.13	27.23
Balance as at March 31, 2025	(6,375.00)	9,806.79	65.98	(241.99)	21.31	3,277.09

Summary of material accounting policies (Note 2)

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

This is statement of changes in equity referred to in our report of even date.

for BSR & Co. LLP

Chartered Accountants

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

for and on behalf of the Board of Directors of

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760

Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Chennai

Date: 30/8/2025

Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025

Aravind S. Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025

Dinesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No - A20823

Place: Hubballi

Date: August 12, 2025

Standalone 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
Cash flow from operating activities		
Profit / (Loss) before income tax	(705.52)	(1,300.41)
Adjustments for:		
Depreciation and amortisation expense	102.12	110.48
Unrealized foreign exchange gain	(33.99)	(12.09)
Equity-settled share-based payment transactions	5.05	13.87
Net loss on disposal of property, plant and equipment	(0.01)	-
Impairment loss on long term investments	833.42	1,271.45
Impairment loss on receivable from related parties	(8.50)	0.55
Impairment loss on loans and interest accrued thereon	-	223.53
Interest income from financial asset at amortised cost	(16.08)	(151.60)
Gain on sale of investments (net)	(23.44)	-
Liabilities no longer required written back	(0.23)	(1.83)
Loss allowance on trade receivables	0.82	-
Provision for slow moving inventory	8.85	0.43
Finance guarantee income	(121.98)	(127.82)
Finance cost	41.93	57.82
Unwinding of discount on security deposits	(1.12)	(1.05)
Finance guarantee expense	5.08	5.91
	86.40	89.24
Working capital adjustments		
(Increase)/Decrease in		
- trade receivables	(53.41)	12.44
- inventories	(79.24)	(65.59)
- other financial assets (current and non-current)	32.46	33.26
- other assets (current and non-current)	(58.68)	(22.37)
- contract assets	(0.93)	(5.21)
Increase/(decrease) in		
- trade payables	49.09	(109.02)
- provision for employee benefit (current and non current)	(9.22)	6.30
- other financial liabilities (current and non-current)	(2.62)	3.50
- other liabilities	(6.41)	(1.00)
- contract liabilities	52.75	1.00
Cash generated from / (used in) operations	10.19	(57.45)
Income taxes paid (net of refunds)	(7.49)	(11.83)
Net cash generated from / (used in) operating activities (A)	2.70	(69.28)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(18.33)	(18.77)
Proceeds from sale of property, plant and equipment	0.83	-
Loans given to related parties	(541.50)	(414.00)
Repayment of loans given to related parties	22.50	277.95
Interest received	42.08	75.48
Investments in bank deposits	(1,543.15)	(1,596.00)
Proceeds from maturity of bank deposits	3,139.08	-
Investments in mutual funds	(151.89)	(274.49)
Proceeds from sale of mutual funds	449.82	-
Investments in subsidiaries, associates and joint ventures	(1,461.29)	(2,555.40)
Net cash used in investing activities (B)	(61.85)	(4,505.23)



Aequs Limited (formerly known as Aequs Private Limited)
Standalone statement of Cash Flows for the year ended March 31, 2025
(All amounts are in INR millions, except share data, unless otherwise stated)

CIN : U80302KA2000PLC026760

	Year ended March 31, 2025	Year ended March 31, 2024
Cash flows from financing activities:		
Proceeds from issue of compulsorily convertible preference shares	-	5,218.60
Share issue expenses	-	(102.71)
Repayment of long-term borrowings	(9.93)	(17.93)
Repayment of related party borrowings	-	(149.71)
Exercise of share option	23.10	-
Principal repayment of lease liabilities	(53.43)	(42.12)
Proceeds from/(repayment of) short term borrowing (net)	7.94	(3.61)
Finance costs Paid	(43.18)	(76.26)
Net cash (outflow) / inflow from financing activities (C)	(75.50)	4,826.26
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(134.65)	251.75
Cash and cash equivalents at the beginning of the year	302.90	51.15
Cash and cash equivalents at end of the year (Refer Note7(iii))	168.25	302.90
Cash and cash equivalents comprise the following: [refer note 7 (iii)]		
Balances with banks:		
- current accounts	2.30	4.31
- deposits with original maturity of three months or less	165.94	298.58
Cash on hand	0.01	0.01
Total cash and bank balance at the end of the year	168.25	302.90

Summary of material accounting policies (Note 2)

The above Statement of cash flows should be read in conjunction with the accompanying notes.
This is statement of changes in equity referred to in our report of even date.

for **BSR & Co. LLP**

Chartered Accountants

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



Sampad Guha Thakurta
Partner

Membership No.: 060573

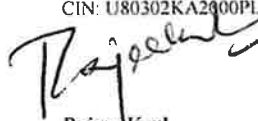
Place: **Chennai**

Date: **30/8/2025**

for and on behalf of the Board of Directors of

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760



Rajeev Kaul
Managing Director
DIN-01468590
Place: Hubballi
Date: August 12, 2025



Aravind S. Mangeri
Executive Chairman and Chief Executive Officer
DIN-00787735
Place: Hubballi
Date: August 12, 2025



Dinesh Iyer
Chief Financial Officer
Place: Hubballi
Date: August 12, 2025



Ravi Mallikarjun Hozar
Company Secretary and Compliance Officer
M. No. - A20823
Place: Hubballi
Date: August 12, 2025

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)*

1. Background:

Aequs Limited (formerly known as Aequs Private Limited) ('the Company') was incorporated on March 27, 2000 under provisions of the Companies Act, 1956 and is located at Special Economic Zone ('SEZ') Belagavi, Karnataka, India. It has its registered office at Whitefield, Bengaluru. The Company, along with its subsidiaries (hereinafter collectively referred to as "the Company"), and its associates and joint ventures are engaged in the business of contract manufacturing catering to various industries. These units are registered to carry on the operations relating to manufacture of machined parts used in aerospace and products related to consumer market.

2. Material accounting policies:

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

a. Basis of preparation and presentation**(i) Compliance with Ind AS**

These standalone financial statements (hereinafter referred to 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] (as amended from time to time), presentation requirements of Division II of Schedule III to the Act, as applicable to the standalone financial statements and other relevant provisions of the Act.

(ii) The historical cost convention

The standalone financial statements have been prepared on accrual basis under the historical cost convention, except for the following assets and liabilities, which have been measured at fair value:

- Certain financial assets and liabilities are measured at fair value; (refer note 26)
- Share-based payments;
- Defined employee benefit plans

(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) Recent pronouncements

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. For the year ended March 31, 2025, 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.

(v) Functional and presentation currency

The standalone financial statements of the Company are presented in Indian Rupees (INR / ₹), which is the functional currency of the Company and the presentation currency for the standalone financial statements. All amounts disclosed in the standalone financial statements have been rounded to the two decimal of nearest millions (Mn) 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 ₹ 0.005 Mn.

(vi) Accounting policy on 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 Standalone Statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from its operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items gain/ (loss) and income tax expenses.

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 assess the performance of the segments. The Company has only one reportable segment 'machined parts used in aerospace sector' to be reported in its standalone financial statements. Refer Note 31 for segment information presented.

c. Foreign currency translation

The standalone financial statements of the Company are presented in INR, which is the functional currency of the Company and the presentation currency for the standalone financial statements.

In preparing the standalone 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.

For the purpose of presenting the standalone financial statements, the assets and liabilities are expressed in using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)***d. Revenue recognition**

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

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

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

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

A contract asset is recognised when the 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.

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

Revenue from export incentives are recognised as income in other income in the statement of profit and loss, on an accrual basis.

e. Recognition of Other income - Interest income and Dividend income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured. Interest income from financial assets at amortized cost is recognized in the statement of profit and loss using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

f. Government grants

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

g. Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the parent company and its subsidiaries and associates operate and generate taxable income. 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 substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Current and deferred tax is recognised in profit or loss, except when they relate 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.

(This space is intentionally left blank)

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)***h. Leases***The Company as a Lessee*

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

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

Right of use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made on or before the commencement date less any lease incentives received,
- Any initial direct cost,
- Restoration cost

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

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

i. Impairment of assets

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible 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 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 statement of profit and loss immediately.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, 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.

(This space is intentionally left blank)

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)***k. Provisions and onerous contracts****Provisions:**

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

Onerous contracts:

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 at the transaction price initially 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 less loss allowance.

m. Inventories

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

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

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

n. Investment 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 amortized 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. (Refer note 26 for asset details).

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

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

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

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)***n. Investment and other financial assets (continued)***(iv) Investments in equity instruments of subsidiaries, joint ventures 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.

(v) Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 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.

(vi) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

(vii) Income recognition

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

o. Property, plant and equipment

All items of property, plant and equipment are stated at historical cost applied on transition to Ind AS less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation commences when the assets are ready for their intended use. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other income/(expenses).

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	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
Furniture and fittings	1.5 to 5	10
Office equipment	1.5 to 5	5

Material Accounting Policies*(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 are not depreciated.

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

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 capitalized product developed costs, being an internally generated intangible asset.

The Company amortizes 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. 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 amortized cost using the effective interest method.

r. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized 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 capitalized as a prepayment for liquidity services and amortized 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.

s. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized 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 capitalization. Other borrowing costs are expensed in the period in which they are incurred.

t. Employee benefits*1. 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.

2. 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.

3. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund and ESI.

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)***t. Employee benefits (continued)****(a) Defined benefit plans:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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.

(b) Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

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.

4. Share-based payments

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

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

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

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

5. Bonus

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

u. 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 (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles Ind AS 115. The income is presented as Other income in the statement of profit or loss. 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 subsidiaries and associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments.

v. Contributed equity

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

w. Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to the equity holders of the Company,
- by the weighted average number of equity shares outstanding during the year.

Material Accounting Policies*(All amounts are in INR millions, except share data, unless otherwise stated)*

w. Earnings per share (continued)**Diluted earnings per share**

Diluted earnings per share is calculated by dividing:

- the profit/(loss) after tax as adjusted for dividend, interest (net of any attributable taxes) other charges to expense or income relating to the dilutive potential equity shares,
- by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

x. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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. Estimates and judgements

The preparation of financial statements in conformity with Ind AS requires estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to useful lives of property, plant and equipment and intangible assets, share-based compensation, defined benefit obligations, Impairment of investments in subsidiaries, associates & Joint ventures and Estimation of deferred tax expenses/benefits. Actual results could differ materially from these estimates.

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

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

3. Changes in material accounting policies:**Deferred tax related to assets and liabilities arising from a single transaction:**

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from April 1, 2024. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences – e.g., leases. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

4 Property, Plant and Equipment

Particulars	Gross carrying amount						Accumulated depreciation						Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Transfer from Right of Use asset	Disposals	Exchange differences	As at March 31, 2025	As at April 01, 2024	Charge for the year	Transfer from Right of Use asset	Disposals	Exchange differences	As at March 31, 2025	
Leasehold improvements	5.02	-	-	-	-	5.02	2.96	0.53	-	-	-	3.49	1.53
Plant and machinery	355.06	7.57	14.59	(1.37)	2.52	378.37	273.51	22.56	-	(0.53)	-	295.54	82.83
Computer equipment	40.69	6.01	-	-	-	46.70	29.66	5.51	-	-	-	35.17	11.53
Office equipment	14.34	2.90	-	-	-	17.24	12.11	1.21	-	-	-	13.32	3.92
Furniture and fittings	0.58	-	-	-	-	0.58	0.57	-	-	-	-	0.57	0.01
Total	415.69	16.48	14.59	(1.37)	2.52	447.91	318.81	29.81	-	(0.53)		348.09	99.82

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Transfer from Right of Use asset	Disposals	As at March 31, 2024	As at April 01, 2023	Charge for the year	Transfer from Right of Use asset	Disposals	As at March 31, 2024	
Leasehold improvements	5.02	-	-	-	5.02	2.64	0.32	-	-	2.96	2.06
Plant and machinery	329.25	21.23	4.67	(0.08)	355.06	232.57	39.77	1.61	(0.45)	273.51	81.56
Computer equipment	38.19	2.50	-	-	40.69	24.88	4.78	-	-	29.66	11.03
Office equipment	13.11	1.23	-	-	14.34	11.14	0.97	-	-	12.11	2.23
Furniture and fittings	0.58	-	-	-	0.58	0.57	-	-	-	0.57	0.01
Total	386.15	24.96	4.67	(0.08)	415.69	271.80	45.84	1.61	(0.45)	318.81	96.89

a. Refer to note no 37 for information on property, plant and equipment pledged as security.

b. Refer to note no 30 for disclosure in the contractual commitments for the acquisition of property, plant and equipment.

c. Additions in Plant and machinery include assets transferred from Right-of-use assets with gross carrying amount of INR 14.59 (March 31, 2024: 4.67) and accumulated depreciation of INR 0.86 (March 31, 2024: 1.61) on settlement of contractual payments.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

