B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Aequs Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Aequs Private Limited (the "Company"), its Aequs Stock Option Plan Trust which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended 31 March 2024, and notes to the standalone financial statements, including material accounting policies and other explanatory information (herein referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of Aequs Stock Option Plan Trust of the Company to express an opinion on the standalone financial statements. For the Aequs Stock Option Plan Trust included in the standalone financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in "Other Matters" in this audit report.

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

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

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2023 were audited by the predecessor auditor who had expressed an unmodified opinion on 23 September 2023.

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 and the report/reports of the other auditor(s) except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 38(vi)(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 38(vi)(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account, however, the feature of recording audit trail (edit log) facility has not been enabled. Consequently, we are unable to comment on audit trail feature of the said software

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

In our opinion and according to the information and explanations given to us the provisions of Section 197 of the Act are not applicable to the Company and its Aequs Stock Option Plan Trust incorporated in India since none of these companies is a public company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Sampad Guha Thakurta

Sampad Guha Thakurta

Partner

Place: Chennai

Membership No.: 060573

Date: 04 October 2024

ICAI UDIN:24060573BKFGQB6669

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024

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

(i) (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) According to the information and explanations given to us, the Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

Quarter	Name of bank	Particulars	Amount as per books of account (Rs. millions)	Amount as reported in the quarterly return/ statement (Rs. millions)	Amount of difference (Rs. millions)	Whether return/ statement subsequently rectified
Jun-23	HDFC Bank	Inventories	230	261	(31)	No
Sep-23		Inventories	243	275	(32)	No
Dec-23		Inventories	265	296	(31)	No
Mar-24		Inventories	302	312	(10)	No
Jun-23		Trade receivables	114	64	50	No
Sep-23		Trade receivables	117	67	50	No
Dec-23		Trade receivables	104	83	21	No
Mar-24		Trade receivables	118	86	32	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any security, granted advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties during the year. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee and granted unsecured loans to Companies during the year in respect of which the requisite information is as below. The Company has not made investments, provided guarantee and granted loans secured or unsecured in any firms and limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investments and provided unsecured loans or stood guarantee, to any other entity as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

Particulars	Investments [Rs. Millions]	Guarantees [Rs. Millions]	Loans [Rs. Millions]
Aggregate amount during the year			
Subsidiaries*	2,399	6,085	415
Joint ventures*	155	100	-
Others*	274	-	-
Balance outstanding as at balance sheet date			
Subsidiaries*	2,399	6,085	222
Joint ventures*	155	100	-
Others*	274	-	-

**As per the Companies Act, 2013*

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of term loan of Rs. 990 million given to Subsidiaries, in our opinion the repayment of principal and payment of interest has been stipulated, except for the loan of Rs. 784 million given to Aerospace Manufacturing Holdings Private Limited (Subsidiary) which is repayable on demand. As informed to us, the Company had demanded for repayment of the loan, and settled with default on the part of the party to whom the money had been lent. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loan of Rs. 26 million given to Fellow subsidiary and Rs. 2.5 million to Subsidiary, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans Rs. 26 million given to Fellow subsidiary and Rs. 2.5 million to Subsidiary, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its Related Party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

	Related Party [Rs. Millions]
Aggregate of loans - Repayable on demand	193
Percentage of loans to the total loans	46.5%

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

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

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.The Company has generally been regular in depositing Provident Fund dues with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs. Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	25	Financial Year 2016-17	Commissioner of Income Tax- (Appeals)
		780	Financial Year 2017-18	High Court of Karnataka

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

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

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

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

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of preferential allotment/private placement of equity shares and Compulsory convertible preference shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares and Compulsory convertible preference shares have been used for the purposes for which the funds were raised. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Establishment of vigil mechanism is not mandated for the Company. As represented to us by the management, there are no whistle blower complaints received during the year under the vigil mechanism established voluntarily by the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company is not required to have an internal audit system as per Section 138 of the Act. However, the Company has an internal audit system which is commensurate with the size and nature of its business except that internal audit has only been completed for part of the year.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

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

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current year and had incurred cash losses of Rs. 58 million in the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:24060573BKFGQB6669

Place: Chennai

Date: 04 October 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Private Limited for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Aequs Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Aequs Private Limited for the year ended 31 March 2024 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:24060573BKFGQB6669

Place: Chennai

Date: 04 October 2024

Aequs Private Limited

Standalone Balance Sheet as at March 31, 2024 CIN : U80302KA2000PTC026760

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

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	97	114
Right of use assets	4A	361	430
Capital work in progress	4B	-	0
Intangible assets	5	27	30
Intangible assets under development	5A	0	0
Financial assets			
Investments in subsidiaries, associates and joint ventures	6	7,809	5,865
Loans	7 (vi)	-	-
Other financial assets	7 (vii)	24	22
Deferred tax assets	9	152	154
Other tax assets (net)	9A	36	24
Other non-current assets	8	8	11
Total non-current assets		**8,514**	**6,650**
Current assets			
Inventories	10	302	237
Financial assets			
Investments	7	274	-
Trade receivables	7 (iii)	118	130
Cash and cash equivalents	7 (iv)	303	51
Bank balances other than above	7 (v)	1,596	0
Loans	7 (vi)	-	5
Other financial assets	7 (vii)	81	112
Contract assets	7A	3	0
Other current assets	8	46	24
Total current assets		**2,723**	**559**
Total assets		**11,237**	**7,209**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4,248	4,248
Instruments entirely equity in nature	11A	4,071	-
Other equity			
Reserves and surplus	12	1,473	1,138
Total equity		**9,792**	**5,386**

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B S R & Co. LLP

Aequs Private Limited

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

Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14 (i)	0	585
Lease liabilities	14 (iv)	289	351
Other financial liabilities	14 (iii)	492	42
Provisions	13	28	23
Total non current liabilities		**809**	**1,001**
Current liabilities			
Financial liabilities			
Borrowings	14 (i)	230	410
Trade payables			
a. Total outstanding dues of micro and small enterprises	14 (ii)	3	24
b. Total outstanding dues other than (a) above	14 (ii)	185	276
Lease liabilities	14 (iv)	58	41
Other financial liabilities	14 (iii)	135	48
Contract liabilities	7A	1	0
Provisions	13	15	14
Other current liabilities	15	9	9
Total current liabilities		**636**	**822**
Total liabilities		**1,445**	**1,823**
Total equity and liabilities		**11,237**	**7,209**
Summary of material accounting policies	2		

The accompanying notes are an integral part of standalone financial statements

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: October 04, 2024

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

Rajeev Kaul
Managing Director & Chief Operating Officer (COO)
DIN-01468590

Address: 9, Parjat Lane, Mango Meadows Udyambag, Khanapur Road, Belagavi - 590008, Karnataka, India

Place: Belagavi
Date: October 04, 2024

Ajay Prabhu
Director
DIN-00477195

Address: 67, Purva Parkridge, Garudacharpalya, Mahadevapura, Bengaluru – 560048, Karnataka, India

Place: Faro, Portugal
Date: October 04, 2024

Dinesh Iyer
Chief Financial Officer

Address: B-304, Adarsh Palm Retreat, Tower 2, Devara Beesana Halli, Bengaluru, 560103, Karnataka, India

Place: Belagavi
Date: October 04, 2024

Ravi Hugar
Company Secretary

Address: Plot No. 17, Shruti Park, Scholar Academy School, Behind Little, Belgaum-590016, Karnataka, India

M. No. - A20823
Place: Belagavi
Date: October 04, 2024

Aequus Private Limited

CIN : U80302KA2000PTC026760

Standalone Statement of profit and loss for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023 Restated*
Income			
Revenue from operations	16	742	697
Other income	17	291	169
Total income (A)		**1,033**	**866**
Expenses			
Cost of materials consumed	18	278	302
Changes in inventories of work-in-progress and finished goods	19	(36)	6
Employee benefit expense	20	129	120
Other expenses	22	288	254
Total direct cost (B)		**659**	**682**
Earnings before interest, tax, depreciation and amortisation(A-B)		**374**	**184**
Depreciation and amortisation	21	110	115
Finance cost	23	68	82
		178	**197**
Profit / (Loss) before exceptional items and tax		**196**	**(13)**
Exceptional items (net)	25	**1,496**	**423**
Loss before tax		**(1,300)**	**(436)**
Tax expense			
- Current tax	26	-	-
- Deferred tax	27	3	-
Total tax expense		**3**	**-**
Loss after tax		**(1,303)**	**(436)**
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)
Other comprehensive income for the year, net of tax		**(2)**	**1**
Total comprehensive loss for the year		**(1,305)**	**(435)**
Earnings per equity share (basic and diluted): [Nominal value per share: INR 10 (March 31, 2023: INR 10)]	35	(2.39)	(1.07)

*Refer Note 17 for details of restatement.

Summary of material accounting policies 2

The accompanying notes are an integral part of standalone financial statements

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: October 04, 2024

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Date: October 04, 2024

Aequs Private Limited
Standalone Statement of changes in equity for the year ended March 31, 2024
(All amounts are in INR millions, except share data, unless otherwise stated)

A. Equity share capital

	Note	Amount
Balance as at April 1, 2022		**3,960**
Changes during the year	11	288
Balance as at March 31, 2023		**4,248**
Changes during the year	11	0
Balance as at March 31, 2024		**4,248**

B. Instruments entirely equity in nature (CCPS)

	Note	Amount
Balance as at March 31, 2023		-
Changes during the year	11A	4,071
Balance as at March 31, 2024		**4,071**

C. Other equity

	Reserves and surplus			Treasury shares	Other reserves	Total other equity
	Retained earnings	Securities premium	Share option outstanding account			
Balance as at April 01, 2022	(3,912)	5,137	26	(265)	9	995
Profit /(Loss) for the year	(436)	-	-	-	-	(436)
Other comprehensive income /loss for the year*	1	-	-	-	-	1
Total comprehensive loss for the year	(435)	-	-	-	-	(435)
Transactions with owners of the Company						
Premium on shares issued during the year		551	-		-	551
Exercised options proceeds received			0			0
Total contributions and distributions	-	551	0	-	-	551
Share issue expenses		(2)	-		-	(2)
Employee stock option expense		-	26		-	26
Transfer of reserves relating to lapse of vested option	1	-	(2)		-	(1)
ESOP expenses cross charged to other group entities					(1)	(1)
Financial guarantee received during the year		-	-		5	5
Sub total	1	(2)	24	-	4	27
Balance as at March 31, 2023	(4,346)	5,686	50	(265)	13	1,138
Balance as at April 01, 2023	(4,346)	5,686	50	(265)	13	1,138
Profit/(Loss) for the year	(1,303)	-	-	-	-	(1,303)
Other comprehensive income /loss for the year*	(2)	-	-	-	-	(2)
Total comprehensive loss for the year	(1,305)	-	-	-	-	(1,305)
Transactions with owners of the Company						
Premium on shares issued during the year		1,788	-		-	1,788
Share issue expenses		(168)	-		-	(168)
Total contributions and distributions	-	1,620	-	-	-	1,620
Employee stock option expense		-	15		-	15
Transfer of reserves relating to lapse of vested option	10	-	(9)		-	1
ESOP expenses cross charged to other group entities					(1)	(1)
Financial guarantee received during the year		-	-		5	5
Sub total	10	-	6	-	4	20
Balance as at March 31, 2024	(5,641)	7,306	56	(265)	17	1,473

* Re-measurement of defined benefit obligations.

