Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of Aequs Private Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Aequs Private Limited ("the Company") which includes the financial statements of Aequs Stock Option Plan Trust, which comprise the Standalone Balance Sheet as at March, 31, 2023, and 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 for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2023, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act . Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Boards' Report, but does not include the Standalone financial statements and our auditor's report thereon.

   Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the standalone financial statements

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

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

Auditor's responsibilities for the audit of the standalone financial statements

7. 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.

8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
   a. 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.
   b. 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 standalone financial statements in place and the operating effectiveness of such controls.
   c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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e. 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.

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

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. 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

(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 Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the standalone financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standard, 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, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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

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understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 (Refer Note 39 (vi)(a) to the Standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39 (vi)(b) to the Standalone financial statements); and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXPCA9344

Place: Bengaluru
Date: September 23, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Aequs Private Limited on the Standalone financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Standalone financial statements of Aequs Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls with reference to Standalone 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.

5. 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 system with reference to Standalone financial statements.

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Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Aequs Private Limited on the Standalone financial statements for the year ended March 31, 2023

Meaning of Internal Financial Controls with reference to Standalone financial statements

6. A company's internal financial controls with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone financial statements includes 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 Standalone 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 Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to Standalone 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 Standalone 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.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXPCA9344

Place: Bengaluru
Date: September 23, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 4 to the standalone financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment, Right of Use assets and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment, Right of Use assets or Intangible Assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory, excluding stocks with third parties has been conducted at reasonable intervals by the Management as at the year end and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from a bank on the basis of security of current assets. The Company has filed quarterly returns or statements with such bank, which are not in agreement with the unaudited books of account as set out below. Also refer Note 14(i)(3) to the standalone financial statements.

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Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Aequs Private Limited on the standalone financial statements as of and for the year ended March 31, 2023

Name of the Bank	Aggregate working capital limits sanctioned (Rs. millions)	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (Rs. millions)	Amount as per books of account (Rs. millions)	Difference (Rs. millions)	Reasons for difference
HDFC Bank	250	Inventories	June 30, 2022	297	186	(111)	Note (b) below
		Inventories	September 30, 2022	301	200	(101)	
		Inventories	December 31, 2022	304	207	(97)	
		Inventories	March 31, 2023	249	237	(12)	Note (c) below
		Receivables	June 30, 2022	80	110	30	Note (d) below
		Receivables	September 30, 2022	76	123	47	
		Receivables	December 31, 2022	65	112	47	
		Receivables	March 31, 2023	90	130	40	

(a) As per the sanction letter, the Company needs to exclude obsolete inventories and those inventories aged more than 90 days. However, the Company has excluded inventories in line with the provisioning policy followed by the Company.

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

(c) Amount reported quarterly to a bank is excluding the provision for slow moving inventory and year-end valuation related adjustments made in books of accounts for March 2023.

(d) Amount reported quarterly to a bank is excluding the inter-company receivables and unrealised gain or loss balance.

iii. (a) The Company has made investments in 7 companies, granted unsecured loans to 6 companies during the year and provided guarantees to 8 companies during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such investments, loans and guarantees to subsidiary and associate and to parties other than subsidiary and associate are as per the table given below.

	Investments (Rs. millions)	Guarantees (Rs. millions)	Loans (Rs. millions)
Aggregate amount granted/ provided during the year			
- Subsidiaries	1,632	81	344
- Others (Joint Ventures)	72	5	1
Balance outstanding as at balance sheet date in respect of the above amounts granted/provided during the year			
- Subsidiaries	1632	81	135
- Others (Joint Ventures)	72	5	1

(Also refer Notes 6, 7(iv) and 35B to the standalone financial statements)

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such loans were granted/investments were made/guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. In respect of advances in nature of loans granted by the Company in the prior years and outstanding as at year end amounting to Rs. 30 million, no schedule for repayment of principal has been stipulated by the Company and there is no interest stipulated as per the terms of such advances in the nature of loans. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.

(d) In respect of the loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.

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(e) There were no loans /advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The following loans were granted during the year to related parties under Section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company.

	All Parties (Rs. million)	Promoters (Rs. million)	Other related Parties (Rs. million)
Aggregate of loans repayable on demand	214	-	214
Percentage of above loans to the total loans granted during the year	62%	-	62%

Also refer Note 7(iv) to the standalone financial statements.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of Act in respect of the loans and investments made and guarantees and security provided by it. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act and accordingly, to this extent, the reporting under clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 32 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

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(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute. The particulars of income tax as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. millions)*	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax	780	Financial year 2017-18	High Court of Karnataka	-
Income Tax Act, 1961	Income tax	25	Financial year 2016-17	CIT (A)	-

*Income tax refund claimed by the Company (pertaining to financial year 2020, 2021 & 2022 amounting to INR 13 million) has been adjusted by Tax department against the above outstanding demand- Refer Note 32 of the standalone financial statements.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the Company has used funds raised on short-term basis aggregating Rs 205 million for long-term purposes.

(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 taken funds from the following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

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Nature of fund taken	Name of lender	Amount involved (Rs. million)	Name of the subsidiary, joint venture, associate	Relation (subsidiary/ JV/Associate)	Nature of transaction for which fund utilized	Remarks, if any
Equity share capital and securities premium	Aequs Manufacturing Investments Private Limited	129	Aequs Aerospace BV, The Netherlands	Subsidiary	Repayment of loan by Subsidiary	To meet the obligations of the Subsidiary

(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 subsidiary or associate company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(x) (b) The Company has made a preferential allotment/convertible debenture during the year, in compliance with the requirements of section 42 and Section 62 of the Act. The amounts raised have been used for the purpose for which funds were raised.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(xi)(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

xiv. (b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is 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, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has 1 CIC as part of the Group as detailed in Note 39(xiv) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 58 million in the financial year and had incurred cash losses of Rs. 11 million in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 40 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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 provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 23203637BGXPCA9344

Place: Bengaluru
Date: September 23, 2023

Aequs Private Limited CIN : U80302KA2000PTC026760

Standalone Balance Sheet

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

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	114	141
Right of use assets	4A	430	357
Capital work in progress	4B	0	-
Intangible assets	5	30	30
Intangible assets under development	5A	0	1
Financial assets			
Investments in subsidairies, associates and joint ventures	6	5,865	4,306
Loans	7 (iv)	-	2
Other financial assets	7 (v)	22	26
Deferred tax assets	9	154	155
Current tax assets	9	24	15
Other non-current assets	8	11	6
Total non-current assets		**6,650**	**5,039**
Current assets			
Inventories	10	237	216
Financial assets			
Trade receivables	7 (i)	130	162
Cash and cash equivalents	7 (ii)	51	359
Bank balances other than above	7 (iii)	0	0
Loans	7 (iv)	5	97
Other financial assets	7 (v)	112	152
Contract assets	7A.	0	7
Other current assets	8	24	29
Total current assets		**559**	**1,022**
Total assets		**7,209**	**6,061**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,248	3,960
Other equity			
Reserves and surplus	12	1,125	986
Other reserves	12	13	9
Total equity		**5,386**	**4,955**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14 (i)	585	27
Lease liabilities	14 (iv)	351	253
Other financial liabilities	14 (iii)	42	4
Employee benefit obligations	13	23	21
Total non current liabilities		**1,001**	**305**
Current liabilities			
Financial liabilities			
Borrowings	14 (i)	410	299
Trade payables			
a. Total outstanding dues of micro and small enterprises	14 (ii)	24	0
b. Total outstanding dues other than (a) above	14 (ii)	276	143
Lease liabilities	14 (iv)	41	50
Other financial liabilities	14 (iii)	48	289
Contract liabilities	7A	0	0
Employee benefit obligations	13	14	14
Other current liabilities	15	9	6
Total current liabilities		**822**	**801**
Total liabilities		**1,823**	**1,106**
Total equity and liabilities		**7,209**	**6,061**

The accompanying notes are an integral part of these financial statements

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A. J. Shaikh
Partner
Membership No.: 203637
Place: Bengaluru
Date: September 23, 2023

For and on behalf of the Board of Directors of Aequs Private Limited

Rajeev Kaul
Managing Director & Chief Operating Officer (COO)
DIN-01468590
Place: Belagavi
Date: September 23, 2023

Ajay Prabhu
Director
DIN-00477195
Place: Bengaluru
Date:September 23, 2023

Dinesh Iyer
Chief Financial Officer
Place: Belagavi
Date: September 23, 2023

Ravi Hugar
Company Secretary
M. No. - A20823
Place: Belagavi
Date:September 23, 2023

Aequs Private Limited CIN : U80302KA2000PTC026760

Standalone Statement of profit and loss

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	16	697	517
Other income	17	15	5
Other gains/(losses)- net	17A	36	(9)
Total income (A)		**748**	**513**
Expenses			
Cost of materials consumed	18	302	204
Changes in inventories of work-in-progress and finished goods	19	6	(6)
Employee benefit expense	20	120	86
Net impairment losses on financial assets	22	-	1
Other expenses	23	254	221
Total direct cost (B)		**682**	**506**
Earnings before interest, tax, depreciation and amortisation(A-B)		**66**	**7**
Depreciation, amortisation and impairment	21	115	119
Finance cost	24	82	56
Finance income	25	(118)	(64)
Total expenses		**79**	**111**
Loss before exceptional items and tax		**(13)**	**(104)**
Exceptional items	26		
Impairment loss on investments in subsidairies		245	1,755
Loss allowance on recoverable from related parties		4	-
Loss allowance on loans receivable from related parties including interest accrued thereon		174	62
Income from distribution of subsidiary's assets		-	(185)
Total Exceptional items		**423**	**1,632**
Loss before tax		**(436)**	**(1,736)**
Income tax expense			
- Current tax	27	-	-
- Deferred tax	28	-	47
Total tax expense		-	**47**
Loss for the year		**(436)**	**(1,783)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	13	2	2
- Income tax relating to these items		(1)	(1)
Other comprehensive income for the year, net of tax		**1**	**1**
Total comprehensive loss for the year		**(435)**	**(1,782)**
Earnings per equity share (basic and diluted): [Nominal value per share: INR 10 (March 31, 2022: INR 10)]	36	(1.07)	(5.75)

The accompanying notes are an integral part of these financial statements

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A. J. Shaikh
Partner
Membership No.: 203637
Place: Bengaluru
Date: September 23, 2023

For and on behalf of the Board of Directors of Aequs Private Limited

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Chief Financial Officer
Place: Belagavi
Date: September 23, 2023

Ravi Hugar
Company Secretary
M. No. - A20823
Place: Belagavi
Date:September 23, 2023

Aequs Private Limited CIN : U80302KA2000PTC026760

Standalone Statement of changes in equity

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

A. Equity share capital

	Note	Amount
Balance as at April 1, 2021		**2,760**
Changes during the year	11	1,200
Balance as at March 31, 2022		**3,960**
Changes during the year	11	288
Balance as at March 31, 2023		**4,248**

B. Other equity

	Note reference	Reserves and surplus			Treasury shares	Other reserves	Total other equity
		Retained earnings	Securities premium	Share option outstanding account			
Balance as at April 01, 2021		**(2,132)**	**3,214**	**26**	**(117)**	**5**	**995**
Premium on shares issued during the year	12(ii)	-	1,929	-		-	1,929
Share issue expenses	12(ii)	-	(9)	-		-	(9)
Employee stock option expense	12(iii)			2			2
Transfer of reserves relating to lapse of vested options	12(i) & (iii)	2		(2)			0
Exercised options proceeds received	12(iii)		3				3
Financial guarantee received during the year	12(v)					4	4
Loan given to ESOP trust during the year	12(iv)				(148)		(148)
Sub total		**2**	**1,923**	**(0)**	**(148)**	**4**	**1,782**
Loss for the year	12(i)	(1,783)	-	-	-	-	(1,783)
Other comprehensive income /loss for the year*	12(i)	1	-	-	-	-	1
Total		**(1,780)**	**1,923**	**(0)**	**(148)**	**4**	**(0)**
Balance as at March 31, 2022		**(3,912)**	**5,137**	**26**	**(265)**	**9**	**995**
Balance as at April 01, 2022		**(3,912)**	**5,137**	**26**	**(265)**	**9**	**995**
Premium on shares issued during the year	12(ii)		551	-		-	551
Share issue expenses	12(ii)		(2)	-		-	(2)
Employee stock option expense	12(iii)		-	26		-	26
Transfer of reserves relating to lapse of vested options	12(i)&(iii)	1	-	(2)		-	(1)
Exercised options proceeds received	12(iii)			0			0
ESOP expenses cross charged to other group entities*	12(v)					(1)	(1)
Financial guarantee received during the year	12(v)		-	-		5	5
Sub total		**1**	**549**	**24**	**-**	**4**	**578**
Loss for the year	12(i)	(436)	-	-	-	-	(436)
Other comprehensive income /loss for the year*	12(i)	1	-	-	-	-	1
Total		**(434)**	**549**	**24**	**-**	**4**	**143**
Balance as at March 31, 2023		**(4,346)**	**5,686**	**50**	**(265)**	**13**	**1,138**

* Re-measurement of defined benefit obligations.