4A (i) Right of use asset

The Company has entered into agreements with lessors for lease of building (factory premises) and plant and machinery. The lease term ranges from 6 to 10 years and incremental borrowing rate ranges from 11% - 11.82%. Some property leases contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension operations 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	Exchange differences	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2025	
Building	242.52	-	-	-	242.52	73.73	25.46	-	-	99.19	143.33
Plant and machinery	402.41	-	(64.05)	(1.40)	336.96	209.60	37.87	(49.46)	-	198.01	138.95
Total	644.93	-	(64.05)	(1.40)	579.48	283.33	63.33	(49.46)	-	297.20	282.28

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2024	As at April 01, 2023	Charge for the year	Disposals/ Transfer to PPE	Exchange differences	As at March 31, 2024	
Building	298.38	-	(55.86)	-	242.52	104.58	24.46	(55.11)	-	73.93	168.59
Plant and machinery	419.09	-	(16.68)	-	402.41	182.03	38.74	(11.16)	-	209.60	192.81
Total	717.47	-	(72.54)	-	644.93	286.61	63.20	(66.27)	-	283.53	361.40

a. Refer Note 4(c)

(ii) The following are the amounts recognized in the statement of profit and loss :

Particulars	March 31, 2025	March 31, 2024
Depreciation of right-of-use assets	63.33	63.20
Interest expense on lease liabilities	23.97	26.88
Expense relating to leases of low-value assets (included in other expenses)	0.75	1.84

(iii) Amount recognized in statement of cash flows

Particulars	March 31, 2025	March 31, 2024
Cash outflow for leases (principal and interest)	77.40	69.00

(iv) Lease liability

Particulars	March 31, 2025	March 31, 2024
Current	66.79	58.49
Non-current	225.45	288.90
Total	292.24	347.39

(v) Company's lease liabilities, by maturity, are as follows: (Maturity analysis- undiscounted lease payments)

Particulars	March 31, 2025	March 31, 2024
Less than one year	84.78	79.10
Between one and five years	207.78	245.45
After five years	70.99	114.74
Total minimum lease payments	363.55	439.29
Less: imputed interest	71.31	91.90
Present value of lease payments	292.24	347.39

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

5 Intangible assets

Particulars	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	57.57	4.43	-	62.00	36.68	5.77	-	42.45	19.55
Technical knowhow	27.28	-	-	27.28	20.97	3.22	-	24.19	3.09
Total	84.85	4.43	-	89.28	57.65	8.98	-	66.64	22.64

Particulars	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	48.55	9.02	-	57.57	31.46	5.22	-	36.68	20.89
Technical knowhow	29.30	0.40	(2.49)	27.28	16.08	4.89	-	20.97	6.31
Total	77.85	9.32	(2.49)	84.85	47.54	10.11	-	57.65	27.20

(a) Technical know-how comprise of capitalised product development costs being an internally generated intangible asset.

5A Intangible assets under development

Particulars	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 knowhow	0.00	0.40	-	0.40	0.40	-	(0.40)	-
Total	0.00	0.40	-	0.40	0.40	-	(0.40)	-

Note:

(a) Intangible assets under development mainly comprises of cost of software implementation under progress and cost incurred towards new products under development.

(b) During the year transfer of Technical knowhow from Intangible assets under development has been done to contract assets.

Ageing as of March 31, 2025

Particulars	Amount in intangible assets under				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

Ageing as of March 31, 2024

Particulars	Amount in intangible assets underdevelopment for a period of				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	0.40	-	-	-	0.40

(This space is intentionally left blank)

Notes to the Standalone Financial Statements*(All amounts are in INR millions, except share data, unless otherwise stated)***5B Capitalization of expenditure**

Following are the directly attributable costs which are capitalized. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	March 31, 2025	March 31, 2024
(i) Intangible assets		
Employee benefit expenses	-	2.21
Depreciation on computers*	-	-
Amortisation of Software	-	-
Repair & maintenance-others*	-	-
Others	-	0.74
	-	2.95
(ii) Intangible assets under development		
Employee benefit expenses*	-	0.31
Depreciation on computers*	-	0.08
Amortisation of Software*	-	-
Repair & maintenance-Computers*	-	-
Others	-	0.01
	-	0.40

*The amounts are below the rounding off norm adopted by the Company.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

Financial Assets

6 Investments in subsidiaries, associates and joint ventures

	As at March 31, 2025	As at March 31, 2024
(A) Investment in equity instruments of subsidiaries at cost, unquoted, fully paid-up		
55,009,249 (March 31, 2024: 55,009,249) equity shares of INR 10 each fully paid-up in Aerospace Manufacturing Holdings Private Limited. Refer Note (iii)	758.62	758.62
48,642,437 (March 31, 2024: 48,642,437) equity shares of INR 10 each fully paid-up in AeroStructures Manufacturing India Private Limited. Refer Note (i) &(ii)	1,915.39	1,894.63
10,840,000 (March 31, 2024: 10,840,000) equity shares of Euro 1 each fully paid-up in Aequs Aerospace BV. Refer note (ii) &(iii)	799.83	797.10
95% (March 31, 2024: 95%) common stock in Aequs Oil & Gas LLC. Refer note (ii) &(iii)	823.59	823.59
28,860,801 (March 31, 2024: 28,860,801) equity shares of INR 10 each fully paid-up in Aerostructures Assemblies India Private Limited. Refer note (i), (ii) &(iii)	241.88	238.61
176,615,317 (March 31, 2024: 176,615,317) equity shares of INR 10 each fully paid-up in Aequs Engineered Plastics Private Limited. Refer note (ii) &(iii)	1,904.80	1,905.80
85,474,802 (March 31, 2024: 65,371,852) equity shares of INR 10 each fully paid-up in Aequs Consumer Products Private Limited. Refer Note (i) &(ii)	3,520.26	2,289.44
125,959,799 (March 31, 2024: 115,959,799) equity shares of INR 10 each fully paid-up in Aequs Toys Private Limited. Refer note (i), (ii) &(iii)	1,485.12	1,355.45
Nil (March 31, 2024: 99) equity shares of INR 10 each fully paid-up in Aequs Material Management Private Limited. Refer Note (iii)*	-	0.00
157,545,087 (March 31, 2024: 152,545,087) equity shares of INR 10 each fully paid-up in Aequs Force Consumer Products Private Limited. Refer Note (i) &(iii)	1,387.58	1,336.48
(B) Investment in equity instruments of joint ventures at cost, unquoted, fully paid-up		
8,444,923 (March 31, 2024: 8,444,923) equity shares of INR 10 each fully paid-up in Aerospace Processing India Private Limited. Refer note (i) &(ii)	95.84	95.84
83,711,087 (March 31, 2024: 83,711,087) equity shares of INR 10 each fully paid-up in SQuAD Forging India Private Limited. Refer note (i), (ii) &(iii)	787.87	786.91
4,150,000 (March 31, 2024: 0) equity shares of INR 10 each fully paid-up in Aequs Cookware Private Limited. Refer note (i) &(ii)	105.95	-
(C) Other Investments at fair value through profit and loss		
20,325,300 (March 31, 2024: 20,325,300) Compulsorily Convertible Debentures (CCD) of INR 10 each in Aequs Force Consumer Products Private Limited. Refer note (iii)	207.32	207.32
Aggregate amount of unquoted investments	14,034.05	12,489.79
Aggregate amount of Impairment in value of investment. [Refer note 24]	(5,514.55)	(4,681.13)
Total Non-Current Investments	8,519.50	7,808.66
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	14,034.05	12,489.79
Aggregate amount of impairment in the value of investments	(5,514.55)	(4,681.13)
i. Investment in the following entities includes fair value of financial guarantee extended		
Aerostructures Manufacturing India Private Limited	190.16	169.68
Aerostructures Assemblies India Private Limited	9.05	6.35
SQuAD Forging India Private Limited	40.33	39.43
Aequs Force Consumer Products Private Limited	9.80	8.80
Aequs Consumer Products Private Limited	442.56	484.20
Koppal Toys Molding COE Private Limited	106.50	106.50
Aequs Toys Private Limited	102.22	72.84
Aerospace Processing India Private Limited	6.32	6.32
Aequs Cookware Private Limited	64.29	-
	971.23	894.12

Notes to the Standalone Financial Statements

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

	As at March 31, 2025	As at March 31, 2024
ii. Investment in the following entities includes ESOP cost cross charged:		
Aerostructures Manufacturing India Private Ltd	5.71	5.43
Aerostructures Assemblies India Private Limited	1.67	1.10
Aequs Aerospace BV	10.37	7.46
SQuAD Forging India Private Limited	1.32	1.16
Aerospace Processing India Private Limited*	-	0.00
Aequs Toys Private limited	1.56	1.05
Aequs Consumer Products Private Limited	6.49	4.05
Aequs Oil and Gas LLC	1.59	1.59
Aequs Engineered Plastics Private Limited	(0.36)	0.64
Aequs Cookware Private Limited	0.16	-
	28.51	22.48
iii. Breakup of total impairment		
Aequs Oil and Gas LLC	823.59	823.59
SQuAD Forging India Private Limited	234.39	234.39
Aerospace Manufacturing Holdings Private Limited (AMHPL)	758.62	758.62
Aequs Aerospace BV	795.02	795.02
Aequs Engineered Plastics Private Limited	969.52	969.53
Aequs Foundation*	-	0.00
Aequs Toys Private Limited	891.99	707.37
Aequs Force Consumer Products Private Limited	834.09	185.29
Aequs Force Consumer Products Private Limited - CCD	207.33	207.32
Aequs Material Management Private Limited*	-	0.00
	5,514.55	4,681.13

*Note: The amounts are below the rounding off norm adopted by the Company.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

	As at March 31, 2025	As at March 31, 2024					
7 (i) Current Investments							
Quoted							
Investment in mutual funds							
Investments in mutual funds	-	274.49					
	-	274.49					
Unquoted							
Investment in equity instruments (Fully paid up)							
- Aequs Foundation							
Nil (March 31, 2024: 2,000) equity shares of ₹ 10 each fully paid-up	0.00						
Less: Impairment on the value of investment*	(0.00)	-					
	-	-					
Total current investments	-	274.49					
Aggregate amount of quoted investments	-	274.49					
Aggregate amount of unquoted investments*	0.00	0.00					
Aggregate amount of impairment on the value of investments*	(0.00)	-					
(ii) Trade receivables (unsecured)							
Trade receivables from other than related parties (considered good)	153.94	89.87					
Receivables from related parties (considered good) (Refer note 32)	18.34	27.89					
Less: Loss allowance (refer note 27 for movement in loss allowance)	(0.84)	(0.02)					
Total trade receivables	171.44	117.74					
Ageing of Trade receivables as at March 31, 2025							
Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	109.80	51.16	1.14	7.91	2.27	-	172.28
Total	109.80	51.16	1.14	7.91	2.27	-	172.28
Less : Loss allowance	-	-	-	(0.84)	-	-	(0.84)
	109.80	51.16	1.14	7.07	2.27	-	171.44
Ageing of Trade receivables as at March 31, 2024							
Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables							
Considered good	73.05	41.55	1.00	2.16	-	-	117.76
Total	73.05	41.55	1.00	2.16	-	-	117.76
Less : Loss allowance	-	(0.02)	-	-	-	-	(0.02)
	73.05	41.53	1.00	2.16	-	-	117.74
*Note: The amounts are below the rounding off norm adopted by the Company.							
(iii) Cash and cash equivalents							
Balances with banks:							
- In current accounts	2.30						4.31
- Deposits with original maturity of less than 3 months	165.94						298.58
Cash on hand	0.01						0.01
	168.25						302.90
(iv) Bank balances other than above (Refer note below)							
Margin money deposits *	-						0.25
Deposits with original maturity of more than three months but less than 12 months	0.11						1,596.04
	0.11						1,596.29

Note:

*Margin money deposits are towards guarantees extended by banks.