Summary of material accounting policies (Note 2)

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

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: October 04, 2024

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

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Place: Belagavi
Date: October 04, 2024

Ravi Hugar
Company Secretary
Address: Plot No. 17, Shruti Park, Scholar Academy School, Behind Little, Belgaum-590016, Karnataka, India
M. No. - A20823
Place: Belagavi
Date: October 04, 2024

Standalone statement of Cash Flows for the year ended March 31, 2024

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Loss before income tax	(1,300)	(436)
Adjustments for:		
Depreciation and amortisation expense	110	115
Unrealized foreign exchange gain	(12)	(25)
Employee stock compensation expense	14	13
Loss on disposal/write off of property, plant and equipment	-	(0)
Impairment loss on long term investments	1,271	245
Impairment loss on recoverable from related parties	1	4
Impairment loss on loans and interest accrued thereon	224	174
Interest income	(152)	(81)
Liabilities no longer required written back	(2)	(1)
Loss allowance on trade receivables	0	-
Bad debts written off	0	-
Provision/(write back) for slow moving Inventory	1	(72)
Financial guarantee income	(128)	(36)
Finance cost	58	64
Unwinding of discount on security deposits	(1)	(1)
Financial guarantee expense	6	6
Change in operating assets and liabilities		
(Increase)/Decrease in		
- trade receivables	12	32
- inventories	(66)	51
- other current financial assets	33	30
- other non current financial assets	-	5
- other non-current assets	1	(4)
- contract assets	(5)	7
- other current assets	(23)	6
Increase/(decrease) in		
- trade payables	(109)	154
- employee benefit obligations-non current	5	2
- employee benefit obligations- current	1	0
- other non current financial liabilities		38
- other current financial liabilities	4	(142)
- other liabilities	(1)	3
- contract liabilities	1	(0)
	(57)	**151**
Income taxes received paid	(12)	(9)
Net cash (outflow) / inflow from operating activities (A)	**(69)**	**142**
Cash flows from investing activities:		
Purchases for property, plant and equipment	(19)	(27)
Proceeds from sale of property, plant and equipment	-	0
Loans given to related parties	(414)	(345)
Repayment of loans given to related parties	278	336
Interest received	75	46
Investments in Fixed deposit	(1,596)	-
Investments in Mutual funds	(274)	-
Investments in Subsidiaries, Associates and Joint ventures	(2,555)	(1,704)
Net cash (outflow) from investing activities (B)	**(4,505)**	**(1,694)**
Cash flows from financing activities:		
Proceeds from Issue of compulsorily convertible debentures	-	839
Share issue expenses	(103)	(68)
Proceeds from issue of compulsorily convertible preference shares	5,219	641
Repayment of long-term borrowings	(18)	(23)
Repayment of related party borrowings	(150)	(60)
Principal repayments of lease liability	(42)	(49)
(Repayment) / proceeds from short-term borrowings (net)	(4)	7
Interest Paid	(76)	(44)
Net cash inflow from financing activities (C)	**4,826**	**1,243**

BSR & Co. LLP

Aequs Private Limited

Aequs Private Limited CIN : U80302KA2000PTC026760

Standalone statement of Cash Flows for the year ended March 31, 2024

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**252**	**(309)**
Cash and cash equivalents at the beginning of the financial year	51	359
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year (Refer Note7(iv))	**303**	**51**
Non cash financing and investing activities		
Issue of shares through conversion of compulsorily convertible debentures[Refer Note 11(vii)]	-	839
Cash and Bank Balances as per above comprise of the following:		
Balances with banks:		
In current accounts	4	31
Deposits with maturity of less than 3 months	299	20
Cash on hand	0	0
Balances per statement of cash flows	**303**	**51**

Summary of material accounting policies (Note 2)

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 B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: October 04, 2024

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

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Managing Director & Chief Operating Officer (COO)
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M. No. - A20823
Place: Belagavi
Date: October 04, 2024

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.

2. Material 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 standalone financial statements have been prepared on accrual basis under the historical cost convention, except for the following assets and liabilities, which have been measured at fair value 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) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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 Director of the Company, who plans the allocation of resources and assess the performance of the segments. The Company has only one reportable segment 'machined parts used in aerospace sector' to be reported in its standalone financial statements. Refer Note 33 for segment information presented.

c. Foreign currency translation

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

In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. 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.

B S R & Co. LLP

Aequs Private Limited

d. Revenue recognition

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

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

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

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

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

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

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

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

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

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

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

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

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

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

f. Government grants

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

g. Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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 standalone 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.

BSR & Co. LLP

Aequs Private Limited

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.

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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 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.

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

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

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

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

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 29 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.

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(v) 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.

(vi) 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

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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 costs and income tax expense. Refer Note 17 for restatement.

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.

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.

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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 (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles Ind AS 115. The income is presented as Other income in the statement of profit or loss. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

Where guarantees in relation to loans or other payables of subsidiaries and associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investments. Where there is no such investment, it is recognised as part of Other reserves.

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.

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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 standalone 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. Estimates and judgements

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

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

4 Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions /Adjustment/ Transfer from ROU	Disposals	As at March 31, 2024	As at April 01, 2023	Depreciation for the year / Transfer from ROU	Disposals	As at March 31, 2024	
Leasehold improvements	5	-	-	5	3	0	-	3	2
Plant and machinery	329	26	0	355	232	41	(0)	273	82
Computer equipment	38	3	-	41	25	5	-	30	11
Office equipment	13	1	-	14	11	1	-	12	2
Furniture and fittings	1	-	-	1	1	-	-	1	-
Total	**386**	**30**	**0**	**416**	**272**	**47**	**(0)**	**319**	**97**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2023
	As at April 01, 2022	Additions /Adjustment/ Transfer from ROU	Disposals	As at March 31, 2023	As at April 01, 2022	Depreciation for the year / Transfer from ROU	Disposals	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**

a. Refer to note no 39 for information on property, plant and equipment pledged as security.

b. Refer to note no 32 for disclosure in the contractual commitments for the acquisition of property, plant and equipment.

c. Additions in Plant and machinery include assets transferred from Right-of-use assets with gross carrying amount of INR 17 (March 31, 2023: 0) and accumulated depreciation of INR11 (March 31, 2023: 0) on settlement of contractual payments.

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

4A (i) Right of use asset

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals/ Transfer to PPE (note a and b below)	As at March 31, 2024	As at April 01, 2023	Additions	Disposals/ Transfer to PPE (note a and b below)	As at March 31, 2024	
Building	298	-	(55)	243	105	24	(55)	74	169
Plant and machinery	419	-	(17)	402	182	39	(11)	210	192
Total	**717**	**-**	**(72)**	**645**	**287**	**63**	**(66)**	**284**	**361**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2023
	As at April 01, 2022	Additions	Disposals/ Transfer to PPE (note a and b below)	As at March 31, 2023	As at April 01, 2022	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**	**139**	**-**	**717**	**221**	**66**	**-**	**287**	**430**

a. Right of use assets includes INR. Nil (March 2023 : INR 5) towards net exchange loss/(gain) capitalised during the year which presented in adjustment column.

b. Disposal includes transfer of ROU plant and machinery for gross block INR.17 (March 31, 2023: 0) and accumulated depreciation INR.11 (March 31, 2023: 0) after repay of all installments of lease.

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

Particulars	March 31, 2024	March 31, 2023
Depreciation of right-of-use assets	63	65
Interest expense on lease liabilities	27	16
Short term leases		
Low value leases	2	2

(iii) Amount recognized in statement of cash flows

Particulars	March 31, 2024	March 31, 2023
Total cashflow on leases	69	65

(iv) Lease liability

Particulars	March 31, 2024	March 31, 2023
Current	58	41
Non-current	289	351
Total	**347**	**392**

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

Particulars	March 31, 2024	March 31, 2023
Less than one year	79	64
Between one and five years	245	350
After five years	115	93
Total minimum lease payments	**439**	**507**
Less: imputed interest	92	115
Present value of lease payments	**347**	**392**

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

5 Intangible assets

Particulars	Gross carrying amount				Amortisation				Net carrying amount as at March 31, 2024
	As at April 01, 2023	Additions	Disposals	As at March 31, 2024	As at April 01, 2023	For the year	Disposals	As at March 31, 2024	
Computer software	49	9	-	58	32	5	-	37	21
Technical knowhow	29	0	(2)	27	16	5	-	21	6
Total	**78**	**9**	**(2)**	**85**	**48**	**10**	**-**	**58**	**27**

Particulars	Gross carrying amount				Amortisation				Net carrying amount as at March 31, 2023
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	For the year	Disposals	As at March 31, 2022	
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**

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

(b) Refer note no 32 for disclosure of capital commitments for intangible assets.