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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A. J. Shaikh
Partner
Membership No.: 203637
Place: Bengaluru
Date: September 23, 2023

For and on behalf of the Board of Directors of Aequs Private Limited

Rajeev Kaul
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DIN-01468590
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Date: September 23, 2023

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Place: Bengaluru
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Chief Financial Officer
Place: Belagavi
Date: September 23, 2023

Ravi Hugar
Company Secretary
M. No. - A20823
Place: Belagavi
Date:September 23, 2023

Aequs Private Limited **CIN : U80302KA2000PTC026760**

Standalone statement of Cash Flows

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Loss before income tax	(436)	(1,736)
Adjustments for:		
Depreciation and amortisation expense	115	119
Unrealized foreign exchange loss/(gain)	(25)	6
Employee stock compensation expense	13	2
(Loss)/Profit on disposal/write off of property, plant and equipment	(0)	2
Impairment loss on long term investments	245	1,755
Impairment loss on recoverable from related parties	4	-
Impairment loss on loans and interest accrued thereon	174	62
Interest income	(81)	(35)
Income from distribution of subsidiary's assets	-	(185)
Liabilities no longer required written back	(1)	(5)
Loss allowance on trade receivables	-	1
Provision/(write back) for slow moving Inventory	(72)	25
Financial guarantee income	(36)	(50)
Finance cost (Interest expense)	64	51
Unwinding of discount on security deposits	(1)	(1)
Financial guarantee expense	6	6
Change in operating assets and liabilities		
(Increase)/Decrease in		
- trade receivables	32	(49)
- inventories	51	(8)
- other current financial assets	30	(35)
- other non current financial assets	5	(33)
- other non-current assets	(4)	(5)
- contract assets	7	(5)
- other current assets	6	(15)
Increase/(decrease) in		
- trade payables	154	32
- employee benefit obligations-non current	2	3
- employee benefit obligations- current	0	2
- other non current financial liabilities	38	24
- other current financial liabilities	(142)	242
- other liabilities	3	3
- contract liabilities	(0)	0
	151	**173**
Income taxes received/(paid)	(9)	(5)
Net cash inflow from operating activities (A)	**142**	**168**
Cash flows from investing activities:		
Payments for property, plant and equipment	(27)	(18)
Proceeds from sale of property, plant and equipment	0	0
Loans given to related parties	(345)	(282)
Repayment of loans given to related parties	336	-
Interest received	46	13
Investments in Subsidiaries, Associates and Joint ventures	(1,704)	(1,435)
Net cash (outflow) from investing activities (B)	**(1,694)**	**(1,722)**
Cash flows from financing activities:		
Proceeds from Issue of compulsorily convertible debentures	839	1,492
Share issue expenses	(68)	(9)
Proceeds from issue of compulsorily convertible preference shares	641	-
Repayment of long-term borrowings	(23)	(15)
Repayment of related party borrowings	(60)	60
Principal repayments of lease liability	(49)	(44)
Proceeds / (repayment) from short-term borrowings (net)	7	51
Interest Paid	(44)	(40)
Net cash inflow from financing activities (C)	**1,243**	**1,495**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Bengaluru

Aequs Private Limited **CIN : U80302KA2000PTC026760**

Standalone statement of Cash Flows

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net (decrease) in cash and cash equivalents (A+B+C)	**(309)**	**(59)**
Cash and cash equivalents at the beginning of the financial year	359	418
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year (Refer Note7(ii))	**51**	**359**
Non cash financing and investing activities		
Issue of shares for a consideration other than cash [Refer Note 11(vi)]	-	1,638
Issue of shares through conversion of compulsorily convertible debentures[Refer Note 11(vi)]	839	-
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
In current accounts	31	10
Deposits with maturity of less than 3 months	20	349
Cash on hand	0	0
Balances per statement of cash flows	**51**	**359**

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

This is the Statement of cash flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A. J. Shaikh
Partner
Membership No.: 203637
Place: Bengaluru
Date: September 23, 2023

For and on behalf of the Board of Directors of Aequs Private Limited

Rajeev Kaul
Managing Director & Chief Operating Officer (COO)
DIN-01468590
Place: Belagavi
Date: September 23, 2023

Ajay Prabhu
Director
DIN-00477195
Place: Bengaluru
Date:September 23, 2023

Dinesh Iyer
Chief Financial Officer
Place: Belagavi
Date: September 23, 2023

Ravi Hugar
Company Secretary
M. No. - A20823
Place: Belagavi
Date:September 23, 2023

1. Background:

Aequs Private Limited ('the Company') was incorporated on March 27, 2000 under provisions of the Companies Act, 1956. The Company was engaged in rendering training services in engineering design software till March 31, 2006. Effective April 1, 2006, the Company has ceased rendering training services and started the business of machining and manufacturing of precision engineering products in aerospace.

In August, 2008, the Company obtained approval from Office of the Cochin Special Economic Zone Assistant Commissioner of Customs, Government of India to carry on the operations relating to manufacture and export of aerospace and other machined parts under SEZ unit ('Unit I'), commercial operations commenced on April 14, 2010.

In July, 2012, the Company obtained approval from Office of the Development Commissioner, Cochin Special Economic Zone, Government of India to carry on the operations relating to manufacture of machined parts for aerospace industry under SEZ unit ('Unit II') and machined parts for Oil and Gas Industry under SEZ unit ('Unit III'). Commercial operations commenced for Unit II and Unit III on June 28, 2013 and June 29, 2013 respectively. The Company has obtained approval from SEZ authority for merger of Unit III with Unit II vide approval dated January 28, 2019.

Till June 2013, the Company, was carrying on its business through 'Unit I' located at Special Economic Zone ('SEZ') Belgaum, Karnataka. Further, on July 31, 2013, pursuant to a business transfer agreement 'Unit I' was transferred as a going concern along with all its assets and liabilities to a step down subsidiary of the Company, AeroStructures Manufacturing India Private Limited.

On June 1, 2017, the Company obtained approval from Office of the Cochin Special Economic Zone Assistant Commissioner of Customs, Government of India to carry on the operations relating to manufacture and export of aerospace and other machined parts at its new unit (Unit IV) at Aequs SEZ.

2. Significant accounting policies:

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] and other relevant provisions of the Act.

(ii) The historical cost convention

The 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 as required by relevant Ind AS:

- Certain financial assets and liabilities are measured at fair value;
- 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) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(v) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

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 Managing Director and COO 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 financial statements. Refer Note 34 for segment information presented.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Bengaluru

c. Foreign currency translation

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

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences arising on the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end are included in the statement of profit and loss for the period.

Foreign exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

At the end of each reporting period, monetary items denominated in foreign currencies are restated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognize such exchange differences as part of cost of assets as allowed under Ind As 101-"First-time adoption of Indian Accounting Standards" are added/deducted to/from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

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 despatched or delivered, as per the terms agreed with the customer as that is when the legal title, physical possession and risks and rewards of goods transfers to the customers.

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.

e. Other income

Interest income from financial assets at amortized cost is recognized in the statement of profit and loss using effective interest method.

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

f. Government grants

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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, 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, unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. 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 realize the asset and settle the liability simultaneously.

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.

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.

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

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

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 non-financial 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 cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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 initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

m. Inventories

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 29 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.

(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.

(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 30 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.

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

(vii) Income recognition

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. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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 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.

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
Computers	3 to 6	3 to 6
Furniture and fittings	1.5 to 5	10
Office and other equipment	1.5 to 5	5

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

As permitted by the Guidance Note on Division II -Ind AS Schedule III to the Companies Act 2013, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and income tax expense.

r. Trade and other payables

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

s. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at 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.

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t. 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.

u. 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.

Gratuity obligations

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

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

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans:

The Company pays provident fund contributions to Employees 'Provident Fund Organization and ESI contributions to Employees' State Insurance Corporation as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

4. Share-based payments

Share-based compensation benefits are provided to employees through the Aequs Stock Option Plan.

Employee options:

The fair value of options granted under the Aequs Private Limited Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. 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.

v. Financial Guarantee contracts

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

Where guarantees in relation to loans or other payables of 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. Where there is no such investment, it is recognised as part of Other reserves.

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w. 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.

x. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares, except where the result would be anti-dilutive.

y. 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 group or the counterparty.

z. 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.

aa. Rounding of amounts

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

3. Critical estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses,assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, within the next financial year, are described below.

The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of investments

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

b) Estimation of deferred tax expenses/benefits

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

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4 Property, plant and equipment

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2023
	As at April 01, 2022	Additions	Disposals	Adjustment	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposals	Adjustment	As at March 31, 2023	
Leasehold improvements	5	-	-		5	3	0	-		3	2
Plant and machinery	324	5	-		329	195	37	-		232	97
Computer equipment	29	10	(1)		38	22	4	(1)		25	13
Office equipment	12	1	-		13	9	2	-		11	2
Furniture and fittings	1	-	-		1	1	-	-		1	-
Total	**371**	**16**	**(1)**	-	**386**	**230**	**43**	**(1)**	-	**272**	**114**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2022
	As at April 01, 2021	Additions	Disposals	Adjustment (note d below)	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposals	Adjustment (note d below)	As at March 31, 2022	
Leasehold improvements	5	-	-	-	5	2	1	-	-	3	2
Plant and machinery	332	8	(4)	(12)	324	158	40	(2)	(1)	195	129
Computer equipment	26	3	(1)	1	29	19	3	(1)	1	22	7
Office equipment	12	0	-	-	12	8	1	-	-	9	3
Furniture and fittings	1	-	-	-	1	1	-	-	-	1	0
Total	**376**	**11**	**(5)**	**(11)**	**371**	**188**	**45**	**(3)**	**(0)**	**230**	**141**

a. Plant and machinery includes electrical installation :

	As at March 31, 2023	As at March 31, 2022
Gross carrying amount	19	18
Accumulated depreciation	11	9
Net carrying amount	8	9

b. Refer to note no 41 for information on property, plant and ecuipment pledged as security.

c. Refer to note no 33 for disclosure in the contractual commitments for the acquisition of property, plant and equipment

d. Adjustment to plant and machinery represents the reclassification of accumulated foreign exchange gain/(loss) from property, plant and equipment to Right of use asset.

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

4A Right of use asset

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2023
	As at April 01, 2022	Adjustment (note a below)	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Adjustment (Note b below)	Additions	Disposals	As at March 31, 2023	
Building	164	-	134	-	298	78	-	27	-	105	193
Plant and machinery	414	5		-	419	143		39	-	182	237
Total	**578**	**5**	**134**	**-**	**717**	**221**	**-**	**66**	**-**	**287**	**430**

Particulars	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2022
	As at April 01, 2021	Adjustment (note a & b below)	Additions	Disposals	As at March 31, 2022	As at April 01, 2021	Adjustment (Note b below)	Additions	Disposals	As at March 31, 2022	
Building	164	-	-	-	164	52	-	26	-	78	86
Plant and machinery	404	10	-		414	101	1	41	-	143	271
Total	**568**	**10**	**-**	**-**	**578**	**153**	**1**	**67**	**-**	**221**	**357**

a. Right of use assets includes INR 5 (March 2022 : INR (2)) towards net exchange loss/(gain) capitalised during the year
b. Refer note 4(d) above.

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4B **Capital work in progress**

	As at April 01, 2021	Additions	Transfer	As at April 01, 2022	As at April 01, 2022	Additions	Transfer	As at March 31, 2023
Capital work in progress	-	-	-	-	-	0	-	0

5 **Intangible assets**

Particulars	Gross carrying amount					Amortisation					Net carrying amount as at March 31, 2023
	As at April 01, 2022	Additions	Disposals	Adjustment	As at March 31, 2023	As at April 01, 2022	For the year	Disposals	Adjustment	As at March 31, 2023	
Computer software	45	4	-	-	49	27	5	-	-	32	17
Technical knowhow	26	3	-	-	29	14	2	-	-	16	13
Total	**71**	**7**	**-**	**-**	**78**	**41**	**7**	**-**	**-**	**48**	**30**

Particulars	Gross carrying amount					Amortisation					Net carrying amount as at March 31, 2022
	As at April 01, 2021	Additions	Disposals	Adjustment	As at Mar 31, 2022	As at April 01, 2021	For the year	Disposals	Adjustment	As at March 31, 2022	
Computer software	49	4	-	(9)	45	23	5	-	(1)	27	18
Technical knowhow	12	5	-	9	26	10	2	-	1	14	12
Total	**61**	**9**	**-**	**-**	**71**	**33**	**7**	**-**	**-**	**41**	**30**

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

(b) Refer note no 33 for disclosure of capital commitments for intangible assets.