Notes to the Standalone Financial Statements

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

	As at March 31, 2025	As at March 31, 2024
7 (v) Loans		
Non-current (unsecured)		
Loan to related party (refer note 32)	-	8.28
Less: Loss allowance	-	(8.28)
	-	-
Current (unsecured)		
Loan to related party (refer note 32)	1,617.97	981.88
Less: Loss allowance	(1,094.97)	(981.88)
	523.00	-
Break up of loans		
Loans considered good- unsecured	523.00	-
Loans- credit impaired	1,094.97	990.16
Total	1,617.97	990.16
Less: Loss allowance	(1,094.97)	(990.16)
Total loans	523.00	-
Following loans were granted to related parties which are repayable on demand:		
Aggregate of loans/advances in nature of loan repayable on demand*	523.00	-
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of repayment	-	-
Percentage of loans/advances in nature of loan to the total loans	32.32%	-
*Note: The amounts are below the rounding off norm adopted by the Company.		
	As at March 31, 2025	As at March 31, 2024
(vi) Other financial assets		
(Unsecured, considered good unless otherwise specified)		
Non current		
Security deposits	25.22	24.10
	25.22	24.10
Current		
Recoverable from related parties (Refer note 32)	72.92	105.33
Deferred consideration receivable	2.13	2.18
	75.05	107.51
Less: Expected credit loss	(17.79)	(26.29)
	57.26	81.22
Expected credit loss includes		
Expected credit loss for recoverable from related party	(17.79)	(26.29)
Total	(17.79)	(26.29)
7A	As at March 31, 2025	As at March 31, 2024
Contract assets and contract liabilities		
Contract assets - Current	3.64	2.71
	3.64	2.71
Contract liabilities- Current		
Advance from customers	0.41	1.01
Unearned revenue*	53.35	0.00
	53.76	1.01
*Note: The amounts are below the rounding off norm adopted by the Company.		
8 Other assets		
Non current		
Capital advances	-	1.74
Prepaid expenses	6.61	5.91
Balance with statutory authorities	0.11	0.11
	6.72	7.76
Current		
Advance to suppliers	55.56	32.25
Advances to employees	0.13	0.01
Prepaid expenses	46.82	13.26
Sundry advances	0.01	0.01
	102.52	45.53

	As at March 31, 2025	As at March 31, 2024
9 Inventories		
Raw materials [(Including goods in transit: INR 27.52 (March 31, 2024: INR 13.15)]	174.90	94.05
Work-in-progress	163.71	139.03
Finished goods	39.67	58.83
Stores and spares(including packing material) [includes goods in transit: INR 0.37(March 31, 2024: INR 8.54)]	30.88	38.01
	409.16	329.92
Less: Provision for slow moving inventory	(36.42)	(27.57)
	372.74	302.35
Note:		
a. For lien/charge against inventories refer note no. 37.		
b. Write- down of inventories to net realizable value amounted to INR 20.21 (March 31, 2024: INR 24.14). These were recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in Statement of profit and loss.		
c. Provision for slow moving inventory includes provision in respect of:		
Raw materials	(9.47)	(7.16)
Work-in-progress	(8.83)	(4.58)
Stores and spares	(18.12)	(15.83)
	(36.42)	(27.57)

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

10 Equity share capital

Authorised

Equity shares of INR10 each

Issued, subscribed and fully paid up

Equity shares of INR10 each

As at March 31, 2025		As at March 31, 2024	
No. of shares	Amount	No. of shares	Amount
605,729,934	6,057.30	431,460,000	4,314.60
605,729,934	6,057.30	431,460,000	4,314.60
581,828,940	5,818.29	424,759,003	4,247.59
581,828,940	5,818.29	424,759,003	4,247.59

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

Equity share capital

At the beginning of the year

Increase during the year

Outstanding at the end of the year

As at March 31, 2025		As at March 31, 2024	
No. of shares	Amount	No. of shares	Amount
431,460,000	4,314.60	431,460,000	4,314.60
174,269,934	1,742.70	-	-
605,729,934	6,057.30	431,460,000	4,314.60

(ii) Reconciliation of the number of shares Issued, subscribed and fully paid up and amount outstanding at the beginning and at the end of the reporting year:

	March 31, 2025		March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	424,759,003	4,247.59	424,758,026	4,247.58
Add: Shares issued for cash	-	-	977	0.01
Add: Shares allotted through the conversion of Compulsorily Convertible Preference Shares	157,069,937	1,570.70	-	-
Outstanding at the end of the year	581,828,940	5,818.29	424,759,003	4,247.59

During the year ended March 31, 2024 the Company issued 200 equity shares of ₹ 10 each fully paid up at premium of ₹ 12.40 per share and 777 equity shares of ₹ 10 each fully paid up at premium of ₹ 21.56 per share (March 31, 2023: 150 equity shares of ₹ 10 each fully paid up at premium of ₹ 12.40).

During the year ended March 31, 2025 the Company has converted 407,115,771 (March 31, 2024: Nil) Compulsorily Convertible Preference Shares (CCPS) into 157,069,937 (March 31, 2024: Nil) equity shares of INR 10 each fully paid up. Of the above, 46,818,017 equity shares issued at premium of INR 19.48 and 110,251,920 equity shares at premium of INR 30.63 (March 31, 2024: Nil) per share.

(iii) Terms and rights attached to equity shares

a. The Company has only one class of equity shares having par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b. In the event of liquidation of the Company, equity share holders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. The issued, subscribed and, fully paid-up equity share capital includes March 31, 2025: nil (March 31, 2024: 977.00) equity shares of ₹ 10 each fully paid up issued during the year to private equity investors who carry certain exit rights as per clause 8 of Shareholders Agreement dated March 24, 2023, October 12, 2023 and May, 12, 2025. As on 31 March 2025, 1,127 (March 31, 2024: 1,127) shares are held by these investors.

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

	No. of shares	% holding
As at March 31, 2025		
Aequs Manufacturing Investments Private Limited	272,189,936	46.78%
Melligeri Private Family Foundation	106,261,570	18.26%
Amansa Investments Ltd	48,235,541	8.29%
As at March 31, 2024		
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%
Melligeri Private Family Foundation	114,431,505	26.94%

(v) Details of shareholding of Promoters

As at March 31, 2025

Name of the Promoters	No. of shares	% of total number of shares	% of change during the year
Aequs Manufacturing Investments Private Limited	272,189,936	46.78%	-15.33%
Melligeri Private Family Foundation	106,261,570	18.26%	-8.68%
Aravind Melligeri	1,000,000	0.17%	0.05%

As at March 31, 2024

Name of the Promoters	No. of shares	% of total number of shares	% change during the year
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%	0.00%
Melligeri Private Family Foundation	114,431,505	26.94%	0.00%
Aravind Melligeri	500,000	0.12%	0.00%

Notes to the Standalone Financial Statements

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

(vi) Aggregate number of shares issued for consideration other than cash

	As at March 31, 2025	As at March 31, 2024
	Number of equity shares	
Shares issued as consideration for acquisition of investments	-	-
Shares allotted through the conversion of Compulsorily Convertible Preference Shares (Refer note (ix) below)	157,069,937	-

(vii) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 10B.

ESOP Trust was created for the welfare and benefit of employees and directors of the Company. The Board of Directors has approved the employee stock option plan of the Company. On October 25, 2013, July 25, 2016, December 15, 2021 and December 22, 2021 the trust purchased 5,500,000, 2,900,000, 3,000,000 and 3,000,000 equity shares respectively of the Company using the proceeds from interest free loan of INR 235.00 obtained from the Company.

(viii) There are no instances of shares allotted as fully paid by way of bonus shares and shares bought back during the period of five years immediately preceding the year end.

(ix) There are no shares which are reserved for issuance and there are no securities issued/ outstanding which are convertible into equity shares, except Compulsorily Convertible Preference Shares and ESOP.

10A Instruments entirely equity in nature

Preference Share Capital

Authorised

Compulsorily convertible preference shares of INR10 each

As at March 31, 2025		As at March 31, 2024	
No. of shares	Amount	No. of shares	Amount
408,900,000	4,089.00	408,900,000	4,089.00
408,900,000	4,089.00	408,900,000	4,089.00
-	-	407,115,771	4,071.16
-	-	407,115,771	4,071.16

Issued, subscribed and fully paid up

Compulsorily convertible preference shares of INR10 each

(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
Balance outstanding at the beginning of the year	408,900,000	4,089.00	160,000,000	1,600.00
Increase in preference shares during the year	-	-	248,900,000	2,489.00
Balance outstanding at the end of the year	408,900,000	4,089.00	408,900,000	4,089.00

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

	March 31, 2025		March 31, 2024	
	In Numbers	Amount	In Numbers	Amount
Balance outstanding at the beginning of the year	407,115,771	4,071.16	57,206,340	572.06
Add: Preferential issue during the year	-	-	349,909,431	3,499.09
Less: Converted into equity shares	(407,115,771)	(4,071.16)	-	-
Balance outstanding at the end of the year	-	-	407,115,771	4,071.16

(iii) Shareholders holding more than 5 % of the aggregate CCPS in the Company

Name of Holder	As at March 31, 2025			As at March 31, 2024		
	No. of CCPS	Value of CCPS	% holding	No. of CCPS	Value of CCPS	% holding
Amicus Capital Private Equity I LLP	-	-	-	51,966,240	519.66	12.76%
Amicus Capital Partners India Fund I	-	-	-	5,240,100	52.40	1.29%
Amicus Capital Partners India Fund II	-	-	-	66,007,260	660.07	16.21%
Catamaran Ekam AIF	-	-	-	47,528,416	475.28	11.67%
Steadview Capital Mauritius Limited	-	-	-	52,597,824	525.98	12.92%
Sparta Group LLC	-	-	-	40,557,366	405.57	9.96%
Amansa Investments Ltd	-	-	-	124,207,157	1,242.07	30.51%

(This space is intentionally left blank)

Notes to the Standalone Financial Statements*(All amounts are in INR millions, except share data, unless otherwise stated)***(iv) Terms and rights attached to Compulsorily Convertible Preference Shares**

As per the Shareholders Agreement ("SHA") dated March 24, 2023 and October 12, 2023 the Company is required to provide an exit to investors by way of Qualified IPO or through a sale to a financial investor by on or before January 31, 2026, the failure of which will provide the investor the right to require the Company and/or the Promoters to take reasonable efforts to provide an exit to Investors in any other manner. A successful Qualified IPO or sale to a financial investor is not in control of the company, hence it does not have unconditional right to defer the settlement of CCPS beyond January 31, 2026. During the financial year 2023-24, a Supplementary letter was signed with investors to clarify that the exit mentioned in the SHA does not entail any obligation on the Company.

As per the SHA, the Conversion Ratio shall be calculated based on EBITDA of the Company and its Subsidiaries on a consolidated basis achieved in FY 2023-2024 ("FY24 EBITDA") as per the formula defined in Shareholder's agreement. Since, the Conversion ratio was fixed in the financial year 2023-24, it met the criteria to be classified as a equity instrument for previous financial year 2023-24. During the current financial year, the Company has converted all outstanding Compulsorily Convertible Preference Shares(CCPS) into equity shares.

(A) CCPS (Round 1)

(i) As per the shareholders agreement dated March 24, 2023, the Company has issued first tranche Cumulative Compulsorily Convertible Preference Shares (CCPS) which were held by investors (i.e other than promoters). If declared by the Board, each holder of such CCPS, shall be entitled to receive a preferential cumulative dividend at the rate of 0.1% per annum. Each CCPS holder would be entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on As If Converted Basis.

(ii) CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events:-

- (a) Listing of the Equity Shares of the Company under a QIPO (as defined in the SHA) or IPO (as defined in the SHA) ("Public Offering"); or
- (b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment

(iii) The investors are entitled to convert all or part of the CCPS into equity shares any time prior to the expiry of 19 years and 11 months from the date of issuance and allotment or an Initial Public Offering.

(iv) The Investors shall be entitled to attend all general meetings of the Company and vote thereat along with the Shareholders. The voting rights of investors shall be determined on an As If Converted Basis determined as per the applicable Conversion Ratio at such time.

(v) As per the SHA, the Conversion Ratio shall be calculated based on EBITDA of the Company and its Subsidiaries on a consolidated basis achieved in FY 2023-2024 ("FY24 EBITDA") as per the formula defined in Shareholder's agreement.

During the current financial year, the Company has converted all outstanding Compulsorily Convertible Preference Shares(CCPS) into equity shares upon finalisations of conversion ratio based on EBITDA of financial year 2023-24. Accordingly, the CCPS has been reclassified from "Instrument entirely Equity in nature" to Equity Shares" in current financial year.

(B) Series B CCPS (Round 2)

(i) As per the shareholders agreement dated October 12, 2023, the Company has further issued second tranche Cumulative Compulsorily Convertible Preference Shares (CCPS) which were held by investors (i.e other than promoters). If declared by the Board, each holder of such CCPS, shall be entitled to receive a preferential cumulative dividend at the rate of 0.1% per annum. Each CCPS holder would be entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on As If Converted Basis.

(ii) CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events:-

- (a) Listing of the Equity Shares of the Company under a QIPO (as defined in the SHA) or IPO (as defined in the SHA) ("Public Offering"); or
- (b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment

(iii) The investors are entitled to convert all or part of the CCPS into equity shares any time prior to the expiry of 19 years and 11 months from the date of issuance and allotment or an Initial Public Offering.

(iv) The Investors shall be entitled to attend all general meetings of the Company and vote thereat along with the Shareholders. The voting rights of investors shall be determined on an As If Converted Basis determined as per the applicable Conversion Ratio at such time.