5A Intangible assets under development

	As at April 01,2022	Additions	Transfer	As at March 31, 2023	As at April 01,2023	Additions	Transfer	As at March 31, 2024
Software	(0)	-	0	0	-	-		-
Technical knowhow	1	-	(1)	0	0	0		0
Total	1	-	(1)	0	0	0	-	0

Note: 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)

Financial Assets

6 Investments

	March 31, 2024	March 31, 2023
Investment in equity instruments (Fully paid up)		
Unquoted		
(A) Investment in subsidiaries at cost		
55,009,249 (March 31, 2023: 55,009,249) equity shares of INR 10 each fully paid-up in Aerospace Manufacturing Holdings Private Limited. **Refer Note (iii)**	759	759
48,642,437 (March 31, 2023: 48,642,437) equity shares of INR 10 each fully paid-up in AeroStructures Manufacturing India Private Limited. **Refer Note (i) &(ii)**	1,895	1,867
10,840,000 (March 31, 2023: 10,840,000) equity shares of Euro 1 each fully paid-up in Aequs Aerospace BV. **Refer note (ii) &(iii)**	797	795
95% (March 31, 2023: 95%) common stock in Aequs Oil & Gas LLC. **Refer note (ii) &(iii)**	824	824
28,860,801 (March 31, 2023: 28,860,801) equity shares of INR 10 each fully paid-up in Aerostructures Assemblies India Private Limited. **Refer note (i), (ii) &(iii)**	239	235
176,615,317 (March 31, 2023: 166,615,317) equity shares of INR 10 each fully paid-up in Aequs Engineered Plastics Private Limited. **Refer note (ii) &(iii)**	1,906	1,809
65,371,852 (March 31, 2023: 36,851,762) equity shares of INR 10 each fully paid-up in Aequs Consumer Products Private Limited. **Refer Note (i) &(ii)**	2,289	476
115,959,799 (March 31, 2023: 63,202,799) equity shares of INR 10 each fully paid-up in Aequs Toys Private Limited. **Refer note (i), (ii) &(iii)**	1,355	659
99 (March 31, 2023: 99) equity shares of INR 10 each fully paid-up in Aequs Material Management Private Limited. **Refer Note (iii)***	0	-
152,545,087 (March 31, 2023: 89,708,106) equity shares of INR 10 each fully paid-up in Aequs Force Consumer Products Private Limited. **Refer Note (i) &(iii)**	1,336	923
(B) Investment in joint ventures at cost		
8,444,923 (March 31, 2023: 8,444,923) equity shares of INR 10 each fully paid-up in Aerospace Processing India Private Limited. **Refer note (i) &(ii)**	96	90
83,711,087 (March 31, 2023: 59,134,341) equity shares of INR 10 each fully paid-up in SQuAD Forging India Private Limited. **Refer note (i), (ii) &(iii)**	787	631
(C) Other Investments at FVTPL		
20,325,300 (March 31, 2023: 20,325,300) Compulsorily Convertible Debentures (CCD) of INR 10 each in Aequs Force Consumer Products Private Limited. **Refer note (iii)**	207	207
Aggregate amount of unquoted investments	**12,490**	**9,275**
Aggregate amount of Impairment in value of investment. [Refer note 25]	(4,681)	(3,410)
Total Non-Current Investments	**7,809**	**5,865**

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

	March 31, 2024	March 31, 2023
i. Investment in the following entities includes fair value of financial guarantee extended		
Aerostructures Manufacturing India Private Limited	170	141
Aerostructures Assemblies India Private Limited	6	3
SQuAD Forging India Private Limited	39	39
Aequs Force Consumer Products Private Limited	9	6
Aequs Consumer Products Private Limited	484	28
Koppal Toys Molding COE Private Limited	107	4
Aequs Toys Private Limited	73	13
Aerospace Processing India Private Limited	6	0
	894	**234**
ii. Investment in the following entities includes ESOP cost cross charged:		
Aerostructures Manufacturing India Private Ltd	5	7
Aerostructures Assemblies India Private Limited	1	1
Aequs Aerospace BV	7	6
SQuAD Forging India Private Limited	1	1
Aerospace Processing India Private Limited*	0	0
Aequs Toys Private limited	1	0
Aequs Consumer Products Private Limited	4	2
Aequs Oil and Gas LLC	2	2
Aequs Engineered Plastics Private Limited	1	4
	22	**23**
iii. Breakup of total impairment		
Aequs Oil and Gas LLC	824	824
SQuAD Forging India Private Limited	234	234
Aerospace Manufacturing Holdings Private Limited (AMHPL)	759	646
Aerostructures Assemblies India Private Limited	-	16
Aequs Aerospace BV	795	795
Aequs Engineered Plastics Private Limited	970	895
Aequs Foundation*	0	-
Aequs Toys Private Limited	707	-
Aequs Force Consumer Products Private Limited	185	-
Aequs Force Consumer Products Private Limited - CCD	207	-
Aequs Material Management Private Limited*	0	-
	4681	**3410**

*Note: 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)

	March 31, 2024	March 31, 2023
7 Financial assets		
(i) Current Investments		
Quoted		
Investments in Mutual Funds	274	-
(ii) Investment in equity instruments (Fully paid up)		
Unquoted		
200 equity shares of INR 10 each fully paid in Aequs Foundation (March 31, 2023: 1,000)*	0	-
Less: Impairment on the value of investment*	(0)	
	-	-
Total current investments	**274**	-
Aggregate amount of quoted investments in Mutual Funds	274	-
Aggregate amount of unquoted investments*	0	-
Aggregate amount of impairment on the value of investments*	(0)	-
(iii) Trade receivables (unsecured, considered good)		
Trade receivables from contract with customers	90	91
Trade receivables from contract with customers- related parties (Refer note 34)	28	40
Less: Loss allowance (refer note 29)*	0	(1)
Total receivables	**118**	**130**

Ageing of Trade receivables as at March 31, 2024

Particulars	**Outstanding for following periods from due date of payment**						
	Not due	**Less than 6 months**	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables Considered good	73	42	1	2	-	-	118
Total	**73**	**42**	**1**	**2**	**0**	**0**	**118**
Less Loss allowance*	-	0	-	-	-	-	0
Total trade receivables	**73**	**42**	**1**	**2**	**0**	**0**	**118**

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
Total	**78**	**42**	**11**	**0**	**0**	**0**	**131**
Less Loss allowance	-	1	-	-	-	-	1
Total trade receivables	**78**	**41**	**11**	**0**	**0**	**0**	**130**

*Note: 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)

7 Financial assets (Continued)	March 31, 2024	March 31, 2023
(iv) Cash and cash equivalents		
Balances with banks:		
In current accounts	4	31
Deposits with original maturity of less than 3 months	299	20
Cash on hand	0	0
	303	**51**
(v) Bank balances other than above (Refer note below)		
Margin money deposits *	0	0
Deposits with original maturity of more than three months but less than one year	1,596	0
	1,596	**0**

Note:

*Margin money deposits are towards guarantees extended by banks.

(vi) Loans		
Non current		
Loan to related party (refer note 34)	8	686
Less: Impairment on loan receivable	(8)	(686)
	-	-
Current		
Loan to related party (refer note 34)	982	82
Less: Impairment on loan receivable	(982)	(77)
	-	5
Break up of security details		
Loans considered good- unsecured	-	5
Loans- credit impaired	990	763
Total	**990**	**768**
Less: Loss allowance	(990)	(763)
Total loans	-	5
Following loans were granted to related parties which are repayable on demand:		
Aggregate of loans/advances in nature of loan repayable on demand*	0	82
Aggregate of loans/advances in nature of loan where agreement does not specify any terms or period of repayment	-	-
Percentage of loans/advances in nature of loan to the total loans	0%	11%

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

(vii) Other financial assets (unsecured, considered good unless otherwise specified)		
Non current		
Security deposits	24	22
	24	**22**
Current		
Recoverable from related parties (Refer note 34)	105	138
Deferred financial guarantee expense	2	3
MEIS receivable	-	6
	107	**147**
Less: Provision for doubtful assets	(26)	(35)
	81	**112**
Provision for doubtful assets includes,		
Expected credit loss for Recoverable from a related party	(26)	(30)
Provision for Doubtful export incentives receivable	-	(5)
Total	**(26)**	**(35)**

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

	March 31, 2024	March 31, 2023
7A Contract assets and contract liabilities		
Current		
Contract assets	3	0
	3	**0**
Contract liabilities		
Advance from customers	1	-
Unearned revenue*	0	0
	1	**0**
8 Other assets		
Particulars		
Non current		
Capital advances	2	5
Prepaid expenses	6	5
Balance with statutory authorities	0	1
	8	**11**
Current		
Advance to suppliers	32	10
Advances to employees*	0	0
Prepaid expenses	14	14
Sundry advances*	0	0
	46	**24**

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

	March 31, 2024	March 31, 2023
9 Deferred tax assets		
Deferred tax assets (Net) [Refer note 27]	152	154
	152	**154**
9A Other tax assets (net)		
Income tax assets	36	24
	36	**24**
10 Inventories (At lower of cost and net realisable value)		
Raw materials (Including Goods in transit: 13 (March 31, 2023: INR 18 Mn)	94	66
Work-in-progress	139	102
Finished goods	59	63
Stores and spares(including packing material) [includes Goods in transit: INR 9 Mn (March 31, 2023: INR Nil)]	38	33
	330	264
Less: Provision for slow moving inventory	(28)	(27)
	302	**237**

Note:

a. For lien/charge against inventories refer note no. 39.

b. Write- down of inventories to net realizable value amounted to INR 24 (March 31, 2023: INR 11). These were recognized as an expense during the year and included in changes in value of inventories of finished goods and work-in-progress in Statement of profit and loss.

c. Provision for slow moving inventory includes provision in respect of:

Raw materials	(7)	(3)
Work-in-progress	(5)	(7)
Stores and spares	(16)	(17)
	(28)	**(27)**

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

CIN : U80302KA2000PTC026760

11 Equity share capital

(i) Authorised equity share capital

	Number of shares	Amount
As at April 1, 2022	431,460,000	4,315
Increase during the year	-	-
As at March 31, 2023	**431,460,000**	**4,315**
Increase during the year	-	-
As at March 31, 2024	**431,460,000**	**4,315**

(ii) Issued, subscribed and fully paid up equity share capital	**March 31, 2024**	**March 31, 2023**
Issued, subscribed and fully paid up equity share capital 424,759,003 (March 31, 2023: 424,758,026) equity shares of INR 10/- each fully paid up	4,248	4,248
Total issued, subscribed and fully paid-up equity share capital	**4,248**	**4,248**

(iii) Movement in equity share capital

	March 31, 2024		March 31, 2023	
	In Numbers	Amount	In Numbers	Amount
At the beginning of the year	424,758,026	4,248	395,958,100	3,960
Add: Equity issue during the year	977	0	28,799,926	288
Outstanding at the end of the year	**424,759,003**	**4,248**	**424,758,026**	**4,248**

(iv) 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 977 (March 31, 2023: 150) 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 and October 12, 2023.