5A **Intangible assets under development**

	As at April 01,2021	Additions	Transfer	As at March 31 2022	As at April 01,2022	Additions	Transfer	As at March 31 2023
Software	0	-	(0)	0	(0)		0	0
Technical knowhow	1	1	(1)	1	1		(1)	0
Total	1	1	(1)	1	1	-	(1)	0

Intangible assets under development ageing schedule

Ageing as of March 31, 2023

Intangible assets under development	Amount in intangible assets under				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	0	-	-	-	0
Projects temporarily Suspended	-	-	-	-	-

Ageing as of March 31, 2022

Intangible assets under development	Amount in intangible assets under				Total
	Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	1	-	-	-	1
Projects temporarily Suspended	-	-	-	-	-

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Financial Assets

6 Investments

	March 31, 2023	March 31, 2022
Investment in equity instruments (Fully paid up)		
Unquoted		
(A) Investment in subsidiaries at cost		
55,009,249 (March 31, 2022: 55,009,249) equity shares of INR 10 each fully paid-up in Aerospace Manufacturing Holdings Private Limited.	759	759
48,642,437 (March 31, 2022: 48,642,437) equity shares of INR 10 each fully paid-up in AeroStructures Manufacturing India Private Limited. **Refer Note (i) &(iii)**	1,867	1,834
10,840,000 (March 31, 2022: 10,840,000) equity shares of Euro 1 each fully paid-up in Aequs Aerospace BV. **Refer note (iii)**	795	792
95% (March 31, 2022: 95%) common stock in Aequs Oil & Gas LLC. **Refer note (iii)**	824	824
28,860,801 (March 31, 2022: 28,860,801) equity shares of INR 10 each fully paid-up in Aerostructures Assemblies India Private Limited. **Refer note (iii)**	235	234
166,615,317 (March 31, 2022: 115,615,317) equity shares of INR 10 each fully paid-up in Aequs Engineered Plastics Private Limited	1,809	1,295
36,851,762 (March 31, 2022: 19,334,872) equity shares of INR 10 each fully paid-up in Aequs Consumer Products Private Limited	476	202
63,202,799 (March 31, 2022: 21,009,999) equity shares of INR 10 each fully paid-up in Aequs Toys Private Limited	659	210
99 (March 31, 2022: Nil) equity shares of INR 10 each fully paid-up in Aequs Material Management Private Limited	0	0
89,708,106 (March 31, 2022: 46,223,056) equity shares of INR 10 each fully paid-up in Aequs Force Consumer Products Private Limited	923	471
(B) Investment in associates at cost		
1,000 (March 31, 2022: 1,000) equity shares of INR 10 each fully paid in Aequs Foundation	0	0
(C) Investment in joint ventures at cost		
8,444,923 (March 31, 2022: 8,444,923) equity shares of INR 10 each fully paid-up in Aerospace Processing India Private Limited. **Refer note (iii)**	90	90
59,134,341 (March 31, 2022: 51,956,841) equity shares of INR 10 each fully paid-up in SQuAD Forging India Private Limited. **Refer note (ii) & (iii)**	631	553
(D) Other Investments at FVTPL		
20,325,300 (March 31, 2022: 20,325,300) Compulsorily Convertible Debentures (CCD) of INR 10 each in Aequs Force Consumer Products Private Limited	207	207
Aggregate amount of unquoted investments	**9,275**	**7,471**
Aggregate amount of Impairment in value of investment. [Refer note 26]	(3,410)	(3,165)
Total Non-Current Investments	**5,865**	**4,306**

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i. Investment in the following entities includes fair value of financial guarantee extended	**March 31, 2023**	**March 31, 2022**
Aerostructures Manufacturing India Private Limited	141	111
Aerostructures Assemblies India Private Limited	3	2
SQuAD Forging India Private Limited	39	33
Aequs Force Consumer Products Private Limited	4	0
Aequs Consumer Products Private Limited	28	0
Koppal Toys Tooling COE Private Limited	2	0
Koppal Toys Molding COE Private Limited	4	0
Aequs Toys Private Limited	13	0
	234	**146**

ii. Investment in the following entities includes ESOP cost cross charged:

	March 31, 2023	**March 31, 2022**
Aerostructures Manufacturing India Private Ltd	7	3
Aerostructures Assemblies India Private Limited	1	0
Aequs Aerospace BV	6	3
SQuAD Forging India Private Limited	1	0
Aerospace Processing India Private Limited	0	0
Aequs Toys Private limited	0	0
Aequs Consumer Products Private Limited	2	0
Aeques Oil and Gas LLC	2	0
Aequs Aero Machine Inc.	-	1
Aequs Engineered Plastics Private Limited	4	0
	23	**7**

iii.Breakup of total impairment

	March 31, 2023	**March 31, 2022**
Aeques Oil and Gas LLC	824	824
SQuAD Forging India Private Limited	234	215
Aequs Aerospace Private Limited	646	636
Aerostructures Assemblies India Private Limited	16	16
Aequs Aerospace BV	795	656
Aequs Engineered Plastics Private Limited	895	818
	3,410	**3,165**

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

	March 31, 2023	March 31, 2022
7 Financial assets		
(i) Trade receivables		
Trade receivables from contract with customers	91	143
Trade receivables from contract with customers- related parties (Refer note 35)	40	20
Less: Loss allowance (refer note 30)	(1)	(1)
Total receivables	**130**	**162**
Break up of security details		
Trade receivables considered good - unsecured	131	163
Total	131	163
Less: Loss allowance	(1)	(1)
Total trade receivables	**130**	**162**

Note:
For lien/charge against trade receivables refer note 41

Ageing of Trade receivables as at March 31, 2023

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	78	42	11	0	-	-	131
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	**78**	**42**	**11**	**0**	**0**	**0**	**131**
Less Loss allowance	-	1	-	-	-	-	1
Total trade receivables	**78**	**41**	**11**	**0**	**0**	**0**	**130**

Ageing of Trade receivables as at March 31, 2022

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	103	44	9	6	1	0	163
Which have significant increase in credit risk	-	-	-			-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	**103**	**44**	**9**	**6**	**1**	**0**	**163**
Less Loss allowance	(0)	(1)	(0)	(0)	-	-	(1)
Total trade receivables	**103**	**43**	**9**	**6**	**1**	**0**	**162**

	March 31, 2023	March 31, 2022
(ii) Cash and cash equivalents		
Balances with banks:		
In current accounts	31	10
Deposits with maturity of less than 3 months	20	349
Cash on hand	0	0
	51	**359**
(iii) Bank balances other than above (Refer note below)		
Margin money deposits *	0	0
	0	**0**

Note:
*Margin money deposits are towards guarantees extended by banks.

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

7 Financial assets (Continued)

	March 31, 2023	March 31, 2022
(iv) Loans		
Non current		
Loan to related party (refer note 35)	686	484
Less: Impairment on loan receivable	(686)	(482)
	-	**2**
Current		
Loan to related party (refer note 35)	82	201
Less: Impairment on loan receivable	(77)	(106)
Other loans	-	2
	5	**97**
Break up of security details		
Loans considered good- unsecured	5	99
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	763	588
Total	**768**	**687**
Less: Loss allowance	(763)	(588)
Total loans	**5**	**99**
Following loans were granted to related parties which are repayable on demand:		
Aggregate of loans/advances in nature of loan repayable on demand	82	190
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of	-	-
Percentage of loans/advances in nature of loan to the total loans	11%	28%

Note:
Previous year figures have been reclassified for better presentation

	March 31, 2023	March 31, 2022
(v) Other financial assets		
Non current		
Security deposits	22	26
	22	**26**
Current		
Accrued interest	-	-
Recoverable from related parties (Refer note 35)	138	175
Deferred financial guarantee expense	3	2
MEIS receivable	6	7
Other deposits - less than 12 months but more than 3 months	-	1
	147	**185**
Less: Provision for doubtful assets	(35)	(33)
	112	**152**
Provision for doubtful assets includes,		
Expected credit loss for Recoverable from a related party	(30)	(25)
Provision for Doubtful export incentives receivable	(5)	(7)
Total	**(35)**	**(33)**

7A. Contract assets and contract liabilities

	March 31, 2023	March 31, 2022
Current		
Contract assets	0	7
	0	**7**
Contract liabilities		
Advance from customers*	-	-
Unearned revenue	0	0
	0	**0**

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8 Other assets

Particulars	March 31, 2023	March 31, 2022
Non current		
Capital advances	5	0
Prepaid expenses	5	5
Balance with statutory authorities	1	1
	11	**6**
Current		
Advance to suppliers	10	11
Advances to employees	0	0
Prepaid expenses	14	18
Sundry advances	0	0
	24	**29**

9 Deferred tax assets

Deferred tax assets (Net) [Refer note 28]	154	155
	154	**155**

9 Current Tax assets

Income tax assets	24	15
	24	**15**

Note:
(a)Refer note 32(iv) for amount paid under protest
(b)Previous year figures have been reclassified for better presentation

10 Inventories (At lower of cost and net realisable value)

Raw materials	66	98
(Including Goods in transit: 18 (March 31, 2022: INR 14)		
Work-in-progress	102	112
Finished goods	63	69
Stores and spares(including packing material) [includes Goods in transit: INR Nil (March 31, 2022: INR 3)]	33	36
	264	315
Less: Provision for slow moving inventory	(27)	(99)
	237	**216**

Note:

a. For lien/charge against inventories refer note nos. 41
b. Write- down of inventories to net realizable value amounted to INR 11 (March 31, 2022: INR 2). These were recognized as an expense during the year and
c. Provision for slow moving inventory includes provision in respect of:

Raw materials	(3)	(55)
Work-in-progress	(7)	(18)
Stores and spares	(17)	(26)
	(27)	**(99)**

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

11 Equity share capital

(i) Authorised equity share capital

	No of shares	Amount
As at April 1, 2021	286,250,000	2,863
Increase during the year	145,210,000	1,452
As at March 31, 2022	**431,460,000**	**4,315**
Increase during the year	-	-
As at March 31, 2023	**431,460,000**	**4,315**

(ii) Authorised Compulsorily Convertible Preference Share Capital

As at March 31, 2022	-	-
Increase during the year	160,000,000	1,600
As at March 31, 2023	**160,000,000**	**1,600**

(iii) Issued, subscribed and fully paid up equity share capital	**March 31, 2023**	**March 31, 2022**
Issued, subscribed and fully paid up equity share capital 424,758,026 (March 31, 2022: 395,958,100) equity shares of INR 10/- each fully paid up [Refer Note: v(c) below]	4,248	3,960
Total issued, subscribed and fully paid-up equity share capital	**4,248**	**3,960**

Note:

a. Previous year figures have been reclassified for better presentation

b. Refer note 14.4(i) for Issued, subscribed and fully paid up compulsorily convertible preference shares

(iv) Movement in equity share capital

	March 31, 2023		**March 31, 2022**	
	In Nos	**Amount**	**In Nos**	**Amount**
At the beginning of the year	395,958,100	3,960	275,976,490	2,760
Add: Preferential issue during the year	28,799,926	288	119,981,610	1,200
Outstanding at the end of the year	**424,758,026**	**4,248**	**395,958,100**	**3,960**

(v) 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 150 (March 31, 2022: Nil) equity shares of INR 10/- each fully paid up issued to private equity investors carry certain exit rights as per Shareholders Agreement dated March 24, 2023.

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

	Number of equity shares	**% holding**
As at March 31, 2023		
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%
Melligeri Private Family Foundation	114,431,505	26.94%
As at March 31, 2022		
Aequs Manufacturing Investments Private Limited	236,689,151	59.78%
Melligeri Private Family Foundation	114,431,405	28.90%

(vii) Details of shareholding of Promoters

As at March 31, 2023

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%	2.33%
Melligeri Private Family Foundation	114,431,505	26.94%	-1.96%

As at March 31, 2022

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Manufacturing Investments Private Limited	236,689,151	59.78%	16.47%
Melligeri Private Family Foundation	114,431,405	28.90%	-13.63%

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

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

	March 31, 2023	March 31, 2022
	Number of equity shares	
Shares issued as consideration for acquisition of investments (Note below)	-	62,783,589
Shares allotted through the conversion of Compulsorily Convertible Debentures	28,799,776	-

Note: During FY2021-22 Company purchased the following securities held by Aequs Manufacturing Investments Private Limited in the respective entities as under:

Investee company	Nature of securities	No of securities of investee company	Investment value acquired	No of shares of APL issued
Aequs Engineered Plastics Private Limited	Equity shares	92,093,337	1,031	39,518,980
Aequs Force Consumer Products Private Limited	Equity shares	32,087,355	327	12,539,886
Aequs Consumer Products Private Limited	Equity shares	7,117,373	73	2,781,502
Aequs Force Consumer Products Private Limited	Compulsory Convertible Debentures(CCD)	20,325,300	207	7,943,221
		151,623,365	1,638	62,783,589

(ix) During the year ended March 31, 2023 the Company issued 18,961,938 (March 31, 2022: Nil) equity shares of INR 10 each fully paid up at premium of INR 18.90 (March 31, 2022: Nil) per share and 9,837,838 equity shares of INR 10 each fully paid up at premium of INR 19.60 (March 31, 2022: Nil) per share through conversion of compulsorily convertible debentures.