(v) As per the SHA, the Conversion Ratio shall be calculated based on EBITDA of the Company and its Subsidiaries on a consolidated basis achieved in FY 2023-2024 ("FY24 EBITDA") as per the formula defined in Shareholder's agreement.

During the current financial year, the Company has converted all outstanding Compulsorily Convertible Preference Shares(CCPS) into equity shares upon finalisations of conversion ratio based on EBITDA of financial year 2023-24. Accordingly, the CCPS has been reclassified from "Instrument entirely Equity in nature" to Equity Shares" in current financial year.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

11 Other equity

	As at March 31, 2025	As at March 31, 2024
(i) Retained Earnings	(6,375.00)	(5,641.14)
(ii) Securities premium reserve	9,806.79	7,306.33
(iii) Share options outstanding account	65.98	55.58
(iv) Treasury shares	(241.99)	(265.09)
(v) Other reserves	21.31	17.18
	3,277.09	1,472.86

Nature and purpose of reserves**a. Retained Earnings**

The cumulative gain or loss arising from the operations which is retained by the entity is recognised and accumulated under the heading of retained earnings. At the end of the year, the total profit / loss is transferred from the statement of profit and loss to retained earnings.

b. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act. During the year, the Company has utilized INR Nil (March 31, 2024: INR 168.42) for share issue expenses.

c. Share option outstanding

The share options outstanding account is used to recognise the fair value of options issued to employees under Aequs Stock Option Plan. Refer note 10B.

d. Treasury shares

This represents own equity shares held by its ESOP Trust, which are recognized at cost and disclosed as a deduction from equity.

e. Other reserves

Other reserves includes fair value of financial guarantee and any other adjustments as may be required under Ind AS.

A. Reserves and surplus

	As at March 31, 2025	As at March 31, 2024
(i) Retained earnings		
Opening balance	(5,641.14)	(4,345.82)
Net profit/(loss) for the year	(740.78)	(1,303.09)
Transfer of reserve relating to lapse of vested option	1.90	9.64
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurement of post employment benefit obligations	5.02	(1.87)
Closing balance	(6,375.00)	(5,641.14)
(ii) Securities premium reserve		
Opening balance	7,306.33	5,685.92
Add: Issue of equity share on conversion of CCPS	2,500.46	1,788.83
Less: Utilisation towards share issue expenses	-	(168.42)
Closing balance	9,806.79	7,306.33
(iii) Share options outstanding account		
Opening balance	55.58	49.75
Employee stock option expense (Refer note 19)	12.30	14.96
Transfer of reserve relating to lapse of vested option to retained earnings	(1.90)	(9.13)
Closing balance	65.98	55.58
(iv) Treasury Shares		
Opening Balance	(265.09)	(265.09)
Additions during the year	-	0.00
Shares issued/ (purchases) by ESOP Trust during the year	23.10	-
Closing balance	(241.99)	(265.09)
(v) Other Reserves		
Opening Balance	17.18	13.28
Financial guarantee received during the year	4.50	4.50
ESOP expenses cross charged to other group entities	(0.37)	(0.60)
Closing balance	21.31	17.18

10B. Stock option plan

Aequus Limited (formerly known as Aequus Private Limited) granted stock options to the employees/directors of the Company and its operating subsidiaries and other group entities.

The Company provides share-based payment schemes to its employees. During the year ended March 31, 2025 four stock option plans (ESOP) viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. ESOP scheme is administered through an ESOP trust called as "Aequus Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. Vesting under each of these schemes is subject to satisfaction of the prescribed vesting conditions viz., continuing employment of 5 years, employee performance and certain performance conditions. These vesting conditions vary depending on the role and seniority of the employees. The relevant details of the schemes and the grants are listed separately as below :

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

	March 31, 2025	March 31, 2024
Fair value at grant date	13.76- 15.38	Not applicable
Share price at grant date	30.60	
Exercise price	30.60	
Expected volatility (weighted-average)	16.38- 17.22%	
Expected life (weighted-average) (years)	8.50-9.50	
Expected dividends	0%	
Risk-free interest rate (based on government securities)	6.63 - 7.03%	

ESOP Scheme 2013

On July 4, 2013, the Board of Directors approved the equity settled ESOP scheme 2013 for issue of stock options to the key employees and directors of the Company and its subsidiaries, joint ventures and associates. According to the ESOP scheme 2013, the employee selected by the ESOP committee from time to time will be entitled to 20,000 to 500,000 options, subject to satisfaction of the prescribed vesting conditions viz., continuing employment of 5 years, employee performance and certain performance conditions. The weighted average remaining contractual life is 8.74 years (March 31, 2024 : 7.98 years). The other relevant terms of the grant are as below:

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

		March 31, 2025		March 31, 2024	
Particulars	Exercise price range	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	10 - 32	3,671,063	18.83	3,834,813	18.61
Add:					
Options granted during the year	10 - 32	500,000	30.60	-	-
Less:					
Options exercised during the year	10 - 32	(677,672)	13.24	-	-
Options forfeited during the year	10 - 32	(303,000)	17.26	(163,750)	17.58
Options outstanding at the end of year	10 - 32	3,190,391	22.01	3,671,063	18.66
Option exercisable at the end of year		1,720,391		2,363,563	

ESOP Scheme 2016

The Board of Directors approved the Employee Share Option Plan 2016 structured to reward employees. Accordingly, AL, created 2,900,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 9.16 years (March 31, 2024 : 9.80 years).

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

		March 31, 2025		March 31, 2024	
Particulars	Exercise Price	Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	24 - 40	1,930,414	30.29	2,542,227	28.24
Add:					
Options granted during the year	24 - 40	425,000	30.60	-	-
Less:					
Options exercised during the year	24 - 40	(222,046)	26.97	(10,000)	23.78
Options forfeited during the year	24 - 40	-	-	(601,813)	26.89
Options outstanding at the end of year	24 - 40	2,133,368	29.25	1,930,414	28.93
Option exercisable at the end of year		1,148,368		1,065,914	

ESOP Scheme 2020

The Board of Directors approved the Employee Share Option Plan 2020 structured to reward employees. Accordingly, AL, created 3,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 12.88 years (March 31, 2024 : 12.96 years).

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

Particulars	Exercise Price	March 31, 2025		March 31, 2024	
		Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	1,750,000	26.10	3,000,000	26.10
Add:					
Options granted during the year	26 - 31	1,215,000	30.60	-	-
Less:					
Options exercised during the year	26 - 31	(150,000)	26.10	-	-
Options forfeited during the year	26 - 31	(150,000)	30.60	(1,250,000)	26.10
Options outstanding at the end of year	26 - 31	2,665,000	27.90	1,750,000	26.10
Option exercisable at the end of year		150,000		175,000	

ESOP Scheme 2022

The Board of Directors approved the Employee Share Option Plan 2022 structured to reward employees. Accordingly, APL, created 6,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme, subject to satisfaction of the prescribed vesting conditions specified in the grant letter viz., service condition, employee performance and certain performance conditions. The weighted average remaining contractual life is 12.87 years (March 31, 2024 : 13.10 years)

The details of activity under the ESOP scheme 2022 are summarised below :

Particulars	Exercise Price	March 31, 2025		March 31, 2024	
		Number	Weighted average exercise price	Number	Weighted average exercise price
Options outstanding at beginning of year	26 - 31	1,895,000	26.42	2,045,000	26.54
Add:					
Options granted during the year	26 - 31	903,821	30.60	-	-
Less:					
Options exercised during the year	26 - 31	(124,000)	26.10	-	-
Options forfeited during the year	26 - 31	(188,000)	27.27	(150,000)	28.02
Options outstanding at the end of year	26 - 31	2,486,821	27.89	1,895,000	26.42
Option exercisable at the end of year		425,000		201,500	

(This space is intentionally left blank)

	As at March 31, 2025	As at March 31, 2024
12 Provision for employee benefits		
Non-Current		
Provision for Gratuity	19.68	27.84
	19.68	27.84
Current		
Provision for Gratuity	-	0.75
Provision for Leave obligations	8.58	13.91
	8.58	14.66

(i) Leave obligations

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

The amount of the provision of INR 8.58 (March 31, 2024: INR 13.91) is presented as current. 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	6.95	3.31
--	------	------

(ii) Defined contribution plans

The Company has defined contribution plans in the form of provident fund and Employees' State Insurance (ESI) for qualifying employees. The 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 INR 5.42 (March 31, 2024 : INR 5.25).

(iii) Defined benefit obligations**Gratuity**

The Company provides for gratuity for employees in India as per Payment of Gratuity Act, 1972. 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 a funded plan and the Company makes contribution to recognised fund in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of expected gratuity payment.

(a) Total expenses recognised in the statement of profit and loss account (note 19)	March 31, 2025	March 31, 2024
Current service cost	4.80	4.16
Interest on defined benefit obligation	2.03	1.75
Past service cost	-	-
Shared service cost recovered	-	(1.98)
Total amount recognised in statement of profit or loss (A)	6.83	3.93
(b) Amounts recognised in other comprehensive income		
Actuarial (Gains)/losses arising from changes in		
- return on plan assets	0.02	(0.01)
- demographic assumptions	0.82	1.45
- financial assumptions	0.53	0.81
- experience adjustments	(6.39)	(0.39)
Total amount recognised in other comprehensive income (B)	(5.02)	1.87
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	1.81	5.80

(This space is intentionally left blank)

12 Provision for employee benefits (Continued)

(c) Changes in the defined benefit obligation during the year	March 31, 2025	March 31, 2024
Obligations at the beginning of the year	30.00	25.09
Current service cost	4.80	4.16
Interest cost	2.03	1.79
Benefits paid	(0.69)	(1.93)
Settlements*	(10.03)	(0.98)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	0.82	1.45
- arising from changes in financial assumptions.	0.53	0.81
- arising from changes in experience adjustments.*	(6.39)	(0.39)
Defined benefit obligation as of current year end	21.07	30.00
*On account of business combination or intra-group transfer		
(d) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	0.91	0.48
Expected return on plan assets	0.07	0.04
Contributions	0.69	2.32
Benefit payments from plan assets	(0.69)	(1.93)
Actuarial gain/(Loss) on plan assets	(0.02)	0.01
Fair value of plan assets at the end of the year	0.96	0.91
(e) Net (asset)/ liability:		
Present value of obligation	21.07	30.00
Less: Fair value of plan assets	(0.96)	(0.91)
Defined benefit liability/(asset)	20.11	29.09
(f) Classification		
Non current liability	19.68	27.84
Current liability	-	0.75
Total	19.68	28.59
(g) Investment details of plan assets		
Pooled asset with an insurance Company	0.96	0.91
Total	0.96	0.91
(h) Actual return on plan assets*	0.05	0.04
(i) Expected contribution in next year	0.64	1.67
(j) Significant estimates: Actuarial assumptions		
The significant actuarial assumptions are as follows:		
Discount rate per annum	7.00%	7.20%
Salary escalation rate per annum	10.00%	10.00%
Other actuarial assumptions		
Expected return on plan assets	7%	1%
Attrition rate	0.00%-7.00% on a graduated scale.	2.00%-11.00% on a graduated scale.
Retirement age	58	58

*The amounts are below the rounding off norm adopted by the Company.

Assumptions regarding mortality are based on published rates under the Indian Assured Lives Mortality (2012-14) table.

(This space is intentionally left blank)

12 Provision for employee benefits (Continued)**Sensitivity analysis**

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

Changes in assumption	March 31, 2025	March 31, 2024
Discount rate		
Defined benefit obligation (DBO) on decrease in 50 bps	22.53	31.72
Discount rate -50 basis points impact (%)	6.65%	5.75%
Defined benefit obligation (DBO) on increase in 50 bps	19.84	28.41
Discount rate +50 basis points impact (%)	-6.11%	-5.30%
Salary increase rate		
Defined benefit obligation (DBO) on decrease in 50 bps	19.94	28.63
Impact of decrease in 50 bps on DBO	-5.61%	-4.57%
Defined benefit obligation (DBO) on increase in 50 bps	22.41	31.45
Impact of increase in 50 bps on DBO	6.05%	4.85%

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 is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

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]	March 31, 2025	March 31, 2024
Less than one year	0.64	1.67
Between one and five year	5.03	6.97
After five year	53.41	69.26

The weighted average duration of defined benefit obligation is 12.74 years as of March 31, 2025 (March 31, 2024: 11.03 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.

	As at March 31, 2025	As at March 31, 2024
13 Financial liabilities		
(i) Borrowings		
Non current:		
Term loans from banks (Rupee loan secured)	-	11.18
	-	11.18
Non-current borrowings (as per balance sheet)*		
Less: Interest accrued but not due on borrowings		(1.25)
Less: Current maturities of term loans from banks (Rupee loan secured)	-	(9.93)
	-	-
Current:		
Working capital facilities from banks (secured)	223.59	218.70
Current maturities of term loans from banks (Rupee loan secured)	-	9.93
Interest accrued but not due on borrowings	0.97	1.25
	224.56	229.88

*The amounts are below the rounding off norm adopted by the Company.