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

	Number of equity shares	% holding
As at March 31, 2024		
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%
Melligeri Private Family Foundation	114,431,505	26.94%
As at March 31, 2023		
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%
Melligeri Private Family Foundation	114,431,505	26.94%

(vi) Details of shareholding of Promoters

As at March 31, 2024

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the
Aequs Manufacturing Investments Private Limited	263,837,003	62.11%	0.00%
Melligeri Private Family Foundation	114,431,505	26.94%	0.00%

As at March 31, 2023

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

(vii)Aggregate number of shares issued for consideration other than cash	**March 31, 2024**	**March 31, 2023**
	Number of equity shares	
Shares allotted through the conversion of Compulsorily Convertible Debentures	-	28,799,776

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Aequs Private Limited

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

(viii) During the year ended March 31, 2024 the Company issued Nil (March 31, 2023: 18,961,938) equity shares of INR 10 each fully paid up at premium of INR Nil (March 31, 2023: 18.90) per share and during the year ended March 31, 2024 the Company issued Nil (March 31, 2023: 9,837,838) equity shares of INR 10 each fully paid up at premium of INR Nil (March 31, 2023: 19.60) per share through conversion of compulsorily convertible debentures.

(ix) 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 12A.

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.

(x) 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.

(xi) 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.

11A Instruments entirely equity in nature

(i) Authorised Preference Share Capital	**Number of shares**	**Amount**
As at March 31, 2022	-	-
Increase during the year	160,000,000	1,600
As at March 31, 2023*	**160,000,000**	**1,600**
Increase during the year	248,900,000	2,489
As at March 31, 2024	**408,900,000**	**4,089**

* These were classified as Borrowing in previous year owing to conversion ratio. Refer below note (v) on terms for further information.

(ii) Issued, subscribed and fully paid up (CCPS)	**March 31, 2024**	**March 31, 2023**
Issued and subscribed Convertible Preference Share Capital		
407,115,771 (March 31, 2023: 57,206,340) Convertible Preference Shares of INR 10/- each	4,071	572
Less: Re-classified to Borrowings (Refer Note below)	-	(572)
Total Instruments entirely equity in nature (CCPS)	**4,071**	-

* These CCPS were classified as a liability instrument as it did not meet the fixed for fixed conversion ratio as of the last balance sheet date. . Refer below note (v) on terms for further information.

(iii) Movement in CCPS

	March 31, 2024		March 31, 2023	
	In Numbers	**Amount**	**In Numbers***	**Amount**
At the beginning of the year	57,206,340	572	-	-
Add: Preferential issue during the year	349,909,431	3,499	57,206,340	572
Outstanding at the end of the year	**407,115,771**	**4,071**	**57,206,340**	**572**
Less: Re-classified to Borrowings (Refer Note below)	-	-	**57,206,340**	**572**
At the end of the year	**407,115,771**	**4,071**	-	-

* These were classified as Borrowing in previous year owing to conversion ratio. Refer below note (v) on terms for further information.

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

	As at March 31, 2024			As at March 31, 2023		
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	520	13%	51,966,240	520	91%
Amicus Capital Partners India Fund I	5,240,100	52	1%	5,240,100	52	9%
Amicus Capital Partners India Fund II	66,007,260	660	16%	-	-	-
Catamaran Ekam AIF	47,528,416	475	12%	-	-	-
Steadview Capital Mauritius Limited	52,597,824	526	13%	-	-	-
Sparta Group LLC	40,557,366	406	10%	-	-	-
Amansa Investments Ltd	124,207,157	1,242	31%	-	-	-

* These were classified as Borrowing in previous year owing to conversion ratio. Refer below terms for further information.

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

(v) Terms and rights attached to Compulsorily Convertible Preference Shares

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

The Conversion Ratio shall be calculated based on EBITDA of the Company and its Subsidiaries on a consolidated basis achieved in FY 2023-2024 ("FY24 EBITDA") as per the formula defined in Shareholder's agreement. Since, the Conversion ratio was fixed in the financial year 2023-24, it met the criteria to be classified as a equity instrument.

(A) CCPS (Round 1)

(i) As per the shareholders agreement dated March 24, 2023, 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. Each CCPS holder would be entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on As If Converted Basis.

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

(a) Listing of the Equity Shares of the Company under a QIPO (as defined in the SHA) or IPO (as defined in the SHA) ("Public Offering"); or

(b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment

(iii) The investors 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.

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

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

Accordingly, the CCPS has been reclassified from financial liability to "Instrument entirely Equity in nature" in current financial year.

(B) Series B CCPS (Round 2)

(i) As per the shareholders agreement dated October 12, 2023, the Company has further issued second tranche cumulative compulsorily convertible 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. Each CCPS holder would be entitled to participate pari-passu in any cash or non-cash dividends paid to the holders of shares of all other classes, on As If Converted Basis.

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

(a) Listing of the Equity Shares of the Company under a QIPO (as defined in the SHA) or IPO (as defined in the SHA) ("Public Offering"); or

(b) Expiry of 19 (nineteen) years and 11 (eleven) months from the date of the issuance and allotment

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

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

Accordingly, the CCPS has been classified as "Instrument entirely Equity in nature" in current financial year.

12 Reserves and Surplus

	March 31, 2024	March 31, 2023
(i) Retained Earnings	(5,641)	(4,346)
(ii) Securities premium reserve	7,306	5,686
(iii) Share options outstanding	56	50
(iv) Treasury Shares	(265)	(265)
(v) Other reserves	17	13
	1,473	**1,138**

Note:

a. Retained Earnings

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

b. Securities premium reserve

Securities Premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act. During the year, the Company has utilized INR 168 (March 31, 2023: INR 2) for share issue expenses.

c. Share option outstanding

The share options outstanding account is used to recognise the fair value of options issued to employees under Aequs Stock Option Plan. Refer note 12A.

d. Treasury shares

This represents amount of loan outstanding given to ESOP trust for purchase of the equity shares of the company.

e. Other reserves

Other reserves includes fair value of financial guarantee received from a related party INR 17 (March 31, 2023: INR 13). The guarantees were taken at no cost basis from Aequs SEZ Private Limited.

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

12A. Stock option plan

APL 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, 2024 four stock option plans (ESOP) viz., ESOP scheme 2013, ESOP scheme 2016, ESOP scheme 2020 and ESOP scheme 2022 were in existence. ESOP scheme is administered through and ESOP trust called as "Aequs Stock Option Plan Trust" ('ESOP Trust') that has been constituted on May 14, 2013. The object of the ESOP Trust is to manage schemes made available for the benefit of the employees. The relevant details of the schemes and the grants are listed separately 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 stock options, subject to satisfaction of the prescribed vesting conditions. The other relevant terms of the grant are as below :

The following table summarizes stock option activity under ESOP scheme 2013 for the year ended March 31, 2024 and March 31, 2023 :

		March 31, 2024		March 31, 2023	
Particulars	**Exercise price range**	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	10 - 26	3,834,813	18.61	4,243,126	18.83
Add:					
Options granted during the year	10 - 26	-	-	-	-
Less:					
Options exercised during the year	10 - 26	-	-	-	-
Options forfeited during the year	10 - 26	(163,750)	17.58	(408,313)	10.00
Options outstanding at the end of year	10 - 26	**3,671,063**	**18.66**	**3,834,813**	**18.61**
Option exercisable at the end of year		**2,363,563**		**2,269,544**	

ESOP Scheme 2016

The Board of Directors approved the Employee Share Option Plan 2016 structured to reward employees. Accordingly, APL, 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 :

		March 31, 2024		March 31, 2023	
	Exercise Price	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	24 - 40	2,542,227	28.24	2,776,852	28.00
Add:					
Options granted during the year	24 - 40	-	-		
Less:					
Options exercised during the year	24 - 40	(10,000)	23.78	(7,000)	23.78
Options forfeited during the year	24 - 40	(601,813)	26.89	(227,625)	11.83
Options outstanding at the end of year	**24 - 40**	**1,930,414**	**28.93**	**2,542,227**	**28.24**
Option exercisable at the end of year		**1,065,914**		**1,415,775**	

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ESOP Scheme 2020

The Board of Directors approved the Employee Share Option Plan 2020 structured to reward employees. Accordingly, APL, 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, 2024		March 31, 2023	
	Exercise Price	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	26 - 26	3,000,000	26.10	3,000,000	26.10
Add:					
Options granted during the year	26 - 26	-	-		
Less:					
Options exercised during the year	26 - 26	-	-	-	-
Options forfeited during the year	26 - 26	(1,250,000)	26.10	-	-
Options outstanding at the end of year	**26 - 26**	**1,750,000**	**26.10**	**3,000,000**	**26.10**
Option exercisable at the end of year		**175,000**		**268,548**	

ESOP Scheme 2022

The Board of Directors approved the Employee Share Option Plan 2022 structured to reward employees. Accordingly, APL, created 6,000,000 share option pool to be allocated and granted from time to time to employees. As Employee Stock Option Plan (ESOP) committee has been formed with powers delegated from the Board of Directors to manage the ESOP scheme.

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

		March 31, 2024		March 31, 2023	
	Exercise Price	**Number**	**WAEP (INR)**	**Number**	**WAEP (INR)**
Options outstanding at beginning of year	26 - 30	2,045,000	26.54	1,805,000	26.10
Add:					
Options granted during the year	26 - 30	-	-	275,000	29.35
Less:					
Options exercised during the year	26 - 30	-	-	-	-
Options forfeited during the year	26 - 30	(150,000)	28.02	(35,000)	26.10
Options outstanding at the end of year	**26 - 30**	**1,895,000**	**26.42**	**2,045,000**	**26.54**
Option exercisable at the end of year		**201,500**		**171,290**	

The following Table lists the input used for the options as on grant date in the previous financial year:-

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

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

13 Provisions

	March 31, 2024	March 31, 2023
Non-current		
Gratuity	28	23
	28	**23**
Current		
Gratuity	1	2
Leave obligations	14	12
	15	**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 14 (March 31, 2023: INR 12) is presented as current. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(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 5 (March 31, 2023 : INR 4).