(x) 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 12(e).

ESOP Trust was created for the welfare and benefit of employees, consultants 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 obtained from the Company.

(xi) During the year ended March 31, 2023 the Company issued 150 (March 31, 2022: 119,981,610) equity shares of INR 10 each fully paid up at premium of INR 12.40 (March 31, 2022: 16.1) per share.

(xii) 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.

(xiii) 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 [refer note 14.4(i)]

12 Reserves and Surplus

	March 31, 2023	March 31, 2022
(i) Retained Earnings	(4,346)	(3,912)
(ii) Securities premium reserve	5,686	5,137
(iii) Share options outstanding	50	26
(iv) Treasury Shares	(265)	(265)
	1,125	986
(v) Other reserves	13	9
	1,138	**995**

(i) Retained earnings

	March 31, 2023	March 31, 2022
Opening balance	(3,912)	(2,132)
Net loss for the year	(436)	(1,783)
Transfer of reserves relating to lapse of vested options	1	2
Items of other comprehensive income recognised directly in retained earnings :		
- Remeasurement of post employment benefit obligations	1	1
Closing balance	**(4,346)**	**(3,912)**

(ii) Securities premium reserve

Opening balance	5,137	3,214
Add: Preferential Issue of equity shares	551	1,929
Exercised options proceeds received*	0	3
Less: Utilisation towards share issue expenses	(2)	(9)
Closing balance	**5,686**	**5,137**

Note:

Previous year figures have been reclassified for better presentation

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	March 31, 2023	March 31, 2022
(iii) Share options outstanding account		
Opening balance	26	26
Employee stock option expense (Refer note 20)	26	2
Transfer to securities premium	-	(2)
Transfer of reserve relating to lapse of vested option to retained earnings	(2)	-
Towards exercise during the year	0	-
Closing balance	**50**	**26**
(iv) Treasury Shares		
Opening Balance	(265)	(117)
Additions during the year	-	(148)
Shares issued/ (purchases) by ESOP Trust during the year	-	-
Closing balance	**(265)**	**(265)**
(v) Other Reserves		
Opening Balance	9	5
Financial guarantee received during the year	5	4
Financial guarantee issued during the year	-	-
ESOP expenses cross charged to other group entities	(1)	0
Closing balance	**13**	**9**

Note:

a. Securities premium

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

b. 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.

c. Other reserves

Other reserves includes fair value of financial guarantee 35 (March 31, 2022: 30) received from Aequs SEZ Pvt. Ltd and the recognition of fair value of financial guarantee 17 (March 31, 2022: 17) given to Aequs Engineered Plastics Private Limited and Aequs Automotive Private Limited.

d. Treasury shares

This represents amount of loan outstanding given to ESOP trust for purchase of the equity shares of the company. This balance has been regrouped as compared to previous year for better presentation.

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e (i). Stock option plan

The Company has granted stock options to the employees 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, 2023 four stock option plans (ESOP) viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. ESOP schemes are administered through ESOP trust called as "Aequs Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. Vesting under each of these schemes is subject to satisfaction of the prescribed vesting conditions viz., continuing employment of 5 years, employee performance, business performance and achieving of target share price by the Company. 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 :

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, consultants and directors of the Company and its subsidiaries, joint ventures and associates. According to the ESOP scheme 2013, the employee selected by the ESOP committee from time to time will be entitled to 20,000 to 500,000 options. The contractual life (comprising the vesting period and the exercise period) of portions granted is 11-15 years. The other relevant terms of the grant are as below :

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

Particulars	Exercise price range	March 31, 2023 Number	March 31, 2023 WAEP (INR)	March 31, 2022 Number	March 31, 2022 WAEP (INR)
Options outstanding at beginning of year	10 - 26	4,243,126	18.83	3,177,647	12.32
Add:					
Options granted during the year	10 - 26	-	-	1,909,455	26.03
Less:					
Options exercised during the year	10 - 26	-	-	(762,727)	10.04
Options forfeited during the year	10 - 26	(408,313)	10.00	(81,249)	10.00
Options outstanding at the end of year	10 - 26	**3,834,813**	**18.61**	**4,243,126**	**18.83**
Option exercisable at the end of year		**2,269,544**		**2,333,671**	

ESOP Scheme 2016

The Board of Directors approved the Employee Share Option Plan 2016 structured to reward employees. Accordingly, the Company has created 2,900,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme.

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

	Exercise Price	**March 31, 2023 Number**	**March 31, 2023 WAEP (INR)**	**March 31, 2022 Number**	**March 31, 2022 WAEP (INR)**
Options outstanding at beginning of year	24 - 40	2,776,852	28.00	1,667,843	30.84
Add:					
Options granted during the year	24 - 40	-	-	1,440,000	26.09
Less:					
Options exercised during the year	24 - 40	(7,000)	23.78	(82,803)	25.60
Options forfeited during the year	24 - 40	(227,625)	11.83	(248,188)	11.83
Options outstanding at the end of year	**24 - 40**	**2,542,227**	**28.24**	**2,776,852**	**28.00**
Option exercisable at the end of year		**1,415,775**		**1,296,852**	

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ESOP Scheme 2020

The Board of Directors approved the Employee Share Option Plan 2020 structured to reward employees. Accordingly, the Company has created 3,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme.

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

		March 31, 2023		March 31, 2022	
	Exercise Price	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	26 - 26	3,000,000	26.10	-	-
Add:					
Options granted during the year	26 - 26	-	-	3,000,000	26.10
Less:					
Options exercised during the year	26 - 26	-	-	-	-
Options forfeited during the year	26 - 26	-	-	-	-
Options outstanding at the end of year	**26 - 26**	**3,000,000**	**26.10**	**3,000,000**	**26.10**
Option exercisable at the end of year		**268,548**		**0.00**	

ESOP Scheme 2022

The Board of Directors approved the Employee Share Option Plan 2022 structured to reward employees. Accordingly, the Company has 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.

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

		March 31, 2023		March 31, 2022	
	Exercise Price	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	26 - 30	1,805,000	26.10	-	-
Add:					
Options granted during the year	26 - 30	275,000	29.35	1,805,000	26.10
Less:					
Options exercised during the year	26 - 30	-	-	-	-
Options forfeited during the year	26 - 30	(35,000)	26.10	-	-
Options outstanding at the end of year	**26 - 30**	**2,045,000**	**26.54**	**1,805,000**	**26.10**
Option exercisable at the end of year		**171,290**		**0**	

e (ii) The following Table lists the input used for the options as on grant date:-

Particulars	**Options**
Expected Dividend Yield (%)	NIL
Expected Volatility (%)	21.50%
Risk free Interest rate (%)	7%
Waighted Average fair value per Option	28.9
Model Used	Black Scholes Model

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13 Employee benefit obligations	**March 31, 2023**	**March 31, 2022**
Non-current		
Gratuity	23	21
	23	**21**
Current		
Gratuity	2	3
Leave obligations	12	11
	14	**14**

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave which are classified as other long term benefits

The amount of the provision of INR 12 (March 31, 2022: INR 11) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	March 31, 2023	**March 31, 2022**
Leave obligation not expected to settled within next 12 months	3	4

(ii) Defined contribution plans

The Company has defined contribution plans in the form of provident fund and 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 or constructive obligation. The expense recognised during the period towards defined contribution plan is INR 4 (March 31,

(iii) Post employment benefits

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 20)	**March 31, 2023**	**March 31, 2022**
Current service cost	4	4
Interest on defined benefit obligation	1	1
Past service cost	-	-
Shared service cost recovered	(2)	(0)
Total amount recognised in statement of profit or loss (A)	**3**	**5**
(b) Amounts recognised in other comprehensive income		
(Gains)/losses arising from changes in		
- return on plan assets	(0)	(0)
- demographic assumptions	0	1
- financial assumptions	(1)	(1)
- experience adjustments	(1)	(2)
Total amount recognised in other comprehensive income (B)	**(2)**	**(2)**
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	**1**	**3**
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	**24**	**20**
Current service cost	4	4
Interest cost	1	1
Benefits paid	(0)	(2)
Settlements*	(2)	3
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	0	1
- arising from changes in financial assumptions.	1	(1)
- arising from changes in experience adjustments.	(3)	(2)
Defined benefit obligation as of current year end	**25**	**24**

*On account of business combination or intra-group transfer

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

13 Employee benefits obligations (Contd..)

(d) Change in fair value of plan assets	**March 31, 2023**	**March 31, 2022**
Fair value of plan assets at the beginning of the year	**0**	**0**
Adjustment to opening fair value		
Expected return on plan assets*	(0)	(0)
Contributions*	3	2
Benefit payments from plan assets	(3)	(2)
Remeasurement gains/ (losses)		
Actuarial Gain/(Loss) on plan assets*	0	0
Fair value of plan assets at the end of the year*	**0**	**0**
(e) Net (asset)/ liability:		
Present value of obligation	25	24
Fair value of plan assets	0	0
Defined benefit liability/(asset)	**25**	**24**
(f) Classification		
Non current liability	23	21
Current liability	2	3
Total	**25**	**24**
(g) Investment details of plan assets		
Pooled asset with an insurance Company	0	0
Total	**0**	**0**
(h) Actual return on plan assets	0	0
(i) Expected contribution in next year	2	2
(j) Significant estimates: Actuarial assumptions		
The significant actuarial assumptions are as follows:		
Discount rate per annum	7.45%	6.90%
Salary escalation, including inflation rate per annum	10%	10%
Other actuarial assumptions		
Expected return on plan assets*	0	0
Attrition rate	6%-14% on a graduated scale.	6%-18% on a graduated scale.
Retirement age	58	58

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

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13 Employee benefits obligations (Contd..)

Sensitivity analysis

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

Changes in assumption	March 31, 2023	March 31, 2022
Discount rate		
a. Discount rate - 50 basis points	26	23
a. Discount rate - 50 basis points impact (%)	4.37%	-4.07%
b. Discount rate + 50 basis points	24	25
b. Discount rate +50 basis points impact (%)	-4.08%	4.37%
Salary increase rate		
a. Rate - 50 basis points	26	25
a. Rate - 50 basis points impact (%)	3.77%	3.84%
b. Rate + 50 basis points	24	23
b. Rate + 50 basis points impact (%)	-3.59%	-3.71%

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.

b. Expected future cashflows (in Rs.) [Undiscounted]	March 31, 2023	March 31, 2022
Year 1	2	3
Year 2	2	2
Year 3	3	2
Year 4	3	2
Year 5	2	2
Year 6	2	2
Year 7	4	2
Year 8	2	3
Year 9	2	1
Year 10 and above	33	29
Weighted average duration of the defined benefit obligation in years	8.44 years	8.43 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) Investment risk

For Funded plans that rely on insurers for managing the assets the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(ii) 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.

(iii) 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.

(iv) 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, than the benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

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14 Financial liabilities

	March 31, 2023	March 31, 2022
(i) Borrowings		
Non current:		
Term loans from banks (Rupee loan secured)	28	51
Compulsorily Convertible Preference Shares (Refer note 4 below)	575	-
	603	**51**
Less: Interest accrued but not due on borrowings	1	1
Less: Current maturities of term loans from banks (Rupee loan secured)	17	23
Non-current borrowings (as per balance sheet)	**585**	**27**
Current:		
From banks (Secured)	222	215
Loans from related parties (unsecured)	150	60
Current maturities of term loans from banks (Rupee loan secured)	17	23
Interest accrued but not due on borrowings	21	1
	410	**299**

Refer Note 38 for net debt reconciliation

Refer Note 41 for the carrying amounts of financial and non financial assets pledged as security for current and non current borrowings

1.Term loan INR loan

Indian rupee Term Loan from bank carries interest at 1 Year MCLR + 1.35%p.a and repayable in 48 monthly installments. Loan is secured by hypothecation of plant and machineries, collateral security over parcel of land owned by Aequs SEZ Pvt Ltd, the personal guarantee of Mr. Aravind Melligeri, Director and corporate guarantee given by Aequs SEZ Private Limited. Loan is closed during the F.Y. 2022-2023 and charge has been filed for modification.

2.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% 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 Melligeri, Director and corporate guarantee given by Aequs SEZ Private Limited.