Refer Note 34 for net debt reconciliation

Refer Note 37 for the carrying amounts of financial and non financial assets pledged as security for current and non current borrowings

1. Emergency Credit Line Guarantee Scheme (ECLGS) Loan - INR Loan

Guaranteed Emergency Credit Line in the form of Indian rupee Term Loan from bank carries interest at 8.25%+Spread, i.e. 9.25% as on October 31, 2024 p.a. and repayable in 36 monthly installments after a moratorium of 12 months. Loan is secured by an extension of second ranking charge over existing primary & collateral securities including mortgages created in favour of the Bank, personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer and corporate guarantee given by Aequs SEZ Private Limited. This loan facility was closed during the current year.

2. Working capital facility from banks

Working capital facilities includes Cash Credit (CC), Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC). Working capital facilities are secured primarily by hypothecation of stock meant for export and book debts; further collaterally secured by charge on existing unincumbered plant and machinery and parcel of land owned by Aequs SEZ Private Limited, corporate guarantee provided by Aequs SEZ Private Limited and personal guarantee provided by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer. Working capital facilities are repayable on demand. CC carry interest rates of T-Bill 3 Months 7.08% + Spread 2.16% = 9.24% p.a., PCFC carries an interest of Term SOFR + 200 bps. Loan outstanding as at March 31, 2025 towards cash credit, EPC and PCFC facilities are ₹ 71.92 million, ₹ nil and ₹ 151.67 million respectively.

3. There are no Loans from a related parties during the period.

4. Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account:

Inventories March 31, 2025

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	HDFC Bank	Inventories	306.55	306.55	-	Refer Note (a) below
Sep-24	HDFC Bank		319.00	319.00	-	
Dec-24	HDFC Bank		390.00	390.00	-	
Mar-25	HDFC Bank		372.74	378.00	(5.26)	

(a) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

Inventories March 31, 2024

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-23	HDFC Bank	Inventories	229.69	261.11	(31.42)	Refer Note (a) & (b) below
Sep-23	HDFC Bank		243.00	275.10	(32.10)	
Dec-23	HDFC Bank		265.42	296.05	(30.63)	
Mar-24	HDFC Bank		302.00	312.00	(10.00)	

Notes:

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

(b) Valuation related adjustments and provision for slow moving inventory recorded after submission of data to the bank.

Trade Receivables March 31, 2025

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	HDFC Bank	Trade receivables	136.00	136.00	-	Refer Note (a) below
Sep-24	HDFC Bank		177.00	177.00	-	
Dec-24	HDFC Bank		187.00	187.00	-	
Mar-25	HDFC Bank		171.44	172.00	(0.56)	

(a) Amount reported quarterly to bank is excluding the inter-company receivables, unrealised gain or loss balance, advance from scrap receivables and provision for doubtful debts.

Trade Receivables March 31, 2024

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	HDFC Bank	Trade receivables	114.00	64.02	49.98	Refer Note (a) below
Sep-23	HDFC Bank		117.00	66.65	50.35	
Dec-23	HDFC Bank		103.96	82.99	20.97	
Mar-24	HDFC Bank		118.00	86.00	32.00	

(a) Amount reported quarterly to bank is excluding the inter-company receivables, unrealised gain or loss balance, advance from scrap receivables and provision for doubtful debts.

(This space is intentionally left blank)

13 Financial liabilities (Continued)

	As at March 31, 2025	As at March 31, 2024
(ii) Trade payables		
Current:		
Trade payables		
Dues to micro and small enterprises (Refer note 38)	7.59	3.00
	7.59	3.00
Due to other than micro and small enterprises		
- Other trade payables	218.30	163.14
- Dues to related parties (Refer note 32)	10.36	21.76
	228.66	184.90
	236.25	187.90

Aging of Trade payables as at March 31, 2025

Particulars	Outstanding for following periods from transaction date					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years*	More than 3 years*	
(i) Undisputed dues -MSME	3.31	4.28	-	-	-	7.59
(ii) Undisputed dues -Others	19.52	83.56	1.92	1.24	0.13	106.38
(iii) Unbilled	122.28	-	-	-	-	122.28
Total	145.12	87.84	1.92	1.24	0.13	236.25

Aging of Trade payables as at March 31, 2024

Particulars	Outstanding for following periods from transaction date					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years*	More than 3 years*	
(i) Undisputed dues -MSME						-
(ii) Undisputed dues -Others	1.17	93.68	1.25	0.00	0.13	96.23
(iii) Unbilled	91.67	-	-	-	-	91.67
Total	92.84	93.68	1.25	0.00	0.13	187.90

*The amounts are below the rounding off norm adopted by the Company.

(iii) Other financial liabilities**Non current:**

Guarantee liability (Refer note 32)

Current:

Capital creditors

Guarantee liability (Refer note 32)

Employees related liability

Payable to related parties

	As at March 31, 2025	As at March 31, 2024
	464.25	492.45
	464.25	492.45
	2.86	2.02
	92.98	109.02
	19.75	23.01
	1.43	0.79
	117.02	134.84

14 Other liabilities**Current:**

Statutory dues payable

	2.86	9.27
	2.86	9.27

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

amounts are in thousands, are approximate and, unless otherwise stated,

	Year ended March 31, 2025	Year ended March 31, 2024		
15 Revenue from operations				
Revenue from contracts with customers				
Sale of manufactured goods	881.09	667.26		
Sale of services	30.56	59.20		
	911.65	726.46		
Other operating income				
Sale of scrap	10.74	15.96		
	10.74	15.96		
	922.39	742.42		
Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date	53.35	-		
Note:				
a. There were no adjustments to the contract price.				
b. Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days. These include unbilled receivables which primarily relate to the Group’s rights to consideration for work completed but not billed at the reporting date.				
c. Revenues from major customers is as follows:				
Customer	As at March 31, 2025		As at March 31, 2024	
	Revenue	% of total revenue	Revenue	% of total revenue
Customer 1	345.44	37.32%	273.77	36.88%
Customer 2	184.56	19.94%	146.27	19.70%
16 Other Income				
Liabilities no longer required written back	0.23	1.83		
Net gain on disposal of property, plant and equipment	0.01	-		
Interest income	16.08	151.60		
Gain on mutual funds	23.44	-		
Unwinding of discount on security deposit	1.12	1.05		
Financial guarantee income	121.98	127.82		
Exchange difference (other than borrowings)	32.86	8.26		
	195.72	290.56		
17 Cost of materials consumed				
Raw material consumed				
Opening stock	94.05	65.94		
Less: Movement in provision for slow moving inventory	(7.16)	(3.29)		
Add: Purchases during the year	434.38	302.72		
Less: Closing stock	174.90	94.05		
Less: Movement in provision for slow moving inventory	(9.47)	(7.16)		
Cost of raw materials consumed	355.84	278.48		
18 Change in inventories of work-in-progress and finished goods				
Inventory at the end of the year (a)				
Work-in-progress	163.71	139.03		
Finished goods	39.67	58.83		
	203.38	197.86		
Inventory at the beginning of the year (b)				
Work-in-progress	139.03	102.41		
Finished goods	58.83	62.91		
	197.86	165.32		
Less: Movement in provision for slow moving inventory (c)	4.90	(3.17)		
Change in inventories of work -in-progress and finished goods (a-b-c)	(0.62)	(35.71)		
19 Employee benefit expenses				
Salaries, wages and bonus	115.25	93.62		
Contribution to provident and other funds	5.42	5.25		
Employee stock option expense (Refer note 10B and note 32)	5.05	13.87		
Leave compensation	(4.58)	1.90		
Gratuity (Refer note 12)	6.83	3.93		
Staff welfare expenses	10.36	10.35		
	138.33	128.92		

Notes to the Standalone Financial Statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
20 Depreciation and amortisation expense		
Depreciation of property, plant and equipment *	29.81	36.19
Depreciation on right to use assets ***	63.33	64.18
Amortisation of intangible assets **	8.98	10.11
	102.12	110.48
* Refer Note 4 for further details on property, plant and equipment		
** Refer Note 5 for further details on intangible assets		
*** Refer Note 4A for further details on right-of-use assets		
21 Other expenses		
Consumption of stores and spare parts	76.25	58.04
Subcontracting expenses	81.29	66.80
Insurance	9.83	6.62
Power and fuel	28.20	33.71
Repair and maintenance		
Machinery	17.81	16.83
Building	0.34	1.18
Others	50.14	40.29
Legal and professional fees	17.48	15.82
Management fee	-	4.09
Payment to auditors [refer note (ii) below]	2.00	2.04
Rental charges	0.75	1.84
Printing and stationery	1.32	1.32
Freight & forwarding	9.35	2.99
Rates and taxes	10.06	5.28
Travelling and conveyance	11.18	4.12
Communication	6.26	5.93
Advertising and sales promotion	12.88	9.25
Bank charges	11.85	8.84
Miscellaneous expenses	2.58	3.03
	349.57	288.02
Note		
(i) Rental charges includes an amount of INR 0.75 (March 31,2024: INR 1.84) towards lease payments of low value assets		
(ii) Payments to auditors		
As auditor:		
-Audit fee	2.00	2.00
-Tax audit fee*	-	0.00
-Out of pocket expenses*	-	0.00
In other capacity:		
-Other services(Certification fees)*	-	0.00
	2.00	2.00
*The amounts are below the rounding off norm adopted by the Company.		
22 Finance cost		
Interest expense on working capital borrowings	16.95	16.62
Interest expense on term loan	0.24	1.71
Interest expense -others	0.77	11.70
Loan processing charges	-	0.01
Interest expense on lease liabilities	23.97	26.88
Financial guarantee expense (Refer note 32)	5.08	6.21
Exchange differences (on borrowings)	5.63	4.54
	52.64	67.67
23 Corporate social responsibility ("CSR")		

The Company qualifies under Section 135 of the Companies Act, 2013. However, based on the applicable financial thresholds, it does not require to make any CSR contribution. Hence, the detailed disclosure on CSR is not required to be disclosed.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
24 Exceptional items		
Impairment loss on investment in subsidiaries [(Refer note (i))]	833.42	1,271.45
Impairment loss / (gain) on receivable from related parties [(Refer note (ii))]	(8.50)	0.55
Impairment loss on loans receivable from related parties including interest accrued thereon [(Refer note (iii))]	-	223.53
	824.92	1,495.53

Note:

(i) The Company had recognized impairment loss on investment in the following entities considering diminution in value of respective investments during the year.

	March 31, 2025	March 31, 2024
Aerospace Manufacturing Holdings Private Limited (AMHPL)	-	113.12
Aequus Engineered Plastics Private Limited (AEPPL)	-	74.44
Aerostructures Assemblies India Private Limited (Reversal)	-	(16.29)
Aequus Toys Private Limited	184.62	707.57
Aequus Material Management Private Limited*	-	0.00
Aequus Force Consumer Products Private Limited	648.80	185.29
Aequus Foundation*	-	0.00
Aequus Force Consumer Products Private Limited-CCD investment	-	207.32
	833.42	1,271.45

*The amounts are below the rounding off norm adopted by the Company.

(ii) Given the uncertainty surrounding the realisation of amounts recoverable from Aerospace Manufacturing Holdings Private Limited (AMHPL), the Company had recognised an impairment loss of Nil (March 31, 2024: INR 0.55).

The Company has reversed an impairment loss of INR 8.50 previously recognised against its receivables in Aequus End Solutions Private Limited upon actual recovery (March 31, 2024: ₹Nil).

(iii) The Company had impaired the loans receivable from following entities, along with interest accrued thereon, based on their future cashflow forecasts.