(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, 2024**	**March 31, 2023**
Current service cost	4	4
Interest on defined benefit obligation	2	1
Past service cost	-	-
Shared service cost recovered	(2)	(2)
Total amount recognised in statement of profit or loss (A)	**4**	**3**
(b) Amounts recognised in other comprehensive income		
(Gains)/losses arising from changes in		
- return on plan assets*	(0)	(0)
- demographic assumptions	1	0
- financial assumptions	1	(1)
- experience adjustments*	(0)	(1)
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)	**6**	**1**

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

13 Provisions (Continued)

(c) Changes in the defined benefit obligation during the year	**March 31, 2024**	**March 31, 2023**
Obligations at the beginning of the year	**25**	**24**
Current service cost	4	4
Interest cost	2	1
Benefits paid	(2)	(0)
Settlements*	(1)	(2)
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	1	0
- arising from changes in financial assumptions.	1	1
- arising from changes in experience adjustments.*	(0)	(3)
Defined benefit obligation as of current year end	**30**	**25**
*On account of business combination or intra-group transfer		
(d) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**0**	**0**
Adjustment to opening fair value		
Expected return on plan assets*	1	(0)
Contributions*	2	3
Benefit payments from plan assets	(2)	(3)
Remeasurement gains/ (losses)		
Actuarial Gain/(Loss) on plan assets*	0	0
Fair value of plan assets at the end of the year	**1**	**0**
(e) Net (asset)/ liability:		
Present value of obligation	30	25
Less: Fair value of plan assets	(1)	(0)
Defined benefit liability/(asset)	**29**	**25**
(f) Classification		
Non current liability	28	23
Current liability	1	2
Total	**29**	**25**
(g) Investment details of plan assets		
Pooled asset with an insurance Company	1	0
Total	**1**	**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	7.20%	7.45%
Salary escalation, including inflation rate per annum	10%	10%
Other actuarial assumptions		
Expected return on plan assets	1	(0)
Attrition rate	2%-11% on a graduated scale.	6%-14% on a graduated scale.
Retirement age	58	58

*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)

13 Provisions (Continued)

Sensitivity analysis

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

Changes in assumption	March 31, 2024	March 31, 2023
Discount rate		
a. Discount rate - 50 basis points	32	26
a. Discount rate - 50 basis points impact (%)	5.75%	4.37%
b. Discount rate + 50 basis points	28	24
b. Discount rate +50 basis points impact (%)	-5.30%	-4.08%
Salary increase rate		
a. Rate - 50 basis points	29	26
a. Rate - 50 basis points impact (%)	-4.57%	3.77%
b. Rate + 50 basis points	31	24
b. Rate + 50 basis points impact (%)	4.85%	-3.59%

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, 2024	March 31, 2023
Less than one year	2	2
Between one and five year	7	9
After five year	69	43

The weighted average duration of defined benefit obligation is 11.03 years as of March 31, 2024 (March 31, 2023: 8.44 years)

Risk exposure

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

(i) Market risk (Discount rate)

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

(ii) Longevity risk

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

(iii) Annual risk

Salary increase assumption

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

Attrition/withdrawal assumption

If actual withdrawal rates are higher than assumed withdrawal rate assumption, 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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(All amounts are in INR millions, except share data, unless otherwise stated)

14 Financial liabilities

	March 31, 2024	March 31, 2023
(i) Borrowings		
Non current:		
Term loans from banks (Rupee loan secured)	11	28
Compulsorily Convertible Preference Shares	0	575
	11	**603**
Less: Interest accrued but not due on borrowings	1	1
Less: Current maturities of term loans from banks (Rupee loan secured)	10	17
Non-current borrowings (as per balance sheet)*	**0**	**585**
Current:		
From banks (Secured)	219	222
Loans from related parties (unsecured)	-	150
Current maturities of term loans from banks (Rupee loan secured)	10	17
Interest accrued but not due on borrowings	1	21
	230	**410**

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

Refer Note 36 for net debt reconciliation
Refer Note 39 for the carrying amounts of financial and non financial assets pledged as security for current and non current borrowings

1. Emergency Credit Line Guarantee Scheme (ECLGS) Loan - INR Loan
Guaranteed Emergency Credit Line in the form of Indian rupee Term Loan from bank carries interest at 8.25%+Spread , i.e 9.25% as on 31.03.2024 p.a. and repayable in 36 monthly installments after a moratorium of 12 months. Loan is secured by an extension of second ranking charge over existing primary & collateral securities including mortgages created in favour of the Bank, personal guarantee of Mr. Aravind Melligeri, Director and corporate guarantee given by Aequs SEZ Private Limited.

2. 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 T-Bill 3 Months 7.08% + Spread 2.16% = 9.24% p.a., PCFC carries an interest of Term SOFR + 200 bps.

3. Loan from a related party is unsecured, repayable on demand and carries an interest of 12% per annum.
4. Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account:
a. Inventories March 31, 2024

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-23	HDFC Bank	Inventories	230	261	(31)	Refer Note (a) & (b) below
Sep-23	HDFC Bank		243	275	(32)	
Dec-23	HDFC Bank		265	296	(31)	
Mar-24	HDFC Bank		302	312	(10)	

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

a. Inventories March 31, 2023

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

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

b. Trade Receivables March 31, 2024

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-23	HDFC Bank	Trade receivables	114	64	50	Refer Note a below
Sep-23	HDFC Bank		117	67	50	
Dec-23	HDFC Bank		104	83	21	
Mar-24	HDFC Bank		118	86	32	

b. Trade Receivables March 31, 2023

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, unrealised gain or loss balance, advance from scrap receivables and provision for doubtful debts.

(ii) Trade payables	**March 31, 2024**	**March 31, 2023**
Current:		
Trade payables		
- Dues to micro and small enterprises (Refer note 40)	3	24
- Others	**185**	**276**
	188	**300**

* Others includes payable to related parties amounting to INR. 22 million (March 31, 2023: INR. 137 million). Refer number 34 for further details.

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

14 Financial liabilities (Continued)

Aging of Trade payables as on March 31, 2024

Particulars	Outstanding for following periods from transaction date					Total
	Not Due	Less than 1 year	1-2 Years	2-3 Years*	More than 3 years*	
(i) Undisputed dues -Others	1	94	1	0	0	96
(ii) Unbilled	92	-	-	-	-	92
Total	**93**	**94**	**1**	**0**	**0**	**188**

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 -Others	4.78	225	1	0	0	231
(ii) Unbilled	69					69
Total	**74**	**225**	**1**	**0**	**0**	**300**

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

	March 31, 2024	March 31, 2023
(iii) Other financial liabilities		
Non current:		
Guarantee liability (Refer note 34)	492	42
	492	**42**
Current:		
Capital creditors	2	1
Guarantee liability (Refer note 34)	109	27
Employees related liability	23	20
Payable to related parties	1	-
	135	**48**
(iv) Leased liabilities (Refer note-4A(iv))		
Non Current:		
Lease liabilities	289	351
	289	**351**
Current:		
Lease liabilities	58	41
	58	**41**
15 Other liabilities		
Current:		
Statutory dues payable	9	9
	9	**9**

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

	Year ended March 31, 2024	Year ended March 31, 2023
16 Revenue from operations		
Revenue from contracts with customers		
Sale of products		
Manufactured goods	667	635
Rendering of services		
Information Technology Services	58	49
Machining Services	1	2
	726	**686**
Other operating income		
Scrap sales	16	11
	16	**11**
	742	**697**

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.

	Year ended March 31, 2024	Year ended March 31, 2023
17 Other Income (Restated*)		
Export incentives	-	2
Provisions/ Liabilities no longer required written back	2	1
Dividend Received	-	12
Interest income from financial assets at amortised cost*	152	81
Unwinding of discount on security deposit*	1	1
Guarantee commission income*	128	36
Net exchange differences	8	36
	291	**169**

*The Company, discloses Earnings Before Interest, Tax, Depreciation and amortization ("EBITDA") in its Statement of Profit and Loss. Till the previous year ended 31 March 2023, finance income was presented in its standalone Statement of Profit and Loss as an item after EBITDA. As a result, Total income amounting to Rs. 748 million was reported without including the finance income.

During the current year, the Company concluded that Schedule III to the Companies Act, 2013 requires companies to include all items of income within Total Income. Consequently, the Company has corrected its presentation by restating its corresponding figures as presented in these financial statements by reclassifying finance income within "Other income". As a result, the balance of Other income has increased from Rs 51 million to Rs 169 million with a corresponding increase in Total income and reported EBITDA. This change in presentation does not have any impact on Company's reported [Profit / Loss after tax] for the year ended March 31, 2023 nor does it affect the balance sheet as at that date.

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

	Year ended March 31, 2024	Year ended March 31, 2023
18 Cost of materials consumed		
Raw material consumed		
Opening stock	66	98
Provision for slow moving inventory	(3)	(55)
Opening stock (net) (a)	**63**	**43**
Purchases during the year (b)	302	322
Closing stock	94	66
Provision for slow moving inventory(RM)	(7)	(3)
Closing stock (net) (c)	**87**	**63**
Cost of raw materials consumed * (a+b-c)	**278**	**302**

* Includes Provision for slow moving inventory INR 4 (March 31,2023: INR (51))

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

		Year ended March 31, 2024	Year ended March 31, 2023
19	**Change in inventories of work-in-progress and finished goods**		
	Inventory at the end of the year (a)		
	Work-in-progress	139	102
	Finished goods	59	63
	Less: Provision for slow moving inventory	(5)	(7)
		193	**158**
	Inventory at the beginning of the year (b)		
	Work-in-progress	102	112
	Finished goods	63	69
	Less: Provision for slow moving inventory	(7)	(18)
		158	**163**
	Change in inventories of work -in-progress	(40)	(5)
	Change in inventories of finished goods(b-a)	4	11
	Change in inventories of work -in-progress and finished goods(b-a)	**(36)**	**6**
20	**Employee benefit expenses**		
	Salaries, wages and bonus	96	89
	Contribution to provident and other funds	5	4
	Employee stock option expense (Refer note 12(iii) and note 34)	14	12
	Leave compensation	-	2
	Gratuity (Refer note 13)	4	3
	Staff welfare expenses	10	10
		129	**120**
21	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment	36	43
	Depreciation on right to use assets	64	65
	Amortisation of intangible assets	10	7
		110	**115**

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

		Year ended March 31, 2024	Year ended March 31, 2023
22	**Other expenses**		
	(a)Cost of spares and components		
	Cost of spares and components	58	58
	Subcontracting expenses	67	47
	Insurance	7	6
	Power and fuel	34	32
	Repair and maintenance		
	Machinery	17	18
	Building	1	1
	Others	40	41
	Legal and professional fees	16	13
	Management fee	4	5
	Payment to auditors [refer note (ii) below]	2	2
	Rental charges	2	2
	Printing and stationery	1	1
	Freight & forwarding	3	2
	Rates and taxes	5	1
	Travelling and conveyance	4	7
	Communication	6	7
	Advertising and sales promotion	9	5
	Bank charges	9	5
	Loss on sale/write off of property, plant and equipment	-	0
	Miscellaneous expenses	3	1
		288	**254**

Note (i) Rental charges includes an amount of INR 2 (March 31,2023: INR 2) towards lease payments of low value assets

(ii) Payments to auditors

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

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

23	**Finance cost**		
	Interest expense on borrowings	31	48
	Interest expense on lease liabilities	27	16
	Financial guarantee expense (Refer note 34)	6	6
	Exchange differences (on borrowings)	4	12
		68	**82**

24 Corporate social responsibility ("CSR")

The Company is currently under losses and hence does not require to make any CSR contribution. Hence, the detailed disclosure on CSR is not required to be disclosed.