3.Working capital facility from banks

Working capital facilities includes Cash Credit, 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, Director. Working capital facilities are repayable on demand. CC carry interest rates of 3MT Bill+2.10% p.a., PCFC carries an interest of 6 Month SOFR+2% p.a. EPC carry interest rates 8.10% p.a.

4.OD against third party deposit (FCNR): Over draft facility is secured primarily by Lien on FCNR deposit. Over draft facility carry interest rate of 12.15% p.a. Facility is closed in Mar-23.

5. Loan from a related party is unsecured, repayable on demand and carries an interest of 12% per annum.

6. Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2023:

a. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-22	HDFC Bank	Inventories	186	297	(111)	Refer Note(b) below
Sep-22	HDFC Bank		200	301	(101)	
Dec-22	HDFC Bank		207	304	(97)	
Mar-23	HDFC Bank		237	249	(12)	

Notes:

(a) As per the sanction letter, the Company needs to exclude obsolete inventories and those inventories aged more than 90 days. However, the Company has excluded inventories in line with the provisioning policy followed by the Company.

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

b. Trade Receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-22	HDFC Bank	Trade receivables	110	80	30	Refer Note a below
Sep-22	HDFC Bank		123	76	47	
Dec-22	HDFC Bank		112	65	47	
Mar-23	HDFC Bank		130	90	40	

(a) Amount reported quarterly to bank is excluding the inter-company receivables and unrealised gain or loss balance.

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

4. Compulsorily Convertible Preference Shares	**March 31, 2023**	**March 31, 2022**
(i) Issued, subscribed and fully paid up Compulsorily Convertible Preference Shares		
Issued, subscribed and fully paid up Compulsorily Convertible Preference Shares	641	-
57,206,340 (March 31, 2022: Nil)Compulsorily Convertible Preference Shares of INR 11.2/- each fully paid up (Face value INR 10 each)		
Total issued, subscribed and fully paid-up Compulsorily Convertible Preference Shares	**641**	-

ii. Shareholders holding more than 5 % of the aggregate CCPS in the Company

	As on March 31, 2023			As on March 31, 2022		
Name of Holder	No. of CCPS	Value of CCPS	% holding	No. of CCPS	Value of CCPS	% holding
Amicus Capital Private Equity I LLP	51,966,240	582	91	-	-	-
Amicus Capital Partners India Fund I	5,240,100	59	9	-		-
Total	**57,206,340**	**641**	**100**	-	-	-

iii.The Company has issued first tranche cumulative compulsorily convertible participating preference shares (CCPS) which are 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.

The investors may 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.

As per the shareholders agreement dated March 24, 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.

Further, the number of equity shares that would be issued to the investors on conversion would be determined based on the EBITDA of the group for the year ending March 31, 2024 with a floor and a cap.

Accordingly, the CCPS is recognised as financial liability and has been accounted for initially at fair value and subsequently at amortised cost. The carrying amount of CCPS is at amortised cost, net of any origination fees and transaction costs. The amortisation is calculated using the effective interest method.

(ii) Trade payables	**March 31, 2023**	**March 31, 2022**
Current:		
Trade payables		
- Dues to micro and small enterprises (Refer note 42)	24	0
- Other trade payables	139	118
Payable to related parties (Refer note 35)	137	25
	300	**143**

Aging of Trade payables as on March 31, 2023

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	4.78	225	1	0	0	231
(iii)Disputed dues MSME						-
(iv)Disputed dues- Others						-
Unbilled	69					69
Total	**74**	**225**	**1**	**0**	**0**	**300**

Aging of Trade payables as on March 31, 2022

Particulars	Outstanding for following periods from trasaction 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	-	109	1	1.24	-	111
(iii)Disputed dues_MSME		-	-	-	-	-
(iv)Disputed dues- Others		-	-	-	-	-
Unbilled	32					32
Total	**32**	**109**	**1**	**1**	-	**143**

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14 Financial liabilities (Continued)

	March 31, 2023	March 31, 2022
(iii) Other financial liabilities		
Non current:		
Guarantee liability (Refer note 35)	42	4
	42	**4**
Current:		
Capital creditors	1	2
Guarantee liability (Refer note 35)	27	14
Employees related liability	20	18
Payable to related parties	-	255
	48	**289**

	March 31, 2023	March 31, 2022
(iv) Leased liabilities		
Non Current:		
Lease liabilities	351	253
	351	**253**
Current:		
Lease liabilities	41	50
	41	**50**
Lease liabilities include		
Building		
Current	15	26
Non current	191	78
	206	**104**
Plant and Machinery		
Current	26	24
Non current	160	175
	186	**199**

Notes

a. The Company's lease contracts are for fixed periods of 8 years for plant and machinery and 10 years for building. Extension and termination options (for Building) are exercisable on mutually agreed terms.

b. Lease obligation includes lease obligation taken by the Company in Euro and is secured by machineries taken on lease. The interest rate implicit in lease is ranging from 2.50% p.a. to 3.50% p.a. Lease obligation plus interest for each machine is repayable in 93 to 97 instalments.

c. The total cash outflow for leases, including interest, for the year was INR 65 (March 31,2022: INR 66)

15 Other liabilities

Current:		
Statutory dues payable	9	6
	9	**6**

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	Year Ended March 31, 2023	Year Ended March 31, 2022
16 Revenue from operations		
Revenue from contracts with customers		
Sale of products		
Manufactured goods(note d)	635	450
Rendering of services		
Information Technology Services	49	47
Machining Services	2	2
	686	**499**
Other operating income		
Scrap sales	11	18
	11	**18**
	697	**517**

Note:

a.Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date — 0

b. There were no adjustments to the contract price.

c. Refer Note 34 for geographical wise revenue break up.

	Year Ended March 31, 2023	Year Ended March 31, 2022
17 Other Income		
Export incentives	2	-
Provisions/ Liabilities no longer required written back	1	5
Dividend Received	12	
	15	**5**
17A Other gains/(losses)- net		
Net gain on disposal of property, plant and equipment	0	(2)
Exchange differences	36	(7)
	36	**(9)**

Note:
Previous year figures have been reclassified for better presentation

	Year Ended March 31, 2023	Year Ended March 31, 2022
18 Cost of materials consumed		
(a) Raw material consumed		
Opening stock	98	101
Provision for slow moving inventory	(55)	(51)
Opening stock (net) (a)	**43**	**50**
Purchases during the year (b)	322	197
Closing stock	66	98
Provision for slow moving inventory	(3)	(55)
Closing stock (net) ('c)	**63**	**43**
Cost of raw materials consumed * (a+b-c)	**302**	**204**

* Includes Provision for slow moving inventory INR (51) (March 31,2022: INR 9)

Note:
Previous year figures have been reclassified for better presentation

	Year Ended March 31, 2023	Year Ended March 31, 2022
19 Change in inventories of work-in-progress and finished goods		
Inventory at the end of the year (a)		
Work in progress	102	112
Finished goods	63	69
Less: Provision for slow moving inventory	(7)	(18)
	158	**163**
Inventory at the beginning of the year (b)		
Work-in-progress	112	79
Finished goods	69	94
Less: Provision for slow moving inventory	(18)	(16)
	163	**157**
Change in inventories of work -in-progress	(5)	(31)
Change in inventories of finished goods(b-a)	11	25
Change in inventories of work -in-progress and finished goods(b-a)	**6**	**(6)**

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

		Year Ended March 31, 2023	Year Ended March 31, 2022
20	**Employee benefit expenses**		
	Salaries, wages and bonus	89	64
	Contribution to provident and other funds	4	4
	Employee stock option expense (Refer note 12(iii) and note 35)	12	2
	Leave compensation	2	1
	Gratuity (Refer note 13)	3	5
	Staff welfare expenses	10	10
		120	**86**
21	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	43	45
	Depreciation on right to use assets(Refer below note (a) below)	65	67
	Amortisation of intangible assets	7	7
		115	**119**
	Note:		
	a. Details of depreciation on right of use assets		
	Buildings	26	26
	Plant and Machinery	39	41
		65	**67**
22	**Net impairment losses on financial assets**		
	Loss allowance on trade receivables (Refer note 30)	-	1
		-	**1**
23	**Other expenses**		
	(a)Cost of spares and components		
	Opening stock	36	32
	Provision for slow moving inventory	(26)	(6)
		10	26
	Add: Purchases during the year	65	53
	Less: Closing stock	33	36
	Provision for slow moving inventory	(16)	(26)
		17	10
	Cost of spares and components	58	68
	Subcontracting expenses	47	37
	Insurance	6	5
	Power and fuel	32	27
	Repair and maintenance		
	Machinery	18	14
	Building	1	0
	Others	41	33
	Legal and professional fees	13	8
	Management fee	5	4
	Payment to auditors [refer note (ii) below]	2	1
	Rental charges	2	1
	Printing and stationery	1	1
	Freight & forwarding	2	0
	Rates and taxes	1	7
	Travelling and conveyance	7	2
	Communication	7	5
	Advertising and sales promotion	5	4
	Miscellaneous expenses	1	1
	Bank charges	5	3
	Loss on sale/write off of property, plant and equipment	0	-
		254	**221**

Note (i) Rental charges includes an amount of INR 2 (March 31,2022: INR 1) towards lease payments of low value assets

(ii) Payments to auditors

As auditor:		
Audit fee	2	1
Tax audit fee	0	0
Out of pocket expenses	0	0
In other capacity:		
Other services(Certification fees)	0	0
	2	**1**

(iii)Previous year figures have been reclassified for better presentation

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		Year Ended March 31, 2023	Year Ended March 31, 2022
24	**Finance cost**		
	Interest expense on working capital borrowings	16	13
	Interest expense on lease liabilities	16	19
	Interest expense on term loan	4	5
	Interest expense -others	28	14
	Financial guarantee expense (Refer note 35)	6	6
	Exchange differences (on borrowings)	12	(1)
		82	**56**
	Note: Interest expense on lease liabilities towards:		
	Plant and Machinery	5	6
	Building	11	13
		16	**19**

		March 31, 2023	March 31, 2022
25	**Finance income**		
	Interest income from financial assets at amortised cost	81	35
	Unwinding of discount on security deposit	1	1
	Guarantee commission income	36	28
		118	**64**
26	**Exceptional items**		
	Impairment loss on investment in subsidairies [(Refer note (i)]	245	1,755
	Loss allowance on recoverable from related parties [(Refer note (ii)]	4	-
	Loss allowance on loans receivable from related parties including interest accrued thereon [(Refer note (iii)]	174	62
	Income from distribution of subsidiary's assets [(Refer note (iv)]	-	(185)
		423	**1,632**

Note:

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

	March 31, 2023	March 31, 2022
Aequs Oil & Gas LLC	-	74
Aerospace Manufacturing Holdings Private Limited (AMHPL)	9	234
Aequs Aerospace BV (AABV)	139	560
SQuAD Forging India Private Limited	20	69
Aequs Engineered Plastics Private Limited (AEPPL)	77	818
	245	**1,755**

(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 INR 4 (March 31, 2022: INR 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, 2023	March 31, 2022
Aequs Aerospace BV (AABV)	197	9
Aerospace Manufacturing Holdings Private Limited (AMHPL)	8	16
Aequs Rajas Extrusion Private Limited(AREPL)	6	-
Aequs Engineered Plastics Private Limited (AEPPL)	(37)	37
	174	**62**

(iv) During FY2021-22, the Company had entered into a Share Purchase Agreement ('SPA') on December 11, 2021, with AMHPL (Formerly Known as Aequs Aerospace Private Limited (the "transferor"), a wholly owned subsidiary of the Company, to purchase entire equity shares of AeroStructures Assemblies India Private Limited, held by AMHPL. Given that this transaction was between entities under common control this transaction was carried out at a nominal consideration of Re 1, the Company has accounted this transaction as income from distribution of assets by AMHPL in accordance with the applicable Ind AS and has adopted a policy choice to account the same at predecessor cost, i.e., cost to AMHPL. Accordingly, an income of INR 99 million has been recognised as shown above.

(v) During FY2021-22, the Company had entered into a SPA on December 16, 2021, with AMHPL (the "transferor") to purchase entire equity shares of Aerospace Processing India Private Ltd held by AMHPL. Given that this transaction was between entities under common control this transaction was carried out at a nominal consideration of Re 1, the Company has accounted this transaction as income from distribution of assets by AMHPL in accordance with the applicable Ind AS and has adopted a policy choice to account the same at predecessor cost, i.e., cost to AMHPL. Accordingly, an income of INR 86 million has been recognised as shown above.

Consequent to this transactions (iv) and (v) above, the investment in AMHPL has been tested for impairment in accordance with Ind AS and accordingly, an amount of INR 234 has been recognised.