	March 31, 2025	March 31, 2024
Aequus Aerospace BV (AABV)	(0.83)	215.25
Aequus Rajas Extrusion Private Limited (AREPL)	0.83	8.28
	-	223.53

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

25 Tax expense

Particulars	March 31, 2025	March 31, 2024
Current tax		
Current tax on profits for the year	-	-
Total current tax expense (A)	-	-
Deferred tax		
Deferred tax expense for the period / year	35.27	2.00
Total deferred tax expense (B)	35.27	2.00
Income tax expense/ (benefit) (A+B)	35.27	2.00

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

Particulars	March 31, 2025	March 31, 2024
Tax Expenses under General provision of Income Tax		
Profit before income tax expense	(705.51)	(1,303.09)
Tax Rate	27.82%	27.82%
Tax at the above rate	(196.27)	(362.52)
Tax Impact due to permanent difference	32.24	1.60
Tax impact on income not chargeable to tax	(34.25)	-
Tax impact of unabsorbed depreciation on which no deferred tax has been recognized	-	(0.58)
Tax impact of business loss and other items on which no deferred tax has been recognized*	-	(42.27)
Deferred tax not recognised on the impairment of financial assets	233.55	405.77
Total tax expense/ (benefit)	35.27	2.00

Deferred tax:

The balance comprises tax effect on temporary differences attributable to:

Particulars	March 31, 2025	March 31, 2024
Deferred tax liabilities		
Depreciation and amortisation	(10.62)	9.43
Right of use asset	(39.78)	(100.43)
	(50.40)	(91.00)
Deferred tax assets		
Tax losses and unabsorbed depreciation	72.83	122.32
Lease liability	52.73	57.76
Provision for inventory obsolescence	10.13	7.79
Provisions allowed on payment basis and others	31.38	54.89
	167.07	242.76
Total - Deferred tax assets (net)	116.67	151.77

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

Tax expense (Continued)

(a) Movement in deferred tax liabilities

	Depreciation and amortisation	Right-of-use assets	Total
Balance at April 1, 2023	(65.54)	(23.74)	(89.28)
Recognised in profit or loss	74.97	(76.68)	(2.00)
Recognised in OCI	-	-	-
Balance at March 31, 2024	9.43	(100.43)	(91.00)
Balance at April 1, 2024	9.43	(100.43)	(91.00)
Recognised in profit or loss	(20.05)	60.65	40.60
Recognised in OCI	-	-	-
Balance at March 31, 2025	(10.62)	(39.78)	(50.40)

(b) Movement in deferred tax assets

	Tax losses carried forward	Lease liability	Inventories	Others	Total
Balance at April 1, 2023	141.87	-	-	101.09	242.96
Recognised in profit or loss	(19.55)	57.76	7.79	(46.20)	(0.20)
Recognised in OCI	-	-	-	-	-
Balance at March 31, 2024	122.32	57.76	7.79	54.89	242.76
Balance at April 1, 2024	122.32	57.76	7.79	54.89	242.76
Recognised in profit or loss	(49.49)	(5.03)	2.34	(23.51)	(75.68)
MAT credit utilisation	-	-	-	-	-
Recognised in OCI	-	-	-	-	-
Balance at March 31, 2025	72.83	52.73	10.13	31.38	167.07

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

	Year ended March 31, 2025	Expiry date	Year ended March 31, 2024	Expiry date
Expire	-	-	128.17	2029-30
Never expire	261.68	-	291.21	-

(a) Transfer pricing:

The Finance Act, 2001, has 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 a report 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 27.82% (March 31, 2024 : 27.82%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

(b) Deductible temporary differences for which no deferred tax asset has been recognised amounts to INR 0.00 (March 31, 2024 : INR 0.00). 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. This will be recognised when it is probable that sufficient taxable profit will be available against which it can be utilised by the Company.

(d) The Company has carried deferred tax asset on carried forward tax losses and unabsorbed depreciation as on the previous year (2023-24) on the basis of projections to the extent it is probable that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company.

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

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

26 Fair value measurement

Financial instruments by category

	Fair value hierarchy	Classification	As at March 31, 2025	As at March 31, 2024
Financial assets				
Loans	-	Amortised cost	523.00	-
Trade receivables	-	Amortised cost	171.44	117.74
Cash and cash equivalents and other bank balances	-	Amortised cost	168.25	302.90
Bank balances other than above	-	Amortised cost	0.11	1,596.29
Current investments	Level 1	FVTPL	-	274.49
Other financial assets	-	Amortised cost	82.48	105.32
Total financial assets			945.28	2,396.74
Financial liabilities				
Borrowings (including current maturities)	-	Amortised cost	224.56	229.88
Trade payables	-	Amortised cost	236.25	187.90
Lease liabilities	-	Amortised cost	292.24	347.39
Other financial liabilities	-	Amortised cost	581.27	627.29
Total financial liabilities			1,334.32	1,392.46

*For financial assets and financial liabilities that are measured at cost, the carrying amounts are equal to fair values.

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value.

(b) recognised and measured at amortised cost and for which fair values are disclosed in the standalone financial statements.

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

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

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

The lease liabilities are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Company's incremental borrowing rate is used.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to fair values.

(iii) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation technique. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

(iv) Investments

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

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

27 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the 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.	Aging analysis Credit ratings	Diversification of bank deposits, Customers credit analysis, monitoring of credit limits
Liquidity risk	Borrowings, security deposits received and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee.	Cash flow forecasting, sensitivity analysis.	Natural hedging for receivables and payables.
Market risk -Interest rate risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt

A. Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial instruments 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 the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company usually deals with creditworthiness of the 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) Deposits :

Deposits are classified under the A category having negligible or nil risk based on past history of defaults and reasonable forward looking information. Deposits comprises of mainly refundable security deposits made on buildings (leased premises) taken on 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 standalone 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) Investments :

It consists of investments with subsidiaries and its group companies. Management undertakes impairment assessment on an annual basis and based on the recoverable value of the investments, impairment if any, will be provided for.

4) Loans :Expected credit loss for loans - Year ended March 31, 2025

Particulars		Gross carrying value	Expected Probability of Default	Expected Credit loss	Carrying amount net of impairment provision
Loss allowance measured at Life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit impaired	1,094.97	100.00%	1,094.97	-

Expected credit loss for loans - Year ended March 31, 2024

Particulars		Gross carrying value	Expected Probability of Default	Expected Credit loss	Carrying amount net of impairment provision
Loss allowance measured at Life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit impaired	990.16	100.00%	990.16	-

Reconciliation of loss allowance provision - Loans

Particulars	Amount
As at March 31, 2023	762.66
Change in loss allowance	227.50
As at March 31, 2024	990.16
Change in loss allowance	104.81
As at March 31, 2025	1,094.97

Notes to the Standalone Financial Statements

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

27 Financial risk management (continued)

5) 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

Particulars	Amount
As at March 31, 2023	0.54
Charged to profit and loss	0.02
Utilisation/ reversal in loss allowance	(0.54)
As at March 31, 2024	(0.02)
Charged to profit and loss	0.82
Utilisation/ reversal in loss allowance	0.04
As at March 31, 2025	0.84

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 at the end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
A. Expiring within one year	26.41	25.19
B. Expiring beyond one year (bank loans)	-	-
	26.41	25.19

(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				
Borrowings	224.56	-	-	224.56
Trade payables	236.25	-	-	236.25
Lease liabilities (actual lease rentals)	84.78	207.78	70.99	363.55
Other financial liabilities	97.27	184.40	279.85	561.52
Employees related liability	19.75	-	-	19.75
Total financial liabilities	662.61	392.18	350.84	1,405.63
As at March 31, 2024				
Borrowings	229.88	-	-	229.88
Trade payables	187.90	-	-	187.90
Lease liabilities (actual lease rentals)	79.10	245.45	114.74	439.29
Other financial liability	2.81	-	-	2.81
Employees related liability	23.01	-	-	23.01
Total financial liabilities	522.70	245.45	114.74	882.89

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

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 and Euro. Further, any additional exposure is continuously monitored and hedging options like forward contracts are taken whenever they are expected to be cost effective.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows:

	As at March 31, 2025		
	GBP	USD	EUR
Financial asset			
Trade receivable	-	160.69	0.01
Loans (unsecured)	-	-	1,086.69
Other financial assets	-	-	0.18
Other assets	14.25	35.99	1.48
Net exposure to foreign currency risk (assets)	14.25	196.68	1,088.36
Financial liability			
Trade payables	12.34	105.87	14.77
Borrowings	-	153.87	-
Lease liabilities	-	-	120.61
Other financial liabilities	-	0.56	-
Net exposure to foreign currency risk (liabilities)	12.34	260.30	135.38

Market risk (continued)

	As at March 31, 2024		
	GBP	USD	EUR
Financial asset			
Trade receivable	-	91.70	0.00
Loans (unsecured)	-	-	787.95
Other financial assets	-	2.32	194.10
Other assets	5.22	17.80	5.78
Net exposure to foreign currency risk (assets)	5.22	111.82	987.83
Financial a liability			
Trade payables	4.49	85.79	6.00
Borrowings	-	206.85	-
Lease liabilities	-	-	157.33
Other financial liabilities	-	0.88	-
Net exposure to foreign currency risk (liabilities)	4.49	293.52	163.33

(b) Sensitivity

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

	Impact on profit after tax and equity	
	As at March 31, 2025	As at March 31, 2024
USD Sensitivity		
INR/USD - Increase by 5%	(2.30)	(6.56)
INR/USD - decrease by 5%	2.30	6.56
GBP Sensitivity		
INR/GBP - Increase by 5%	0.07	0.03
INR/GBP - decrease by 5%	(0.07)	(0.03)
EUR Sensitivity		
INR/EUR - Increase by 5%	(34.39)	(29.77)
INR/EUR - decrease by 5%	34.39	29.77

Notes to the Standalone Financial Statements

*(All amounts are in INR millions, except share data, unless otherwise stated)***27 Financial risk management (continued)****(ii) Interest rate risk**

(a) The exposure of Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2025	As at March 31, 2024
Variable rate borrowings	223.59	239.81
Fixed rate borrowings (Includes lease liability)	293.21	348.64
Total borrowings	516.80	588.45

(b) Profit & 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	
	As at March 31, 2025	As at March 31, 2024
Interest rates - increase by 50 basis points	0.81	0.87
Interest rates - decrease by 50 basis points	(0.81)	(0.87)

(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 significantly exposed to such risks, as it has not invested in any such securities.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements*(All amounts are in INR millions, except share data, unless otherwise stated)***28 Capital management****Risk management**

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

The Company's objectives when managing capital are to:

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

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

(i) Net debt to equity ratio

	March 31, 2025	March 31, 2024
Net debt (Refer note 34)	(348.44)	1,321.92
Total equity	9,095.38	9,791.61
Net debt to equity ratio	(0.04)	0.13

29 Contingent liabilities

	March 31, 2025	March 31, 2024
Labour related matters (Refer note (i))	24.80	22.00
Tax matters	807.63	805.00

(i) A few cases have been filed against the Company in District Labour court, Belagavi. If the Labour Court passes an award against the Company, the probable compensation would amount to INR 24.80 (March 31, 2024: INR 22.00). The Company is however confident of winning this case based on the counsel advice and hence the same is not provided in the standalone financial statements.

(ii) The Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to INR 25.23 (March 31, 2024 INR 25.23) for the FY 2016-17 (AY 2017-18) and has appealed the said order before Commissioner Appeals and the Company believes it has strong merits in its case.

(iii) The Company has received an order during the year ended March 31, 2022 under Section 143(3) of the Income Tax Act, 1961 relating to financial year 2017-18 (assessment year 2018-19) with a demand of INR 779.56 (March 31, 2024 INR 779.56). The Company has filed a writ petition with the Hon'ble High Court of Karnataka against the Order and the Company believes it has strong merits in its case.

(iv) Income tax refund claimed by the Company (pertaining to FY 2020, 2021 & 2022 amounting to INR 23) has been adjusted by Tax department against the outstanding demand as specified in note 32 (ii & iii) above. The said adjustment has not been accepted by the Company and is treated as payments made under protest.

(v) The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company expects that the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the financial statements. Further, the Company has complied with the above judgement and has revised the wages of its employees with effect from April 01, 2019.

(vi) Refer Note 32 for Corporate guarantees given to third parties by the Company for loans taken by related parties of the Company.

(vii) It is not practicable to estimate for the Company to estimate the timing of cash outflows, if any, in respect of the above matters pending resolution of the above matters.

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

30 Commitments**(a) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for.

Particulars	March 31, 2025	March 31, 2024
Property, plant and equipment	1.44	0.23
	1.44	0.23

31 Segment Information

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and no separate disclosure on segment information is given in this standalone financial statements.