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

		Year ended March 31, 2024	Year ended March 31, 2023
25	**Exceptional items**		
	Impairment loss on investment in subsidiaries [(Refer note (i)]	1,271	245
	Loss allowance on recoverable from related parties [(Refer note (ii)]	1	4
	Loss allowance on loans receivable from related parties including interest accrued thereon [(Refer note (iii)]	224	174
		1,496	**423**

Note:

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

Aerospace Manufacturing Holdings Private Limited (AMHPL)	113	9
Aequs Aerospace BV (AABV)	-	139
SQuAD Forging India Private Limited	-	20
Aequs Engineered Plastics Private Limited (AEPPL)	74	77
Aerostructures Assemblies India Private Limited (Reversal)	(16)	-
Aequs Toys Private Limited	708	-
Aequs Material Management Private Limited*	0	-
Aequs Force Consumer Products Private Limited	185	-
Aequs Foundation*	0	-
Aequs Force Consumer Products Private Limited-CCD investment	207	-
	1,271	**245**

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

(ii) Given the uncertainty surrounding the realisation of amounts recoverable from Aerospace Manufacturing Holdings Private Limited (AMHPL), the Company had recognised an impairment loss of INR 1 (March 31, 2023: INR 4).

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

Aequs Aerospace BV (AABV)	216	197
Aerospace Manufacturing Holdings Private Limited (AMHPL)	-	8
Aequs Rajas Extrusion Private Limited(AREPL)	8	6
Aequs Engineered Plastics Private Limited (AEPPL)	-	(37)
	224	**174**

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

Tax expense

	Particulars	March 31, 2024	March 31, 2023
26	**Current tax**		
	Current tax on profits for the year	-	-
	Adjustments for current tax of prior periods	-	-
	Total current tax expense	-	-
27	**Deferred tax**		
	Decrease/ (increase) in deferred tax assets	-	-
	(Decrease)/increase in deferred tax liabilities	2	-
	Total deferred tax expense	**2**	**-**
	Tax expense (A+B)	**2**	**-**

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

Particulars	March 31, 2024	March 31, 2023
Tax Expenses under General provision of Income Tax		
Profit from continuing operations before income tax expense	(1,300)	(436)
Corporate Tax Rate %	**27.82%**	**27.82%**
Computed tax expense	(362)	(121)
Tax Impact due to Permanent Difference	2	3
Tax impact on Income not chargeable to tax*	(0)	2
Tax impact related to prior year adjustments	-	(16)
Tax Impact of Deferred Tax on Utilisation of Unabsorbed depreciation	(1)	25
Tax Impact of Deferred Tax on Utilisation of Business Loss	(42)	6
Deferred Tax Not Recognised	405	102
Total Tax Expense/ (Benefit)	**2**	**-**

Deferred tax:

The balance comprises tax effect on temporary differences attributable to:

Particulars	March 31, 2024	March 31, 2023
Deferred tax liabilities		
Depreciation and amortisation	(11)	(66)
	(11)	(66)
Deferred tax assets		
Carried forward tax losses and unabsorbed depreciation	122	141
Provisions allowed on payment basis	41	79
	163	**220**
Total - Deferred tax assets (net)	**152**	**154**

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

Tax expense (Continued)

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, 2022	**(66)**	**142**	**-**	**79**	**155**
(Charged) / Credited:					
- to profit and loss	-	(1)	-	-	(1)
As at April 01, 2023	**(66)**	**141**	**-**	**79**	**154**
(Charged) / Credited:					
- to profit and loss	55	(19)	-	(38)	(2)
As at March 31, 2024	**(11)**	**122**	**-**	**41**	**152**

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

(a) Transfer pricing:

For the year ended March 31, 2024, 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, 2023:27.82%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

(b) Deductible temporary differences for which no deferred tax asset has been recognised amounts to INR 0 (2023: INR 577). These items can be carried forward for 8 years from the year the Company claims deductions for the related expenses.

(c) Unabsorbed depreciation for which no deferred tax asset has been recognised amounts to INR 0 (March 31, 2023: 25). There is no time limit to carry forward such losses. This will be recognised when it is probable that sufficient taxable profit will be available against which it can be utilised by the Company.
(d) The Company has carried deferred tax asset on carried forward tax losses and unabsorbed depreciation as on the previous year (2023-24) on the basis of projections to the extent it is probable that sufficient taxable profit will be available against which the unused tax losses can be utilised by the Company.

(e) Deferred tax asset/(liability)accounted in other comprehensive income amounted to INR (0) [(March 31, 2023 INR (1)]

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

28 Fair value measurement

Financial instruments by category

	Items measured at amortised cost for which fair values are disclosed*	Carried at	March 31, 2024	March 31, 2023
Financial assets				
Loans	Level 3	Amortised cost	-	5
Trade receivables	Level 3	Amortised cost	118	130
Cash and cash equivalents	Level 3	Amortised cost	303	51
Bank balances other than above	Level 3	Amortised cost	1,596	-
Investment in Mutual Funds	Level 1	FVTPL	274	0
Investment in Compulsorily convertible debentures	Level 1	Amortised cost	-	207
Other financial assets	Level 3	Amortised cost	105	134
Total financial assets			**2,396**	**527**
Financial liabilities				
Borrowings (including current maturities)	Level 3	Amortised cost	230	996
Trade payables	Level 3	Amortised cost	188	276
Lease liabilities	Level 3	Amortised cost	347	392
Financial guarantee liabilities	Level 3	Amortised cost	601	69
Other financial liabilities	Level 3	Amortised cost	26	44
Total financial liabilities			**1,392**	**1,777**

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

** There are no financial instruments which are measured at FVOCI.

(i) Fair value hierarchy

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

(a) recognised and measured at fair value.

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

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

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

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

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

(ii) 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 risk.

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 and carried at cost.

(v) Borrowings

Borrowings for previous financial year included Compulsorily Convertible Preference Shares ("CCPS") which were issued on March 24, 2023. These were the instruments which could not meet the criteria for classification as Equity instrument, hence were reclassified from Equity to Borrowings. Considering they were issued to unrelated investors closed to the year end, transaction price was determined to be fair value.

As at 31 March 2024, these instruments met the criteria for classification of Equity instruments and accordingly, these were reclassified in current year from borrowings to equity under "Instrument entirely Equity in nature".

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Aequs Private Limited

29 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

(i) Credit risk management

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

(ii) Provision for expected credit losses.

1) Loans and Deposits :

Loans and Deposits are 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 standalone 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, 2024

Particulars		Gross carrying value	Expected Probability of Default	Expected Credit loss	Carrying amount net of impairment provision
Loss allowance measured at Life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit impaired	990	100%	990	-

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

29 Financial risk management (continued)

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

Particulars		Gross carrying value	Expected Probability of Default	Expected Credit loss	Carrying amount net of impairment provision
Loss allowance measured at Life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit impaired	763	100%	763	-

Reconciliation of loss allowance provision - Loans

Particulars	Amount
As at March 31, 2022	588
Change in loss allowance	175
As at March 31, 2023	**763**
Change in loss allowance	227
As at March 31, 2024	**990**

4) 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

Particulars	Amount
As at March 31, 2022	1
Charged to profit and loss*	(0)
Utilisation of loss allowance*	0
As at March 31, 2023	1
Charged to profit and loss *	0
Utilisation of loss allowance	(1)
As at March 31, 2024	0

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

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Aequs Private Limited

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

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, 2024	March 31, 2023
A. Expiring within one year	25	28
B. Expiring beyond one year (bank loans)	-	-
	25	**28**

Note:Previous year figures have been reclassified for better presentation

(ii) Maturities of financial Liabilities

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

Contractual maturities of financial liabilities	Less than 12 months	1 to 5 years	Over 5 years	Total
As at March 31, 2024				
Borrowings	230	0		230
Trade payables	188	-		188
Lease liabilities (Actual lease rentals)	79	267	93	439
Other financial liabilities	3	-		3
Employees related liability	23	-		23
Total non derivative liabilities	**523**	**267**	**93**	**883**

Contractual maturities of financial liabilities	Less than 12 months	1 to 5 years	Over 5 years	Total
As at March 31, 2023				
Borrowings	410	585		995
Trade payables	300	-	-	300
Lease liabilities	64	328	115	507
Other financial liability	1	-	-	1
Employees related liability	20	-	-	20
Total liabilities	**795**	**913**	**115**	**1,823**

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, 2024		
	GBP	**USD**	**EUR**
Financial asset			
Trade receivable	-	92	0
Loans (unsecured)	-	-	788
Other financial assets	-	2	194
Other assets	5	18	6
Net exposure to foreign currency risk	**5**	**112**	**988**
Financial liability			
Trade payables	4	86	6
Borrowings	-	207	-
Lease liabilities	-	-	157
Other financial liabilities	-	1	-
Net exposure to foreign currency risk	**4**	**294**	**163**

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

29 Financial risk management (continued)
Market risk (continued)

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

29 Financial risk management (continued)
(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, 2024	March 31, 2023
USD Sensitivity		
INR/USD - Increase by 5%	(7)	(5)
INR/USD - decrease by 5%	7	5
GBP Sensitivity		
INR/GBP - Increase by 5%	0	0
INR/GBP - decrease by 5%	(0)	(0)
EUR Sensitivity		
INR/EUR - Increase by 5%	(30)	(18)
INR/EUR - decrease by 5%	30	18

(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, 2024	March 31, 2023
Variable rate borrowings	240	267
Fixed rate borrowings	348	563
Total borrowings	**588**	**830**

(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, 2024	March 31, 2023
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.