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

27 Income tax expense

Particulars	March 31, 2023	March 31, 2022
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease/ (increase) in deferred tax assets	-	65
(Decrease)/increase in deferred tax liabilities	-	(18)
Total deferred tax expense/(benefit)	-	**47**
Income tax expense/ (income) (A+B)	-	**47**

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Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	March 31, 2023	March 31, 2022
Tax Expenses under General provision of Income Tax		
Profit from continuing operations before income tax expense	(436)	(1,736)
Corporate Tax Rate %	**27.82%**	**27.82%**
Computed tax expense	(121)	(483)
Tax Impact due to Permanent Difference	3	2
Tax impact on Income not chargeable to tax	2	(6)
Tax impact related to prior year adjustments	(16)	(19)
Tax Impact of Deferred Tax on Unabsorbed depreciation on which no deferred tax asset was recognised	25	63
Tax Impact of Deferred Tax on Business Loss on which no deferred tax was recognised	6	487
Tax impact on reversal during the tax holiday period	-	4
Deferred Tax Not Recognised	102	
Total Tax Expense/ (Benefit)	-	**47**

The company has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

Deferred tax:

The balance comprises tax effect on temporary differences attributable to:

Particulars	March 31, 2023	March 31, 2022
Deferred tax liabilities		
Depreciation and amortisation	(66)	(66)
	(66)	(66)
Deferred tax assets		
Carried forward tax losses and unabsorbed depreciation	141	142
Impairment of loss on Investment	-	-
Provisions allowed on payment basis	79	79
	220	**221**
Total - Deferred tax assets (net)	**154**	**155**

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Movement in deferred tax	Depreciation and amortisation	Carried forward tax losses and unabsorbed depreciation	Impairment of loss on Investment	Provisions allowed on payment basis	Total
As at April 01, 2021	**(84)**	**152**	**57**	**78**	**203**
(Charged) / Credited:					
- to profit and loss	18	(10)	(57)	1	(48)
As at April 01, 2022	**(66)**	**142**	-	**79**	**155**
(Charged) / Credited:					
- to profit and loss	-	(1)	-	-	(1)
As at March 31, 2023	**(66)**	**141**	-	**79**	**154**

Carry forward business losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

Particulars	March 31, 2023
Unabsorbed Depreciation	89
Tax Impact	25

Particulars	March 31, 2023
Business Loss FY 2022-23 lapses in 8 Years	21
Tax Impact	6

(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, 2022, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant has been obtained which does not envisage any tax liability.

For the year ended March 31, 2023, 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, 2022:27.82%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

(b) Current tax:No provision for tax was required on account of the losses for the year.

(c) Deductible temporary differences for which no deferred tax asset has been recognised amounts to INR 577 (2022: INR 844). These items can be carried forward for 8 years from the year the Company claims deductions for the related expenses.
(d) Unabsorbed depreciation for which no deferred tax asset has been recognised amounts to INR 25 (March 31, 2022: 63). 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.
(e) The Company has carried deferred tax asset on carried forward tax losses and unabsorbed depreciation as on the previous year (2022) 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.

(f) Deferred tax asset/(liability)accounted in other comprehensive income amounted to INR (1) [(March 31, 2022 INR (1)]

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29 Fair value measurement

Financial instruments by category

		March 31, 2023	March 31, 2022
Financial assets			
Loans	Amortised cost	5	99
Trade receivables	Amortised cost	130	162
Cash and cash equivalents	Amortised cost	51	359
Investment in CCD	FVTPL	207	207
Other financial assets	Amortised cost	134	179
Total financial assets		**527**	**1,006**
Financial liabilities			
Borrowings(including current maturities)	Amortised cost	996	327
Trade payables	Amortised cost	276	143
Financial guarantee liabilities	Amortised cost	69	18
Lease liabilities	Fair value	392	303
Other financial liabilities	Amortised cost	44	274
Total financial liabilities		**1,777**	**1,065**

(i) Fair value hierarchy

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

(a) recognised and measured at fair value.

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

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

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed

	Notes	March 31, 2023	March 31, 2022
		Level 3	Level 3
Financial assets			
Loans	7 (iv)	5	99
Trade receivables	7 (i)	130	162
Cash and cash equivalents	7(ii) & (iii)	51	359
Investment in CCD	6(D)	207	207
Other financial assets	7(v)	134	179
Total financial assets		**527**	**1,006**
Financial liabilities			
Borrowings(including current maturities)	14(i)	996	327
Trade payables	14(ii)	276	143
Financial guarantee liabilities	14(iii)	69	18
Lease liabilities	14(iv)	392	303
Other financial liabilities		44	274
Total financial liabilities		**1,777**	**1,065**

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) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

(iii) 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, other financial assets and liabilities are considered to be the same as their fair values, due to their short-term maturities of these instruments.

The fair values for interest free security deposits were calculated based on cash flows discounted using a risk free rate of interest. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

(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.

(v) Borrowings

Borrowings include Compulsorily Convertible Preference Shares which were issued on March 24, 2023. Considering they were issued close to the year end, the transaction price is equal to the amortized cost.

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30 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.

This below table explains the sources of risk which the Company is exposed to and how the Company manages the risk;

	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 and bank guarantee
Liquidity risk	Borrowings, security deposits received and other liabilities	Rolling cash flow forecasts	Availability of borrowings facilities
Market risk - Foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee.	Cash flow forecasting, sensitivity analysis.	Natural hedging for receivables and payables.
Market risk -Interest rate risk	Long-term and short-term borrowings at variable rates	Sensitivity analysis	Maintaining a judicious mix of variable and fixed rate debt

A Credit risk

Credit risk is a risk where the counterparty will not meet its obligations under a financial 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 is managed and assessed on a ongoing basis. Only high rated banks/financial institutions are accepted for banking transactions and placement of deposits. For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function assess and maintain an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assign the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A : High-quality assets, negligible credit risk

B : Low quality assets, high credit risk

C : Doubtful assets, credit-impaired

The Company considers the probability of defaults upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the entity compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward looking information especially :

1. Internal credit rating
2. External credit rating (to extent available)
3. Any significant change in business, financial or economic conditions that are expected to cause a significant change in the payer's ability to meet its obligations, including changes in operating results and payment status.

Macro economic information (such as regulatory changes, legal changes, interest rate changes) are incorporated as a part of internal rating model. Default of a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due or when the debtor's internal credit rating is downgraded to the lowest internal credit rating. This definition of default is determined by considering the business environment in which the entity operates and other-macro economic factors.

The Company continuously monitors the credit worthiness of the customers and reassess the credit limits on an ongoing basis.

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

30 Financial risk management (contd)

(ii) Provision for expected credit losses.

The Company provides for expected credit loss based on the following:

Internal rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			Loans and deposits	Trade receivables
A	High-quality assets, negligible credit risk	Asset where the counter party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12-month expected credit losses	Life-time expected credit losses
B	Low quality assets, high credit risk	Assets where there is a moderate probability of default. In general, assets where contractual payments are more days than past due are categorised as low quality assets. Also includes assets where the credit risk of counter party has increased significantly though payments may not be more than past due.	Life-time expected credit losses	
C	Doubtful assets, credit-impaired	Assets are written off where there is no reasonable expectation of recovery. Where loans and receivables are written off, the Company continues to engage in enforcement activity to attempt or recover the receivable due. Where recoveries are made, they are recognised in Statement of Profit and Loss.	Asset is fully provided for or written off	

The Company's financial assets mainly comprise of investments, trade receivables, deposits with bank, loans & lease deposits.

1) Loans and Deposits :

Loans and Deposits are classified under the A category having negligible or nil risk based on past history of defaults and reasonable forward looking information. Loans and deposits comprises of mainly refundable security deposits made on buildings (leased premises) taken under operating lease. Since these are assets with nil risk, the expected probability of default is "0%" and hence no provision for expected credit losses are made in the financial statements.

2) Deposits with bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits is maximum seven days.

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.

Expected credit loss for loans - Year ended March 31, 2023

Particulars		Internal Credit rating	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	C	763	100%	763	-

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Expected credit loss for loans - Year ended March 31, 2022

Particulars		Internal Credit rating	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	C	588	100%	588	-

Reconciliation of loss allowance provision - Loans

Particulars	Amount
As at March 31, 2021	526
Change in loss allowance	62
As at March 31, 2022	**588**
Change in loss allowance	175
As at March 31, 2023	**763**

Note:

Previous year figures have been reclassified for better presentation

30 Financial risk management (contd)

3) Trade receivables and other dues from related parties

No significant expected credit loss provision has been created for trade receivables. Further, receivables are expected to be collected considering the past trend of no defaults and that the balances are not significantly aged. Full provision is made for balances that management believes are credit impaired.

Reconciliation of loss allowance provision - Trade receivables

	Amount
As at March 31, 2021	1
Charged to profit and loss	1
Utilisation of loss allowance	(1)
As at March 31, 2022	1
Charged to profit and loss	(0)
Utilisation of loss allowance	(0)
As at March 31, 2023	1

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:

	March 31, 2023	March 31, 2022
A. Expiring within one year	28	35
B. Expiring beyond one year (bank loans)	-	-
	28	**35**

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

(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

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2023			
Borrowings	410	585	995
Interest on borrowings and lease liabilities	29	100	129
Trade payables	300	-	300
Lease liabilities	41	351	392
Other financial liabilities	1	-	1
Employees related liability	20	-	20
Total non derivative liabilities	**801**	**1,036**	**1,837**

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2022			
Borrowings	299	27	326
Interest on borrowings and lease liabilities	20	46	66
Trade payables	143	-	143
Lease liabilities	50	253	303
Other financial liability	256	-	256
Employees related liability	18	-	18
Total liabilities	**786**	**326**	**1,112**

Note:

(i) Previous year figures have been reclassified for better presentation

(ii) Refer note 35 where the gross amount of financial guarantee given to subsidiaries are disclosed.

30 Financial risk management (contd)

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:

	March 31, 2023		
	GBP	**USD**	**EUR**
Financial asset			
Trade receivable	-	122	0
Cash and cash equivalents	-	-	-
Loans (unsecured)	-	-	563
Other financial assets	-	0	117
Other assets	4	7	1
Net exposure to foreign currency risk (assets)	**4**	**129**	**681**
Financial liability			
Trade payables	2	173	4
Borrowings	-	99	-
Lease liabilities	-	-	186
Other financial liabilities	-	2	-
Net exposure to foreign currency risk (liabilities)	**2**	**274**	**190**

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

	March 31, 2022		
	GBP	USD	EUR
Financial asset			
Trade receivable	-	144	-
Loans (unsecured)	-	-	408
Other financial assets	-	-	74
Other current assets	6	3	-
Net exposure to foreign currency risk (assets)	6	**147**	**482**
Financial a liability			
Trade payables	5	50	0
Bank loans	-	176	-
Lease liabilities	-	-	199
Contract Liabilities	-	0	-
Net exposure to foreign currency risk (liabilities)	**5**	**226**	**199**

30 Financial risk management (contd)

(b) Sensitivity

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.

	Impact on profit after tax	
	March 31, 2023	**March 31, 2022**
USD Sensitivity		
INR/USD - Increase by 5%	(5)	(3)
INR/USD - decrease by 5%	5	3
GBP Sensitivity		
INR/GBP - Increase by 5%	0	0
INR/GBP - decrease by 5%	(0)	(0)
EUR Sensitivity		
INR/EUR - Increase by 5%	(18)	(10)
INR/EUR - decrease by 5%	18	10

(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:

	March 31, 2023	March 31, 2022
Variable rate borrowings	267	266
Fixed rate borrowings	563	363
Total borrowings	**830**	**629**

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

	Impact on profit after tax	
	March 31, 2023	**March 31, 2022**
Interest rates - increase by 50 basis points	1	1
Interest rates - decrease by 50 basis points	(1)	(1)

(iii) Price risk

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

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

31 Capital management

Risk management

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

The Company's objectives when managing capital are to:
(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
(ii) Maintain an optimal capital structure to reduce the cost of capital.
The Company monitors capital using gearing ratio and is measured by Net debt (total borrowings net of cash and cash equivalents)

(i) The below table depicts the companies net debt to equity ratio.

	March 31, 2023	March 31, 2022
Net debt	(1,336)	(270)
Total equity	5,386	4,955
Net debt to equity ratio	(0.25)	(0.05)

(ii) Loan covenants

There are no restrictive covenants on Company's share capital.
As part of the term loan agreements with a bank, the Company needs to maintain following financial covenants:
a. Total Net Worth (TNW) more than INR 275;
b. Total Outside Liabilities (TOL)/ Adjusted TNW of less than 2; and
c.Interest Coverage Ratio not more than 3
During the year, the Company has defaulted in complying with Interest Coverage Ratio. Breaches in complying with the financial covenants would permit the bank to call back the loans. However, the Company continues to classify the loan as non-current based on its original repayment schedule as in the view of management, the breach is not material and the bank has not demanded repayment of the loan before the date of approval of these financial statements.