Notes to the Standalone Financial Statements*(All amounts are in INR millions, except share data, unless otherwise stated)***32 Related Party Disclosures**

Names of related parties and related party relationship

Relationship	Name of the related party
(i) Names of related parties where control exists:	
Ultimate Holding Company	: Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligiri Foundation)
(ii) Related parties with whom transactions have taken place during the year	
Joint ventures	: Aerospace Processing India Private Limited (API) : SQuAD Forging India Private Limited ('SQuAD') : Aequs Cookware Private Limited(ACPL)
Subsidiaries	: AeroStructures Manufacturing India Private Limited, India (ASMIPL) : Aequs Aerospace BV, Netherlands (AABV) : Aerospace Manufacturing Holdings Private Limited, India (AMHPL) : Aequs Oil and Gas LLC, USA (AOGLLC) : Aequs Engineered Plastics Private Limited, India (AEPPL) : Aequs Force Consumer Products Private Limited, India (AFCPPL) : Aequs Consumer Products Private Limited, India (ACPPL) : Aequs Material Management Private Limited, India (AMMPL) (Struck off w.e.f June 29, 2024.) : Aequs Toys Private Limited, India (ATPL) : Aerostructures Assemblies India Private Limited, India (AAI) Subsidiary of ASMIPL : Aequs Aerospace LLC, USA ('AALLC') Subsidiary of Aequs Aerospace LLC, USA ('AALLC') : Aequs Aero Machine Inc, USA ('AAM') Subsidiary of AABV : Aequs Holdings France SAS, France ('AHF ') : Aequs Aerospace France SAS ('AAF SAS') Subsidiaries of Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Toys Hong kong Private Limited, Hong Kong ('ATHKPL') Subsidiaries of Aequs Force Consumer Products Private Limited (AFCPPL) : Aequs Force Technology company Ltd, Hong kong(AFTCL) (The entity has been dissolved w.e.f. December 27, 2024). Subsidiaries of Aequs Consumer Products Private Limited : Aequs Home Appliances Pvt Ltd (AHAPL) (Struck off w.e.f June 27, 2025) Subsidiaries of Aequs Toys Private Limited,, India : Koppal Toys Molding COE private Limited, India (KTMCPPL) : Koppal Toys Tooling COE Private Limited, India (KTTCPPL) (Struck off w.e.f November 30, 2024) : Aequs Rajas Extrusion Private Limited, India (AREPL)
Directors/Key management personnel	: Mr. Rajeev Kaul, Managing Director : Mr. Aravind s Melligeri, Executive Chairman and Chief Executive Officer : Dr. Ajay Aravind Prabhu, Director : Dr. Eberhard Klaus Richter, Director : Dr. Shubhada Rao, Director (ceased to be director w.e.f. December 31, 2024) : Ms. Vidhya Sarathy, Director (Appointed as an additional director w.e.f January 31, 2025 and Independent director w.e.f April 25, 2025) : Dr. Anup Wadhawan, Independent Director (w.e.f. April 25, 2025) : Mr. Dinesh Iyer, Chief Financial Officer : Mr. Ravi Mallikarjun Hugar, Company Secretary and Compliance Officer
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence	: Aequs Stock Option Plan Trust ('ESOP Trust') : Aequs SEZ Private Limited ('ASEZ') : Automotive End Solution Private Limited('AESPL') : Industrial knowledge centre Private Limited ('IKC') : Hubballi Durable Goods Cluster Private Limited ('HDGCPL') : Aequs Limited Malta (ALM) (renamed as MFO IP holdings Private Limited w.e.f March, 17, 2025)

Notes to the Standalone Financial Statements

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

A. Transactions with related parties

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<u>Subsidiaries</u>		
AMHPL		
Expense incurred on behalf of related party	0.00	0.77
Repayment of loan given	-	82.96
Interest income on loan given	-	5.71
Impairment of investments	-	113.12
ASMIPL		
Purchase of goods and consumables*	0.97	0.31
Sale of goods*	0.02	0.13
Expense incurred on behalf of related party	0.13	109.08
Expense incurred by related party	8.75	7.24
Employee stock option expense cross charges	0.28	1.31
Interest expense on loan from related party	-	10.19
Service Rendered (Subcon)	4.20	31.39
Fair value of financial guarantee issued	20.48	28.65
Unsecured loan received	-	60.00
Repayment of loan taken	-	218.88
Financial guarantee income	29.36	29.44
Sub Contracting expenses*	0.07	0.08
ATPL		
Service Rendered	-	1.36
Expenses incurred by related party	0.82	-
Investments in equity shares	100.00	533.00
Fair value of financial guarantee issued	29.38	59.95
Financial guarantee income	10.05	6.25
Employee stock option expense cross charges	0.51	0.60
Expense incurred on behalf of related party	0.01	8.23
Interest income on loan given	3.34	0.88
Unsecured loan given during the year	100.00	83.00
Repayment of loan given	-	83.00
Impairment of investments	184.62	707.37
ACPPL		
Expense incurred on behalf of related party	0.40	28.21
Expense incurred by related party*	1.62	0.37
Investments in equity shares	1,270.01	1,355.00
Fair value of financial guarantee issued/(reversed)	(41.63)	456.45
Employee stock option expense cross charges	2.44	1.75
Financial guarantee income	59.65	29.70
Service Rendered	-	4.90
Unsecured loan given during the year	180.00	15.00
Interest income on loan given*	0.44	0.14
Repayment of loan given	-	20.01
Sale of assets	0.85	-

Notes to the Standalone Financial Statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
AAI		
Expense incurred on behalf of related party	0.00	17.40
Service Rendered	-	3.08
Fair value of financial guarantee issued	2.70	3.15
Employee stock option expense cross charges*	0.57	0.05
Financial guarantee income	3.00	1.81
Impairment of investments- Reversal	-	16.29
Cost of raw materials consumed	0.04	-
SubCon expenses	2.07	-
Expenses incurred by related party	0.33	-
AABV		
Employee stock option expense cross charges	2.74	1.90
Unsecured loan given during the year	-	219.78
Interest income on loan given	74.56	76.19
Impairment of loan and interest thereon	(0.83)	215.72
AAM		
Expense incurred on behalf of related party	-	2.31
Management service#	-	40.89
Purchase of goods and consumables	0.71	0.21
# Including expenses cross charged to other related parties: INR Nil (March 31,2024:INR 37.00)		
AAF Corp		
Expense incurred on behalf of related party*	-	0.09
Expense incurred by related party*	0.65	-
Sub Contracting expenses	28.91	5.64
AEPPL		
Investments in equity shares	-	100.00
Employee stock option expense cross charges/(reverse)	(1.00)	2.88
Impairment of investments	-	74.44
Expenses incurred by related party	0.58	-
Expense incurred on behalf of related party	0.13	15.83
Service Received	-	2.83
Service Rendered	0.01	7.17
Unsecured loan given during the year	152.50	-
Interest income on loan given	5.56	-
Repayment of loan given	22.50	-
Purchase of asset	0.00	-
Sale of manufactured goods	0.00	-
AFCPPL		
Service Rendered	-	4.86
Purchase of assets	0.01	-
Expense incurred on behalf of related party	0.15	14.80
Expenses incurred by related party	0.17	-
Investments in equity shares	50.00	410.74
Fair value of financial guarantee issued	1.26	2.73
Financial guarantee income	2.75	2.75
Interest income on loan given	2.81	1.69
Repayment of loan given	-	95.00
Unsecured loan given during the year	70.00	95.00
Impairment of investments	648.80	185.29
Impairment of investments-CCD	-	207.32

Notes to the Standalone Financial Statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
KTMPL		
Expense incurred on behalf of related party*	0.00	0.20
Fair value of financial guarantee issued	-	102.41
Financial guarantee income	10.68	14.80
Unsecured loan given during the year	39.00	-
Interest income on loan given	0.97	-
<u>Associates</u>		
AF		
Impairment of investments (reversed)*	0.00	0.00
Sale of Investment*	0.00	0.01
Expense incurred on behalf of related party*	0.32	0.03
<u>Joint Ventures</u>		
API		
Service Received (Subcon expenses)	14.67	12.12
Service Rendered	19.20	5.25
Employee stock option expense (reversal)/cross charges	-	0.09
Expense incurred on behalf of related party	-	14.25
Fair value of financial guarantee issued	-	6.32
Financial guarantee income	0.90	0.85
AREPL		
Expense incurred on behalf of related party*	0.00	0.02
Unsecured loan given during the year	-	1.40
Interest income on loan given	0.83	0.76
Impairment of loan and interest thereon	0.83	2.28
SQuAD		
Expense incurred on behalf of related party	0.06	8.51
Service Rendered	10.80	2.28
Purchase of goods and consumables	42.53	35.28
Investments in equity shares	-	154.88
Fair value of financial guarantee issued	0.90	0.90
Employee stock option expense cross charges*	0.16	0.49
Sale of manufactured goods	45.57	42.67
Financial guarantee income	2.40	2.87
ACPL		
Investments in equity shares	41.50	-
Fair value of financial guarantee issued	64.29	-
Employee stock option expense cross charges*	0.16	-
Service Rendered	1.56	-
Financial guarantee income	3.20	-

Notes to the Standalone Financial Statements

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

	Year ended March 31, 2025	Year ended March 31, 2024
<u>Key Management Personnel</u>		
Managerial remuneration paid (Refer note (a) below)		
Mr.Rajeev Kaul	18.36	15.10
Mr.Ravi Mallikarjun Hugar	7.23	5.35
Mr.Dinesh Iyer	17.02	14.07
Ms. Shubhada Rao (Ceased w.e.f Director from December 31, 2024)	-	1.41
Mrs. Vidhya Sarathy	0.42	-
Mr. Ajay Aravind Prabhu	1.45	-
Short-term employee benefits	40.02	31.34
Post employee benefits	0.75	0.76
Share-based payment	3.72	3.83
<u>Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence</u>		
ASEZ		
Expense incurred on behalf of related party	2.48	11.81
Service Received	49.17	54.04
Interest expense on lease liability	20.41	22.39
Repayment of lease liability	19.05	15.54
Service Rendered	-	4.45
Expense incurred by related party	0.98	0.54
Fair value of financial guarantee received	4.50	4.50
Financial guarantee expense	5.08	5.91
Security deposit transfer	-	1.30
AESPL		
Expense incurred on behalf of related party	-	-
Repayment of dues from related parties	8.50	-
IKC		
Service Received	0.65	15.39
Expense incurred on behalf of related party	0.08	0.55
HDGCPL		
Expense incurred on behalf of related party	-	0.57
*The amounts are below the rounding off norm adopted by the Company.		
AMMPL		
Impairment of investments*	-	0.00
Expense incurred on behalf of related party*	-	0.30
MFO IP Holding (Earlier name Aequs Limited, Malta)		
Services Received (Branding charges)	10.00	5.98

Note:

- a. Out of the above remuneration to KMP INR Nill (March 31, 2024: INR 29.56) has been cross charged to other group entities. Further, the remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- b. All transactions were made on normal commercial terms and conditions.
- c. The amounts are below the rounding off norm adopted by the Company.

Notes to the Standalone Financial Statements

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

B. Balance at the year end

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Subsidiaries</u>		
AMHPL		
Investment in Equity shares	758.62	758.62
Dues from related party	0.55	0.55
Impairment of Investments	758.62	758.62
Impairment on dues from related parties	0.55	0.55
ASMIPL		
Investment in Equity shares	1,719.52	1,719.52
Fair value of financial guarantee issued	190.16	169.68
Fair value of ESOP cost	4.87	4.59
Dues to related party*	0.26	0.31
Dues from related party	-	3.91
Trade payable*	0.23	0.00
Trade receivable	1.46	1.84
ATPL		
Investment in Equity shares	1,273.10	1,173.10
Fair value of financial guarantee issued	102.22	72.84
Fair value of ESOP cost	1.56	1.05
Trade receivable	1.22	1.22
Dues from related party	6.06	6.05
Impairment of Investments	891.99	707.37
Loan to related party	100.00	-
Interest accrued on loan given	1.02	-
AABV		
Investment in Equity shares	789.46	789.46
Fair value of ESOP cost	10.37	7.46
Impairment of Investments	795.02	795.02
Loan to related party including interest accrued & unrealised gain	1,085.86	981.87
Impairment of loan and interest thereon	1,085.86	981.87
ACPPL		
Investment in Equity shares	3,071.21	1,801.20
Fair value of financial guarantee issued	442.56	484.20
Fair value of ESOP cost	6.49	4.05
Dues from related party	22.95	34.46
Trade receivable	-	4.48
Loan to related party	180.00	-
Interest accrued on loan given	0.44	-
AAI		
Investment in Equity shares	231.15	231.15
Fair value of financial guarantee issued	9.05	6.35
Fair value of ESOP cost	1.67	1.10
Dues from related party	-	0.80
Trade receivable*	-	0.16
Trade payable	0.35	-
Dues to related party	0.04	-

Notes to the Standalone Financial Statements

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

Particulars	As at March 31, 2025	As at March 31, 2024
AAM		
Dues from related party	-	2.33
Trade payable	1.13	1.07
Dues to related party	0.58	0.57
Fair value of ESOP cost	0.84	0.84
AAF Corp		
Dues from related party*	0.18	0.39
Trade receivable*	-	0.00
Trade payable	4.44	5.86
AOGLLC		
Investment in Equity shares	822.01	822.01
Fair value of ESOP cost	1.59	1.59
Impairment of Investments	823.59	823.59
AEPL		
Investment in Equity shares	1,905.16	1,905.16
Fair value of ESOP cost	(0.36)	0.64
Impairment of Investments	969.52	969.52
Dues from related party	5.29	10.37
Dues to related party	0.19	-
Trade receivable	1.56	6.56
Trade payable	0.01	-
Loan to related party	130.00	-
Interest accrued on loan given	1.38	-
AFCPPL		
Dues from related party	17.26	17.11
Dues to related party	0.05	-
Trade receivable	6.38	6.38
Interest accrued on loan given	0.78	-
Loan to related party	70.00	-
Investment in Equity shares	1,379.52	1,329.52
Investment in CCD	207.32	207.32
Fair value of financial guarantee issued	8.06	6.80
Impairment of Investments	834.09	185.29
Impairment of Investments-CCD	207.32	207.32
KTMPL		
Fair value of financial guarantee issued	106.50	106.50
Interest accrued on loan given	0.38	-
Loan to related party	39.00	-