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

30 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, 2024	March 31, 2023
Net debt	1,322	(1,336)
Total equity	9,792	5,386
Net debt to equity ratio	0.13	(0.25)

31 Contingent liabilities

	March 31, 2024	March 31, 2023
Labour related matters (Refer Note i)	22	19
Tax matters	805	805

(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 22 (March 31, 2023: INR 19) . The Company is however confident of winning this case based on the counsel advice and hence the same is not provided in the standalone financial statements.

(ii) Refer Note 34 for Corporate guarantees given to third parties by the Company for loans taken by related parties of the Company.

(iii) 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.

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

32 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, 2024	March 31, 2023
Property, plant and equipment*	0	1
	0	**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)

33 Segment Information

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

Revenues from major customers is as follows:

Customer	March 31, 2024		March 31, 2023		Geographical location
	Revenue	% of total revenue	Revenue	% of total revenue	
Customer 1	274	37%	299	43%	Europe
Customer 2	146	20%	145	21%	Europe

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

CIN : U80302KA2000PTC026760

34 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)
(ii) Related parties with whom transactions have taken place during the year	
Associates	: Aequs Foundation, India (ceased to be associate w.e.f February 25, 2024).
Joint ventures	: Aerospace Processing India Private Limited (API) : SQuAD Forging India Private Limited ('SQuAD')
Subsidiaries	: AeroStructures Manufacturing India Private Limited, India (ASMIPL) : Aequs Aerospace BV, Netherlands (AABV) : Aerospace Manufacturing Holdings Private Limited, India (AMHPL) : Aequs Oil and Gas LLC, USA (AOGLLC) : Aequs Engineered Plastics Private Limited, India (AEPPL) : Aequs Force Consumer Products Private Limited, India (AFCPPL) : Aequs Consumer Products Private Limited, India (ACPPL) : Aequs Material Management Private Limited, India (AMMPL) (This entity is closed w.e.f June 29, 2024.) : Aequs Toys Private Limited, India (ATPL) : Aerostructures Assemblies India Private Limited, India (AAI) Subsidiary of ASMIPL : Aequs Aerospace LLC, USA ('AALLC') Subsidiary of Aequs Aerospace LLC, USA ('AALLC') : Aequs Aero Machine Inc, USA ('AAM') Subsidiary of AABV : SCI Du champ De pivoines, France (SCI Du) (Merged with AAF w.e.f April 01, 2023) : Aequs Holdings France SAS, France ('AHF ') Subsidiary of AHF : Aequs Aerospace France SAS ('AAF SAS') Subsidiaries of AAF SAS : Bernar SAS, France ('Bernar') (Merged with AAF w.e.f April 01, 2023) Subsidiaries of Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Toys Hong kong Private Limited, Hong Kong ('ATHKPL') Subsidiaries of Aequs Force Consumer Products Private Limited (AFCPPL) : Aequs Force Technology company Ltd, Hong kong(AFTCL) The application for its closure/de-registration has been filed on July 25, 2023 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, India (KTMCPL) : Koppal Toys Tooling COE Private Limited, India(KTTCPL) : Aequs Rajas Extrusion Private Limited, India (AREPL) w.e.f. June 19, 2023
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 : Dr. Shubhada Rao, Director : Mr. Mahesh Parasuraman, Director (Ceased to be Director w.e.f. September 11, 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') : Hubballi Durable Goods Cluster Private Limited ('HDGCPL')

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

Aequs Private Limited

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

A. Transactions with related parties

Particulars	March 31, 2024	March 31, 2023
Holding Company		
AMIPL		
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
Unsecured loan given during the year	-	0
Repayment of loan given	83	-
Interest income on loan given	6	8
Impairment of investments	113	9
Impairment of loan and interest thereon	-	8
ASMIPL		
Purchase of goods and consumables*	0	0
Sale of goods*	0	8
Expense incurred on behalf of related party	109	100
Expense incurred by related party	7	7
Employee stock option expense cross charges	1	3
Interest expense on loan from related party	10	20
Service Rendered	31	21
Fair value of financial guarantee issued	29	30
Unsecured loan received	60	395
Repayment of loan taken	219	238
Financial guarantee income	29	26
Sub Contracting expenses*	0	-
ATPL		
Service Rendered	1	1
Sale of asset	-	0
Investments in equity shares	533	430
Fair value of financial guarantee issued	60	13
Financial guarantee income	6	1
Employee stock option expense cross charges	1	0
Expense incurred on behalf of related party	8	16
Interest income on loan given	1	-
Unsecured loan given during the year	83	-
Repayment of loan given	83	-
Impairment of investments	707	-
ACPPL		
Expense incurred on behalf of related party	28	47
Expense incurred by related party*	0	0
Interest income on loan given*	0	3
Investments in equity shares	1,355	244
Fair value of financial guarantee issued	456	28
Employee stock option expense cross charges	2	2
Financial guarantee income	30	2
Service Rendered	5	1
Unsecured loan given during the year	15	24
Repayment of loan given	20	39
AAI		
Expense incurred on behalf of related party	17	18
Service Rendered	3	3
Fair value of financial guarantee issued	3	1
Employee stock option expense cross charges*	0	1
Financial guarantee income	2	1
Impairment of investments- Reversal	16	-

Aequs Private Limited

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

	March 31, 2024	March 31, 2023
AABV		
Employee stock option expense cross charges	2	3
Unsecured loan given during the year	220	121
Interest income on loan given	76	35
Impairment of loan and interest thereon	216	199
AAM		
Expense incurred on behalf of related party	2	3
Management service#	41	85
Purchase of goods and consumables	0	-
Expense incurred by related party	-	2
# Including expenses cross charged to other related parties: INR 37 (March 31,2023: INR 80)		
AAF Corp		
Expense incurred on behalf of related party*	0	0
Sub Contracting expenses	6	-
AEPPL		
Investments in equity shares	100	510
Employee stock option expense cross charges	3	4
Impairment of investments	74	77
Impairment/(reversal) of loan given and interest thereon	-	(37)
Expense incurred on behalf of related party	16	31
Service Received	3	3
Service Rendered	7	7
Unsecured loan given during the year	-	65
Interest income on loan given	-	11
Repayment of loan given	-	102
AFCPPL		
Service Rendered	5	6
Expense incurred on behalf of related party	15	17
Investments in equity shares	411	448
Fair value of financial guarantee issued	3	4
Financial guarantee income	3	3
Interest income on loan given	2	20
Repayment of loan given	95	195
Unsecured loan given during the year	95	125
Impairment of investments	185	-
Impairment of investments-CCD	207	-
KTMPL		
Expense incurred by related party	-	1
Expense incurred on behalf of related party*	0	4
Fair value of financial guarantee issued	102	-
Financial guarantee income	15	-
KTTPL		
Expense incurred on behalf of related party	-	1
Financial guarantee income	-	0
Associates		
AF		
Impairment of investments*	0	-
Sale of Investment*	0	-
Expense incurred on behalf of related party*	0	0
Joint Ventures		
API		
Service Received	12	12
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	14
Fair value of financial guarantee issued	6	-
Financial guarantee income	1	-

Aequs Private Limited

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

	March 31, 2024	March 31, 2023
AREPL		
Expense incurred on behalf of related party*	0	1
Unsecured loan given during the year	1	1
Interest income on loan given	1	1
Impairment of loan and interest thereon	2	-
SQuAD		
Expense incurred on behalf of related party	9	8
Service Rendered	2	2
Purchase of goods and consumables	35	2
Investments in equity shares	155	72
Fair value of financial guarantee issued	1	5
Employee stock option expense cross charges*	0	1
Impairment of investments	-	19
Sale of goods	43	23
Financial guarantee income	3	4
Key Management Personnel		
Managerial remuneration paid (Refer note (a) below)		
Mr.Rajeev Kaul	15	12
Mr.Ravi Hugar	5	5
Mr.Dinesh Iyer	14	12
Ms. Shubhada Rao	1	1
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Interest expense on loan taken	-	3
Repayment of loan taken	-	60
Expense incurred on behalf of related party	12	23
Service Received	54	49
Interest expense on lease liability	22	11
Repayment of lease liability	16	26
Service Rendered	4	4
Expense incurred by related party	1	1
Fair value of financial guarantee received	5	5
Financial guarantee expense	6	6
Security deposit transfer	1	-
AESPL		
Expense incurred on behalf of related party	-	0
*The amounts are below the rounding off norm adopted by the Company.		
IKC		
Service Received	15	16
Expense incurred on behalf of related party	1	3
HDGCPL		
Expense incurred on behalf of related party	1	0
Expense incurred by related party	-	0
*The amounts are below the rounding off norm adopted by the Company.		
AMMPL		
Impairment of investments*	0	-
Expense incurred on behalf of related party*	0	0
ALM		
Services Received (Branding charges)	6	-

Note:

a. Out of the above remuneration to KMP INR 29.56 (March 31, 2023: INR 27) has been cross charged to other group entities. Further, the remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

b. All transactions were made on normal commercial terms and conditions.