32 Contingent liabilities

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 19 (March 31, 2022: INR 5) . The Company is however confident of winning this case based on the counsel advice and hence the same is not provided in the financial statements.
ii. The Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to INR 25. 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 780. 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 13) has been adjusted by Tax department against the outstanding demand as specified in note 32 (ii & iii) above. The said adjustment is not accepted by the Company and can be 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 35 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.

33 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, 2023	March 31, 2022
Property, plant and equipment	1	1
Intangible assets	0	0
	1	**1**

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

34 Segment Information

(a) Description of segments and principal activities.

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

The Company is domiciled in India. Although the Company's major operating divisions are managed on a worldwide basis, they operate in three principal geographical areas of the world. In Asia, the Company manufactures, sells aerospace components and also provides IT services to related parties. The Company exports to Europe and America. The amount of its revenue from external customers specified by location of customers are presented in the below table:

Particulars	March 31, 2023	March 31, 2022
Net revenue		
Asia	115	96
America	95	63
Europe	487	358
	697	**517**

Particulars	March 31, 2023	March 31, 2022
Non-current assets		
Asia	631	577
	631	**577**

The Company recognises revenue from transfer of goods and services at a point of time and there are no contracts where revenue to be recognised over a period of time.

The CODM primarily uses the measure of profit to assess the performance of the operating segments.

	March 31, 2023	March 31, 2022
EBITDA	66	7

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

Revenues from major customers is as follows:

Customer	March 31, 2023		March 31, 2022		Geographical location
	Revenue	% of total revenue	Revenue	% of total revenue	
Customer 1	299	43%	278	54%	Europe/America
Customer 2	145	21%	85	16%	Europe

There are no segment assets or liabilities to be disclosed as required by Ind AS 108.

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35 Related Party Disclosures

Names of related parties and related party relationship

Related parties where control exists

Relationship	Name of the related party
(i) Names of related parties where control exists:	
Ultimate Holding Company	Aequs Inc, Cayman Islands*
Holding Company	Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL)
Subsidiaries	: Aequs Manufacturing Holdings Private Limited (AMHPL) : Aequs Aerospace BV, Netherlands ('AABV') : AeroStructures Manufacturing India Private Limited ('ASMIPL') : Aerostructures Assemblies India Private Limited(AAI) : Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Force Consumer Products Private Limited (AFCPPL) : Aequs Consumer Products Private Limited(ACPPL) : Aequs Toys Private Limited, India (ATPL) : Aequs Oil and Gas LLC (AOGLLC) : Aequs Material Management Private Limited (AMMPL) (From June 10, 2022)
	Subsidiary of ASMIPL : Aequs Aerospace LLC, USA ('AALLC')
	Subsidiary of Aequs Aerospace LLC, USA ('AALLC') : Aequs Aero Machine Inc, USA ('AAM')
	Subsidiary of AABV : SCI Du champ De pivoines, France (SCI Du) : Aequs Holdings France SAS, France ('AHF ')
	Subsidiary of AHF : Aequs Aerospace France SAS ('AAF SAS')
	Subsidiaries of AAF SAS : Bernar SAS, France ('Bernar')
	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) : Aequs Force Technology Pvt Ltd, India(AFTPL)
	Subsidiaries of Aequs Consumer Products Private Limited : Aequs Home Appliances Pvt Ltd (AHAPL)
	Subsidiaries of Aequs Toys Private Limited,, India : Koppal Toys Molding COE private Limited(KTMCPL) : Koppal Toys Tooling COE Private Limited, India(KTTCPL)

(ii) Related parties with whom transactions have taken place during the year

Relationship	**Name of the related party**
Associates	: Aequs Foundation(AF), India
Joint ventures	: Aerospace Processing India Private Limited (API) : SQuAD Forging India Private Limited ('SQuAD') (held through AMHPL) : Aequs Rajas Extrusion Private Limited, India(AREPL) (held through ATPL)
Key management personnel and their relatives	: Mr. Rajeev Kaul, Managing Director & Chief Operating Officer (COO) :Mr. Aravind Melligeri, Director :Dr. Ajay Prabhu, Director :Dr. Klaus Richter, Director : Ms. Shubhada Rao, Director :Mr. Mahesh Parasuraman, Director (w.e.f. March 24, 2023) : Mr. Dinesh Iyer, Chief Financial Officer : Mr. Ravi Hugar, Company Secretary
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') : Hubli Durable Goods Cluster Private Limited ('HDGCPL')

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

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A. Transactions with related parties

Particulars	March 31, 2023	March 31, 2022
Holding Company - AMIPL		
Issue of shares - for cash	-	1,320
Issue of shares - for consideration other than cash	-	1,639
Expense incurred on behalf of related party	0	-
Issue of shares through conversion of compulsorily convertible debentures	839	-
Subsidiaries		
AMHPL		
Expense incurred on behalf of related party	1	1
Income from distribution of subsidiary's assets	-	185
Unsecured loan given during the year	0	0
Interest income on loan given	8	7
Impairment of investments	9	234
Impairment of loan and interest thereon	8	16
ASMIPL		
Purchase of goods and consumables	0	0
Sale of goods	8	5
Expense incurred on behalf of related party	100	107
Expense incurred by related party	7	-
Employee stock option expense cross charges	3	0
Interest expense on loan from related party	20	10
Service Rendered	21	22
Fair value of financial guarantee issued	30	20
Advance from related party		176
Unsecured loan received	395	
Repayment of loan taken	238	-
Financial guarantee income	26	22
ATPL		
Service Rendered	1	-
Sale of asset	0	-
Investments in equity shares	430	210
Fair value of financial guarantee issued	13	-
Financial guarantee income	1	-
Employee stock option expense cross charges	0	0
Expense incurred on behalf of related party	16	1
ACPPL		
Expense incurred on behalf of related party	47	0
Expense incurred by related party	0	-
Interest income on loan given	3	0
Investments in equity shares	244	202
Fair value of financial guarantee issued	28	
Employee stock option expense cross charges	2	0
Financial guarantee income	2	
Service Rendered	1	-
Unsecured loan given during the year	24	20
Repayment of loan given	39	-
AAI		
Expense incurred on behalf of related party	18	11
Investments in equity shares	-	25
Service Rendered	3	3
Fair value of financial guarantee issued	1	1
Employee stock option expense cross charges	1	0
Financial guarantee income	1	1

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

	March 31, 2023	March 31, 2022
AABV		
Investments in equity shares	-	474
Employee stock option expense cross charges	3	3
Unsecured loan given during the year	121	-
Interest income on loan given	35	20
Impairment of investments	-	560
Impairment of loan and interest thereon	199	9
AAM		
Expense incurred on behalf of related party	3	1
Management service*	85	71
Purchase of goods and consumables	-	0
Expense incurred by related party	2	4
* Including expenses cross charged to other related parties: INR 80 (March 31,2022: INR 68)		
AAF Corp		
Expense incurred on behalf of related party	0	0
AOGLLC		
Investments in equity shares	-	74
Employee stock option expense cross charges	-	(0)
Impairment of investments	-	74
AEPPL		
Investments in equity shares	510	1,295
Employee stock option expense cross charges	4	(0)
Impairment of investments	77	818
Impairment/(reversal) of loan given and interest thereon	(37)	38
Expense incurred on behalf of related party	31	48
Service Received	3	3
Service Rendered	7	7
Sale of goods	-	0
Unsecured loan given during the year	65	37
Interest income on loan given	11	1
Repayment of loan given	102	-
AFCPPL		
Service Rendered	6	4
Expense incurred on behalf of related party	17	1
Investments in equity shares	448	471
Fair value of financial guarantee issued	4	-
Financial guarantee income	3	-
Interest income on loan given	20	5
Repayment of loan given	195	-
Unsecured loan given during the year	125	70
AHAPL		
Expense incurred on behalf of related party	-	0
KTMPL		
Expense incurred by related party	1	-
Expense incurred on behalf of related party	4	1
KTTPL		
Expense incurred on behalf of related party	1	1

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	March 31, 2023	March 31, 2022
Associates		
AF		
Sale of PPE	-	0
Expense incurred on behalf of related party	0	0
Joint Ventures		
API		
Service Received	12	10
Service Rendered	5	5
Employee stock option expense (reversal)/cross charges	(0)	0
Expense incurred by related party	0	-
Expense incurred on behalf of related party	14	13
AREPL		
Expense incurred on behalf of related party	1	0
Unsecured loan given during the year	1	5
Interest income on loan given	1	0
SQuAD		
Expense incurred on behalf of related party	8	8
Service Rendered	2	2
Purchase of goods and consumables	2	-
Investments in equity shares	72	115
Fair value of financial guarantee issued	5	1
Employee stock option expense cross charges	1	0
Impairment of investments	19	69
Sale of goods	23	9
Sale of services	-	1
Financial guarantee income	4	4
Key Management Personnel		
Managerial remuneration paid (Refer note (a) below)		
Mr.Rajeev Kaul	12	9
Mr.Ravi Hugar	5	4
Mr.Sourabh Mittal	-	6
Mr.Dinesh Iyer	12	3
Mr.Ajay Prabhu	-	1
Ms.Shubhada Rao	1	1
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Unsecured loan received	-	60
Interest expense on loan taken	3	5
Repayment of loan taken	60	-
Expense incurred on behalf of related party	23	17
Service Received	49	43
Interest expense on lease liability	11	14
Repayment of lease liability	26	21
Service Rendered	4	4
Expense incurred by related party	1	1
Fair value of financial guarantee received	5	4
Financial guarantee expense	6	6

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	March 31, 2023	March 31, 2022
AESPL		
Expense incurred on behalf of related party	0	0
Reversal of Employee stock option expense	-	(0)
IKC		
Service Received	16	12
Expense incurred by related party	-	0
Expense incurred on behalf of related party	3	2
ESOP Trust		
Unsecured loan given during the year	-	149
Issue of shares - for cash	-	156
HDGCPL		
Expense incurred on behalf of related party	0	-
Expense incurred by related party	0	
AMMPL		
Expense incurred on behalf of related party	0	-

Note:

a. Out of the above remuneration to KMP INR 27 (March 31, 2022: INR 19) 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. Unsecured loan to AABV, which was due for repayment during 2022-23, was renewed during the year.

c. All transactions were made on normal commercial terms and conditions and are at arms length price.

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

B. Balance at the year end

Particulars	March 31, 2023	March 31, 2022
Subsidiaries		
AMHPL		
Investment in Equity shares	759	759
Dues from related party	4	3
Loan to related party	77	70
Impairment of Investments	646	636
Impairment of loan and interest thereon	77	69
Impairment on dues from related parties	4	-
ASMIPL		
Investment in Equity shares	1,720	1,720
Fair value of financial guarantee issued	141	111
Fair value of ESOP cost	6	3
Dues to related party	-	8
Advance from related party (including interest thereon)	-	177
Dues from related party	-	52
Trade payable	0	0
Trade receivable	7	1
Unsecured borrowings	150	-
Interest payable on unsecured borrowings	20	-
ATPL		
Investment in Equity shares	640	210
Fair value of financial guarantee issued	13	-
Fair value of ESOP cost	0	-
Trade receivable	1	-
Dues from related party	14	1
AABV		
Investment in Equity shares	789	789
Fair value of ESOP cost	6	3
Impairment of Investments	795	656
Loan to related party	679	482
Interest accrued on loan given		
Impairment of loan and interest thereon	679	482
ACPPL		
Investment in Equity shares	446	202
Fair value of financial guarantee issued	28	-
Fair value of ESOP cost	2	-
Dues from related party	41	0
Dues to related party	0	-
Loan to related party	5	20
AAI		
Investment in Equity shares	231	231
Fair value of financial guarantee issued	3	2
Fair value of ESOP cost	1	0
Dues from related party	7	20
Dues to related party	-	0
Trade receivable	1	4
Impairment of Investments	16	16
AHAPL		
Investment in Equity shares	-	0
Dues from related party	0	0

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

	March 31, 2023	March 31, 2022
AAM		
Dues from related party	-	3
Trade payable	127	5
Dues to related party	1	68
Trade receivable	-	-
Fair value of ESOP cost	1	1
AAF Corp		
Dues from related party	0	0
AOGLLC		
Investment in Equity shares	822	822
Fair value of ESOP cost	2	2
Impairment of Investments	824	824
AEPPL		
Investment in Equity shares	1,805	1,295
Fair value of ESOP cost	4	-
Impairment of Investments	895	818
Dues from related party	15	58
Dues to related party	-	0
Trade receivable	0	8
Loan to related party	-	37
Interest accrued on loan given	-	0
Impairment of loan and interest thereon	-	37
AFCPPL		
Dues from related party	5	5
Trade receivable	2	7
Interest accrued on loan given	-	-
Loan to related party	-	71
Investment in Equity shares	919	471
Investment in CCD	207	207
Fair value of financial guarantee issued	4	-
KTMPL		
Dues from related party	4	-
Fair value of financial guarantee issued	4	-
KTTPL		
Dues from related party	1	-
Trade receivable	0	-
Fair value of financial guarantee issued	2	-
Associate		
AF		
Trade receivable	0	0
Investment In Equity shares	0	0
Dues from related party	0	0
Joint Ventures		
API		
Investment in Equity shares	90	90
Fair value of ESOP cost	0	0
Trade receivable	0	0
Dues from related party	3	2
Dues to related party	0	-
Trade payable	3	4