Notes to the Standalone Financial Statements

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

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Associate</u>		
AF		
Investment in Equity shares*	-	0.00
Dues from related party*	-	0.01
Impairment of Investments*	-	0.00
*The amounts are below the rounding off norm adopted by the Company.		
<u>Joint Ventures</u>		
API		
Investment in Equity shares	89.52	89.52
Fair value of financial guarantee issued	6.32	6.32
Fair value of ESOP cost*	0.00	0.00
Trade receivable*	-	0.40
Dues from related party	-	1.06
Trade payable	4.67	3.21
SQUAD		
Investment in Equity shares	746.23	746.23
Fair value of financial guarantee issued	40.33	39.43
Fair value of ESOP cost	1.32	1.16
Impairment of Investments	234.39	234.39
Dues from related party	0.06	0.62
Trade payable	1.06	10.94
Trade receivable	7.61	2.85
ACPL		
Investment in Equity shares	41.50	-
Fair value of financial guarantee issued	64.29	-
Fair value of ESOP cost	0.16	-

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence</u>		
ASEZ		
Security deposit	32.64	32.64
Trade payable	3.28	1.97
Trade receivable	-	4.01
Dues from related party	2.48	0.71
Fair value of financial guarantee received	19.34	14.84
AESPL		
Trade payable*	0.15	0.15
Dues from related party	17.24	25.74
Dues to related party*	0.33	0.33
Impairment on dues from related parties	17.24	25.74
IKC		
Trade payable	0.03	0.66
Dues from related party*	0.03	0.03
MFO IP Holdings (Earlier name Aequs Limited, Malta)		
Trade payable	10.00	5.98
AREPL		
Dues from related party	0.00	-
Loan to related party including interest	9.12	8.28
Impairment of loan and interest thereon	9.12	8.28
*The amounts are below the rounding off norm adopted by the Company.		
AMMPL		
Impairment of Investments*	-	0.00
Investment in Equity shares*	-	0.00
HDGCPL		
Dues from related party	-	0.59
*The amounts are below the rounding off norm adopted by the Company.		
Note:		
a. Loan given to ESOP Trust reflected as Treasury shares.		
b. Mr. Aravind Melligeri, Director of the Company, has issued personal guarantees towards securing various working capital facilities: INR 250.00 (March 31, 2024: INR 250) and term loan facilities: INR 53.80 (March 31, 2024: INR 53.80) obtained by the Company.		
Key managerial personnel and their relatives		
Short-term employee benefits	8.95	6.75
Post employee benefits	0.75	0.76

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

*(All amounts are in INR millions, except share data, unless otherwise stated)***Disclosure as required under section 186(4) of Companies Act, 2013.**

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Loans receivable (for funding of operations)		
Aequs Engineered Plastics Private Limited, India (AEPPL)	130.00	-
Aequs Force Consumer Products Private Limited, India (AFCPPL)	70.00	-
Aequs Toys Private Limited, India (ATPL)	100.00	-
Aequs Consumer Products Private Limited(ACPPL)	180.00	-
Koppal Toys Molding COE private Limited, India (KTMCPPL)	39.00	-
Aequs Rajas extrusion Private Limited, India(AREPL) (from June 25, 2021)	7.40	7.40
Aequs Aerospace BV ('AABV'), Netherlands	810.34	787.95
(ii) Investments in subsidiaries, associates and joint ventures(Refer Note 6)	14,034.05	12,490.00
(iii) Guarantees given (for term loan, working capital and leases)		
AeroStructures Manufacturing India Private Limited ('ASMIPL')	1,772.79	1,429.91
SQuAD Forging India Private Limited ('SQuAD')	120.00	120.00
Aerostructures Assemblies India Private Ltd (AAI)	150.00	150.00
Aequs Force Consumer Products Private Limited (AFCPPL)	-	130.00
Aequs Consumer Products Private Limited(ACPPL) (including leases)	3,153.80	3,472.11
Aequs Toys Private Limited, India (ATPL) (including leases)	533.62	346.53
Koppal Toys Molding COE private Limited(KTMCPPL) (including leases)	593.14	593.14
Aerospace Processing India Private Limited(API)	50.00	50.00
Aequs Cookware Private Limited(ACPL)	357.06	-

(This space is intentionally left blank)

33 Earnings per Share

	As at March 31, 2025	As at March 31, 2024
(a) Earnings per share (basic and diluted)	(1.31)	(2.39)
(b) Profit attributable to the equity share holders used in calculating basic earnings per share	(740.78)	(1,303.09)
(c) Weighted Average number of Equity shares (basic and diluted)	567,485,326	544,522,820

Diluted Earning per share

ESOP's outstanding have an impact of reducing the loss per share on dilution and hence has an anti dilutive impact on the earnings per share.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

34 Net debt reconciliation:

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents	168.25	302.90
Bank balances other than above	0.11	1,596.29
Current borrowings	(223.59)	(218.70)
Non-current borrowings (including current maturities)	(0.97)	(11.18)
Compulsorily Convertible Preference Shares	-	-
Lease liabilities	(292.24)	(347.39)
Net debt	(348.44)	1,321.92

Particulars	Other assets	Liabilities from financing activities					Total
	Cash and cash equivalents and other bank balances	Non-current borrowings (including current maturities)	Current borrowings (Working capital loans)	Compulsorily Convertible Preference Shares	Lease obligations	Other Borrowings (Related Party)	
Net debt as at March 31, 2023	50.76	(27.72)	(221.50)	(575.38)	(391.98)	(169.79)	(1,335.62)
Cashflows	1,848.43	-	3.05	-	-	-	1,851.48
Foreign exchange adjustments	-	-	(0.31)	-	2.62	-	2.31
Repayments	-	16.54	-	-	41.97	169.79	228.30
Interest expense	-	(1.71)	(16.62)	-	(26.88)	(10.19)	(55.40)
Interest paid	-	1.71	16.62	-	26.88	10.19	55.40
Other non-cash adjustments	-	-	0.07	575.38	-	-	575.45
Net debt as at March 31, 2024	1,899.19	(11.18)	(218.69)	-	(347.39)	-	1,321.92
Cashflows	(1,730.83)	-	(7.94)	-	-	-	(1,738.77)
Foreign exchange adjustments	-	-	3.04	-	1.72	-	4.76
Repayments	-	9.93	-	-	53.43	-	63.36
Interest expense	-	(1.49)	(17.72)	-	(23.97)	-	(43.18)
Interest paid	-	1.49	17.72	-	23.97	-	43.18
Other non-cash adjustments	-	0.28	-	-	-	-	0.28
Net debt as at March 31, 2025	168.36	(0.97)	(223.59)	-	(292.24)	-	(348.44)

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

35 Financial Ratios

Ratios	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for Variance
i) Current Ratio (times)	Current Assets	Current Liabilities	1.97	4.28	-53.97%	Note 2
ii) Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	0.06	0.06	-3.62%	Note 1
iii) Debt Service Coverage Ratio (times)	Net Operating income	Debt Service	0.76	1.04	-26.70%	Note 1
iv) Return on Equity Ratio (%)	Profit After tax	Average Equity	-7.84%	-17.17%	54.32%	Note 3
v) Inventory Turnover Ratio (times)	Cost of Goods Sold (COGS)	Average Inventory	1.05	1.03	2.09%	Note 1
vi) Trade Receivables Turnover Ratio (times)	Sales (revenue from operations)	Average receivables	6.38	5.99	6.44%	Note 1
vii) Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expenses	Average Trade payables	4.01	2.68	49.69%	Note 4
viii) Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Working Capital	1.34	0.36	-276.28%	Note 5
ix) Net Profit Ratio (%)	Profit after tax	Sales (revenue from operations)	-80.31%	-175.52%	54.24%	Note 6
x) Return on Capital Employed (%)	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	-6.81%	-11.92%	42.89%	Note 7
xi) Return on Investment (%)	Other Income from Investment	Average of opening & closing	1.38%	13.98%	-90.15%	Note 8

Notes:

- Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
- In the previous year, the Company raised funds through the issuance of CCPS, which increased short-term liquidity and resulted in a higher current ratio. However, in the current year, these short-term funds were utilized for investments in subsidiaries, leading to a decline in the current ratio.
- The rise in profit after tax resulted in higher ROE in the current period.
- The current year's rise in the trade payable turnover ratio can be attributed to increase in credit period.
- The improvement in net capital turnover ratio during the current year it indicates efficient use of working capital to generate sales. Lower working capital result in higher ratio.
- The increase in profit after tax has resulted in a higher net profit ratio during the current year.
- The Return on Capital Employed (ROCE) has improved this year, primarily due to a rise in earnings before interest and tax (EBIT).
- The decrease in interest income from investment is on account of reduction of investments during the year.

(This space is intentionally left blank)

36 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) Willful defaulter: The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- (iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (v) 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.
- (vi)(a) The company has not advanced or loaned or invested the funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vi)(b) The company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) of the company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.
- (vii) 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.
- (viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.
- (x) The Company does not own any immovable properties in India.
- (xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were taken.
- (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. The Company did not have any 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 March 2025.
- (xv) The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 13 (i) for Details of quaterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

(This space is intentionally left blank)

Notes to the Standalone Financial Statements*(All amounts are in INR millions, except share data, unless otherwise stated)***37 Assets pledged as security**

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

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
A. Financial assets:		
- Trade receivables	171.44	117.74
- Cash and cash equivalents	168.36	1,899.19
B. Non financial assets:		
- Inventories	372.74	302.35
Total current assets pledged as security	712.54	2,319.28
Non current		
A. Non financial assets:		
Plant and machinery	82.83	81.56
Total Non-current assets pledged as security	82.83	81.56
Total assets pledged as security	795.37	2,400.84

38 Dues to micro and small 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 Group, based on the responses received from vendors against request for confirmations:

	As at March 31, 2025	As at March 31, 2024
(i) Principal amount due to the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year;	8.16	-
(ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year	0.29	-
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	20.65	3.30
(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	0.47	0.02
(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	0.24	-
(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.	-	-

(This space is intentionally left blank)

Notes to the Standalone Financial Statements

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

39 Subsequent events

1. On May 7, 2025, the Company received necessary approvals from the Registrar of Companies and Regional Director, Karnataka and has accordingly converted from Private Limited to Public Limited.
2. On May 2, 2025, the Company has issued 17,173,024 Equity Shares having a face value of Rs 10 per share on a rights basis to the existing Equity Shareholder(s) of the Company, at a premium of Rs 64.64 per Equity Share.
3. The Company has adopted the 'Aequs Employee Stock Option Plan 2025' ('ESOP Plan 2025') pursuant to the resolution passed by Board on May 10, 2025, and the resolution passed by the Shareholders on May 13, 2025.
4. Pursuant to a resolution passed in the Extra-ordinary General Meeting of the shareholders of the Company held on May 13, 2025, the Company amended Clause V of the Memorandum of Association to reflect the reclassification of the authorised share capital from INR 10,146,299,340 divided into 605,729,934 Equity Shares of INR 10 each and 408,900,000 preference shares of INR 10 each to INR 10,146,299,340 divided into 1,014,629,934 Equity Shares of INR 10 each.
5. On May 30, 2025, the Company identified Aravind S Melligeri and The Melligeri Foundation as Promoters, in addition to the existing promoters — Aequs Manufacturing Investments Private Limited and Melligeri Private Family Foundation. Aravind S Melligeri held 500,000 equity shares of the Company as at March 31, 2024 and 1,000,000 equity shares of the Company as at March 31, 2025. The Melligeri Foundation did not hold any equity shares in the Company as at March 31, 2024 and March 31, 2025.
6. The pre-filed draft red herring prospectus of the Company, dated May 31, 2025 ("PDRHP") was filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange Limited ("Stock Exchanges"). The offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

40 The financial statements were approved for issue by the Board of Directors on August 12, 2025.

for BSR & Co. LLP

Chartered Accountants

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



Sampad Guha Thakurta

Partner

Membership No.: 060573

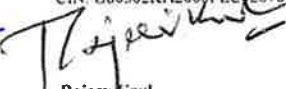
Place: Chennai

Date: 30/8/2025

for and on behalf of the Board of Directors of

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760



Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025



Binesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025




Aravind S Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025



Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025