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Notes to standalone financial statements for the year ended March 31, 2023

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

	March 31, 2023	March 31, 2022
SQUAD		
Investment in Equity shares	591	520
Fair value of financial guarantee issued	39	33
Fair value of ESOP cost	1	0
Impairment of Investments	234	215
Dues to related party	0	0
Dues from related party	8	1
Trade payable	2	4
Trade receivable	28	2
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Security deposit	31	31
Trade payable	5	3
Trade receivable	1	0
Dues to related party	-	0
Dues from related party	6	3
Interest accrued on loan given	-	0
Interest payable on unsecured borrowings	-	1
Unsecured borrowings	-	60
Fair value of financial guarantee received	10	5
AESPL		
Trade payable	0	0
Dues from related party	26	26
Dues to related party	0	0
Impairment on dues from related parties	26	26
Aequs Inc		
Dues from related party	0	0
MILLC		
Dues from related party	0	0
QGEPL		
Trade payable	-	-
IKC		
Trade payable	0	-
Advance to suppliers	-	1
Dues from related party	2	1
ALTUM		
Dues from related party	0	0
ALM		
Trade payable	-	11
AREPL		
Dues from related party	1	0
Loan to related party	6	5
Impairment of loan and interest thereon	6	-

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

	March 31, 2023	March 31, 2022
AMIPL		
Dues from related party	0	-
Dues to related party	-	-
AMMPL		
Dues from related party	0	-
Dues to related party	-	-
HDGCPL		
Dues from related party	0	-
Dues to related party	0	-

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 (March 31, 2022: INR 250) and term loan facilities: INR 53.80 (March 31, 2022: INR 48) obtained by the Company.

Disclosure as required under section 186(4) of Companies Act, 2013.

Particulars	March 31, 2023	March 31, 2022
i. Loans receivable (for funding of operations)		
Aerospace Manufacturing Holdings Private Limited (AMHPL)	77	63
Aequs Force Consumer Products Private Limited (AFC)	-	70
Aequs Consumer Products Private Limited(ACPPL)	5	20
Aequs Engineered Plastics Private Limited ('AEPPL')	-	37
Aequs Rajas extrusion Private Limited, India(AREPL) (from June 25, 2021)	6	5
Aequs Aerospace BV ('AABV'), Netherlands	563	408
ii. Investments in subsidiaries, associates and joint ventures(Refer Note 6)	9,275	7,471
iii. Guarantees given (for term loan and working capital)		
AeroStructures Manufacturing India Private Limited ('ASMIPL')	1,350	1,350
SQuAD Forging India Private Limited ('SQuAD')	172	133
Aerostructures Assemblies India Private Ltd (AAI)	50	50
Aequs Force Consumer Products Private Limited (AFCPPL)	130	-
Koppal Toys Tooling COE Private Limited, India(KTTCPL)	16	-
Aequs Consumer Products Private Limited(ACPPL)	155	-
Aequs Toys Private Limited, India (ATPL)	93	-
Koppal Toys Molding COE private Limited(KTMCPL)	39	-

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36 Earnings per Share

	March 31, 2023	March 31, 2022
(a) Earnings per share (basic and diluted)	(1.07)	(5.75)
(b) Profit attributable to the equity share holders used in calculating basic and diluted earnings per share	(435)	(1,782)
(c) Weighted Average number of Equity shares of Rs. 10 each	405,294,340	309,770,320

Diluted Earning per share - Since ESOP & CCPS are anti-dilutive in nature, considering the conversion of ESOPs & CCPSs would have resulted in an decrease in loss per share. Hence, the same is ignored in the calculation of diluted loss per share.

Note:
Previous figures have been reclassified for better presentation

37 Capitalization of expenditure

Following are the details pertaining to expenses of revenue nature which are capitalised. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	March 31, 2023	March 31, 2022
(i) Intangible assets		
Employee benefit expenses	2	3
Depreciation on computers*	0	-
Repair & maintenance-others*	0	-
Others	1	1
	3	**4**
(ii) Intangible assets under development		
Employee benefit expenses*	0	0
Depreciation on computers*	0	0
Amortisation of Software*	0	-
Repair & maintenance-Computers*	0	0
Others	1	1
	1	**1**

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

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

38 Net debt reconciliation:

Particulars	March 31, 2023	March 31, 2022
Cash and cash equivalents	51	359
Current borrowings	(222)	(215)
Non-current borrowings (including current maturities)	(28)	(51)
Compulsorily Convertible Preference Shares	(575)	-
Lease liabilities	(392)	(303)
Loans from related parties (unsecured)	(170)	(60)
Net debt	**(1,336)**	**(270)**

Particulars	Other assets	Liabilities from financing activities					Total
	Cash and cash equivalents	Lease obligations	Non-current borrowings	Compulsorily Convertible Preference Shares (Refer note 4 below)	Current borrowings(Working capital loans)	Other Borrowings (Related Party)	
Net debt as at March 31, 2021	**418**	**(353)**	**(64)**	-	**(164)**	-	**(163)**
							-
Cashflows	(59)	-	-		(51)	-	(110)
Acquisition of leases/ new borrowings	-	-	-		-	(60)	(60)
Foreign exchange adjustments	-	5	-		-	-	5
Repayments	-	44	15		-	-	59
Interest expense	-	(19)	(5)		(13)	(4)	(41)
Interest paid	-	19	4		13	4	40
Other Non-cash adjustments:	-	-	(1)		-	-	(1)
Net debt as at March 31, 2022	**359**	**(303)**	**(51)**	-	**(215)**	**(60)**	**(270)**
Cashflows	(308)				(7)		(315)
Acquisition of leases/ new borrowings		(127)		(641)		(150)	(918)
Foreign exchange adjustments		(11)			0		(11)
Repayments		49	23			60	132
Interest expense		(16)	(4)		(16)	(23)	(59)
Interest paid		16	4		16	3	39
Transaction costs				66			66
As at March 31, 2023	**51**	**(392)**	**(28)**	**(575)**	**(222)**	**(170)**	**(1,336)**

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

39 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) Wilful defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government

(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 advanced or loaned or invested the funds to other entities (Intermediaries) during the year ended March 31, 2023 for the purposes / as agreed with the Intermediary stated below.

Nature of amount	Intermediary to whom amount was given to	Amount	Ultimate Beneficiary	Purpose
Loan	Aequs Aerospace BV	129	-	To repay the loan to banks and other related parties
Investment	Aequs Toys Private Limited, India	195	Koppal Toys Molding COE Private Limited	To make the investment in other related party
Investment	Aequs Consumer Products Private Limited	40	Aequs Home Appliance Private Limited	To make the investment in other related party

(vi)(b)The Company has received the following funds from other entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall lend or invest in other entities (Ultimate Benefeciaries) during the year ended March 31, 2023 for the purposes

Nature of amount	Funding Party	Amount	Ultimate Beneficiary	Purpose of further investment or lending
Investment	Aequs Manufacturing Investments Private Limited	72	SQuAD Forging India Private Limited	Business operations
Investment	Aequs Manufacturing Investments Private Limited	210	Aequs Engineered Plastics Private Limited	Business operations
Investment	Aequs Manufacturing Investments Private Limited	118	Aequs Force Consumer Products Private Limited	Business operations
Investment	Aequs Manufacturing Investments Private Limited	244	Aequs Consumer Products Private Limited	Business operations and further investing
Investment	Aequs Manufacturing Investments Private Limited	430	Aequs Toys Private Limited, India	Business operations and further investing
Investment	Amicus Capital Partners India Fund I/Amicus Capital Private Equity I LLP	300	Aequs Engineered Plastics Private Limited	Business operations
Investment	Amicus Capital Private Equity I LLP	330	Aequs Force Consumer Products Private Limited	Business operations
Loan	Aequs Manufacturing Investments Private Limited	65	Aequs Engineered Plastics Private Limited	Business operations
Loan	Aequs Manufacturing Investments Private Limited	125	Aequs Force Consumer Products Private Limited	Business operations
Loan	Aequs Manufacturing Investments Private Limited	24	Aequs Consumer Products Private Limited	Business operations
Loan	Aequs Manufacturing Investments Private Limited	129	Aequs Aerospace BV	To repay the loan to banks and other related parties

(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.

(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 was taken.

(xiii) The Company was not required to recognise any provision as at March 31, 2023 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, 2023.

(xiv) The Company has one Core Investment Company (CIC) as part of the Group, viz., Aequs Manufacturing Holdings Private Limited, India which is not required to be registered with the Reserve Bank of India.

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

40 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance
Current Ratio (times)	Current Assets	Current Liabilities	0.68	1.26	-47%	Note 3
Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	0.26	0.13	103%	Note 4
Debt Service Coverage Ratio (times)	Net Operating income	Debt Service	(0.63)	(3.82)	-83%	Note 2
Return on Equity Ratio (%)	Profit After tax	Average Equity	-8%	-41%	79%	Note 5
Inventory Turnover Ratio (times)	Sales (revenue from operations)	Average Inventory	3.08	2.30	34%	Note 6
Trade Receivables Turnover Ratio (times)	Sales (revenue from operations)	Average receivables	4.78	3.77	27%	Note 7
Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expense	Average Trade payables	1.84	1.92	-4%	Note 1
Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Working Capital	(2.65)	2.34	-213%	Note 8
Net Profit Ratio (%)	Profit after tax	Sales (revenue from operations)	-63%	-345%	-82%	Note 9
Return on Capital Employed (%)	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	-5%	-31%	-83%	Note 10
Return on Investment (%)	Earning before interest and taxes	Average of opening & closing total asset	-5%	-32%	-83%	Note 11

Notes:

1. Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
2. Debt Service coverage has improved due to increase in earnings available for debt service during the year.
3. Current ratio has decreased in view of decrease in cash & cash equivalents as at March 31, 2023.
4. Debt Equity ratio has increased due to additions of CCPS of INR 641 under long term borrowings & unsecured loan from Aerostructure Manufacturing India Private Limited of INR 170 under current borrowings.
5. Return on Equity has increased due to increase in earnings available to equity share holders.
6. Increase in sale of products during the year resulted in faster turnover of inventory.
7. Increase in revenue during the year resulted in faster turnover of receivables.
8. Reduction in net capital turnover ratio is mainly due to negative net working capital resulting from reduction in cash & cash equivalents during current year.
9. Improvement in net profit ratio is mainly due to increased revenue and better capacity utilisation.
10. Improvement in return on capital employed is mainly due to increased margins.
11.Decrease loss before interest and tax and increase in total assets compared to previous year

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41 Assets pledged as security

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

Particulars	March 31, 2023	March 31, 2022
Current		
A. Financial assets:		
- Trade receivables	130	162
- Cash & cash equivalents	51	359
B. Non financial assets:		
- Inventories	237	216
Total current assets pledged as security	**418**	**737**
Non current		
A. Non financial assets:		
Plant and machinery	97	129
Total Non-current assets pledged as security	**97**	**129**
Total assets pledged as security	**515**	**866**

42 Dues to micro and small enterprises

The identification of the micro, small and medium enterprise suppliers as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2023 and March 31, 2022.

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:

		March 31, 2023	March 31, 2022
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.*	-	0
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0	0
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	23	0
(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)	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	1	0
(vi)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0	0
(vii)	Further interest remaining due and payable for earlier years	-	-

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

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

43 Subsequent events

On April 21, 2023, the Company has issued second tranche of Compulsorily Convertible Preference Shares (CCPS) worth INR 739 as per below details-

Name of Holder	No. of CCPS	Value of CCPS
Amicus Capital Partners India Fund I	66,007,260	739

These CCPS carry terms and conditions similar to the first tranche of CCPS as mentioned in Note 14 (i).

44 The financial statements were approved for issue by the Board of Directors on September 23, 2023.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

A. J. Shaikh
Partner
Membership No.: 203637
Place: Bengaluru
Date: September 23, 2023

For and on behalf of the Board of Directors of
Aequs Private Limited

Rajeev Kaul
Managing Director & Chief Operating Officer (COO)
DIN-01468590
Place: Belagavi
Date:September 23, 2023

Ajay Prabhu
Director
DIN-00477195
Place: Bengaluru
Date: September 23, 2023

Dinesh Iyer
Chief Financial Officer
Place: Belagavi
Date: September 23, 2023

Ravi Hugar
Company Secretary
M. No. - A20823
Place: Belagavi
Date: September 23, 2023