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

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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, 2024	March 31, 2023
Subsidiaries		
AMHPL		
Investment in Equity shares	759	759
Dues from related party	1	4
Loan to related party	-	77
Impairment of Investments	759	646
Impairment of loan and interest thereon	-	77
Impairment on dues from related parties	1	4
ASMIPL		
Investment in Equity shares	1,720	1,720
Fair value of financial guarantee issued	170	141
Fair value of ESOP cost	5	6
Dues to related party*	0	-
Dues from related party	4	-
Trade payable*	0	0
Trade receivable	2	7
Unsecured borrowings	-	150
Interest payable on unsecured borrowings	-	20
ATPL		
Investment in Equity shares	1,173	640
Fair value of financial guarantee issued	73	13
Fair value of ESOP cost	1	0
Trade receivable	1	1
Dues from related party	6	14
Impairment of Investments	707	-
AABV		
Investment in Equity shares	789	789
Fair value of ESOP cost	7	6
Impairment of Investments	795	795
Loan to related party	982	679
Impairment of loan and interest thereon	982	679
ACPPL		
Investment in Equity shares	1,801	446
Fair value of financial guarantee issued	484	28
Fair value of ESOP cost	4	2
Dues from related party	34	41
Dues to related party	-	0
Trade receivable	4	-
Loan to related party	-	5
AAI		
Investment in Equity shares	231	231
Fair value of financial guarantee issued	6	3
Fair value of ESOP cost	1	1
Dues from related party	1	7
Trade receivable*	0	1
Impairment of Investments	-	16
AHAPL		
Dues from related party	-	0

Aequs Private Limited

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

	March 31, 2024	March 31, 2023
AAM		
Dues from related party	2	-
Trade payable	1	127
Dues to related party	1	1
Fair value of ESOP cost	1	1
AAF Corp		
Dues from related party*	0	0
Trade receivable*	0	-
Trade payable	6	-
AOGLLC		
Investment in Equity shares	822	822
Fair value of ESOP cost	2	2
Impairment of Investments	824	824
AEPPL		
Investment in Equity shares	1,905	1,805
Fair value of ESOP cost	1	4
Impairment of Investments	970	895
Dues from related party	10	15
Trade receivable	7	0
AFCPPL		
Dues from related party	17	5
Trade receivable	6	2
Investment in Equity shares	1,330	919
Investment in CCD	207	207
Fair value of financial guarantee issued	7	4
Impairment of Investments	185	-
Impairment of Investments-CCD	207	-
KTMPL		
Dues from related party	-	4
Fair value of financial guarantee issued	107	4
KTTPL		
Dues from related party	-	1
Trade receivable	-	0
Fair value of financial guarantee issued	2	2
Associate		
AF		
Trade receivable	-	0
Investment in Equity shares*	0	0
Dues from related party*	0	0
Impairment of Investments*	0	-
*The amounts are below the rounding off norm adopted by the Company.		
Joint Ventures		
API		
Investment in Equity shares	90	90
Fair value of financial guarantee issued	6	-
Fair value of ESOP cost*	0	0
Trade receivable*	0	0
Dues from related party	1	3
Dues to related party	-	0
Trade payable	3	3

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

	March 31, 2024	March 31, 2023
SQUAD		
Investment in Equity shares	746	591
Fair value of financial guarantee issued	39	39
Fair value of ESOP cost	1	1
Impairment of Investments	234	234
Dues to related party	-	0
Dues from related party	1	8
Trade payable	11	2
Trade receivable	3	28
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence		
ASEZ		
Security deposit	33	31
Trade payable	2	5
Trade receivable	4	1
Dues from related party	1	6
Fair value of financial guarantee received	15	10
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
MILLC		
Dues from related party	-	0
IKC		
Trade payable	1	0
Dues from related party*	0	2
ALTUM		
Dues from related party	-	0
ALM		
Trade payable	6	-
AREPL		
Dues from related party	-	1
Loan to related party	8	6
Impairment of loan and interest thereon	8	6
*The amounts are below the rounding off norm adopted by the Company.		
AMIPL		
Dues from related party	-	0
Dues to related party	-	-
AMMPL		
Dues from related party	-	0
Dues to related party	-	-
Impairment of Investments*	0	-
Investment in Equity shares*	0	0
HDGCPL		
Dues from related party	1	0
Dues to related party	-	0

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

Note:

a. Loan given to ESOP Trust reflected as Treasury shares.

b. Mr. Aravind Melligeri, Director of the Company, has issued personal guarantees towards securing various working capital facilities: INR 250 (March 31, 2023: INR 250) and term loan facilities: INR 53.80 (March 31, 2023: INR 53.80) obtained by the Company.

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

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

Particulars	**March 31, 2024**	**March 31, 2023**
(i) Loans receivable (for funding of operations)		
Aerospace Manufacturing Holdings Private Limited (AMHPL)	-	77
Aequs Consumer Products Private Limited(ACPPL)	-	5
Aequs Rajas extrusion Private Limited, India(AREPL) (from June 25, 2021)	7	6
Aequs Aerospace BV ('AABV'), Netherlands	788	563
(ii) Investments in subsidiaries, associates and joint ventures(Refer Note 6)	12,490	9,275
(iii) Guarantees given (for term loan, working capital and leases)		
AeroStructures Manufacturing India Private Limited ('ASMIPL')	1,430	1,350
SQuAD Forging India Private Limited ('SQuAD')	120	172
Aerostructures Assemblies India Private Ltd (AAI)	150	50
Aequs Force Consumer Products Private Limited (AFCPPL)	130	130
Koppal Toys Tooling COE Private Limited, India(KTTCPL)	-	16
Aequs Consumer Products Private Limited(ACPPL) (including leases)	3,472	155
Aequs Toys Private Limited, India (ATPL) (including leases)	347	93
Koppal Toys Molding COE private Limited(KTMCPL) (including leases)	593	39
Aerospace Processing India Private Limited(API)	50	-

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Aequs Private Limited

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

35 Earnings per Share

	March 31, 2024	March 31, 2023
I. Basic Earning Per share		
(a) Earnings per share (basic and diluted)	(2.39)	(1.07)
(b) Profit attributable to the equity share holders used in calculating basic and diluted earnings per share	(1,303)	(435)
(c) Weighted Average number of Equity shares of INR. 10 each	**544,522,820**	**405,294,340**

Diluted Earning per share - Since ESOP for FY 2022-23, ESOP for FY 2023-24 are anti-dilutive in nature, considering the conversion of ESOPs would have resulted in an decrease in loss per share. Hence, the same is ignored in the calculation of diluted loss per share.

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

36 Net debt reconciliation:

Particulars	March 31, 2024	March 31, 2023
Cash and cash equivalents	303	51
Bank balances other than cash and cash equivalents	1,596	0
Current borrowings	(219)	(222)
Non-current borrowings (including current maturities)	(11)	(28)
Compulsorily Convertible Preference Shares *	(0)	(575)
Lease liabilities	(347)	(392)
Loans from related parties (unsecured)	-	(170)
Net debt	**1,322**	**(1,336)**

Particulars	Other assets	Liabilities from financing activities					Total
	Cash and cash equivalents	Lease obligations	Non-current borrowings	Compulsorily Convertible Preference Shares	Current borrowings (Working capital loans)	Other Borrowings (Related Party)	
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
Net debt as at March 31, 2023	**51**	**(392)**	**(28)**	**(575)**	**(222)**	**(170)**	**(1,336)**
Cashflows	1,848	-	-	-	3	-	1,851
Acquisition of leases/ new borrowings	-	-	-	-	-	-	-
Foreign exchange adjustments	-	3	-	-	(0)	-	3
Repayments	-	42	17	-	-	170	229
Interest expense	-	(27)	(2)	-	(17)	(10)	(56)
Interest paid	-	27	2	-	17	10	56
Transfer to Equity	-	-	-	575	-	-	575
As at March 31, 2024	**1,899**	**(347)**	**(11)**	**(0)**	**(219)**	-	**1,322**

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

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Aequs Private Limited

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

37 Financial Ratios

Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reason for Variance
i) Current Ratio (times)	Current Assets	Current Liabilities	4.28	0.68	530%	Note 1
ii) Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	0.06	0.26	-77%	Note 2
iii) Debt Service Coverage Ratio (times)	Net Operating income	Debt Service	1.04	0.28	274%	Note 3
iv) Return on Equity Ratio (%)	Profit After tax	Average Equity	-17%	-8%	-103%	Note 4
v) Inventory Turnover Ratio (times)	Cost of Goods Sold (COGS)	Average Inventory	1.03	1.33	-23%	NA
vi) Trade Receivables Turnover Ratio (times)	Sales (revenue from operations)	Average receivables	5.98	4.78	25%	Note 5
vii) Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expenses	Average Trade payables	2.68	2.89	-7%	NA
viii) Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Working Capital	0.36	(2.65)	113%	Note 6
ix) Net Profit Ratio (%)	Profit after tax	Sales (revenue from operations)	-176%	-63%	-181%	Note 7
x) Return on Capital Employed (%)	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	-12%	-5%	-127%	Note 8
xi) Return on Investment (%)	Other Income from Investment	Average of opening & closing investment	14%	0%	100%	Note 9

Notes:

1. During the year, the Company has raised money by way of issue of shares and which has led to increase in short term funds and hence current ratio has been increased.
2. Debt Equity ratio has been decreased majorly due to reclassification of CCPS, which was classified as borrowings in previous year, to equity.
3. Debt Service coverage ratio has been improved due to increase in earnings available for debt service during the year.
4. Return on Equity ratio has decreased due to fall in profit after tax consequent to impairment provision created during the year.
5. Increase in revenue during the year resulted in faster turnover of receivables. Hence trade receivable turnover ratio has been improved.
6. Increase in net capital turnover ratio is mainly due to increase in cash & cash equivalents during current year, which is consequent to issue of fresh shares.
7. Net profit ratio has decreased due to fall in profit after tax consequent to impairment provision created during the year.
8. Return on capital employed has decreased due to fall in earning before interest and tax consequent to impairment provision created during the year.
9. The Company has earned interest income and gains from short term funds which were invested for short term period consequent to raise of funds during the year. Previous year, the Company did not have any investments.

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38 Additional regulatory information required by Schedule III

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

(ii) Willful defaulter: The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. (Refer note 41 for further details).

(vi)(a) The company has not advanced or loaned or invested the funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

(vi)(b) The company has not receive any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) of the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee or security or the like on behalf of the Ultimate Beneficiaries.

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

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

(ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.

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

(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, 2024 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, 2024.
(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.

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Aequs Private Limited

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

39 Assets pledged as security

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

Particulars	March 31, 2024	March 31, 2023
Current		
A. Financial assets:		
- Trade receivables	118	130
- Cash & cash equivalents	1,899	51
B. Non financial assets:		
- Inventories	302	237
Total current assets pledged as security	**2,319**	**418**
Non current		
A. Non financial assets:		
Plant and machinery	82	97
Total Non-current assets pledged as security	**82**	**97**
Total assets pledged as security	**2,401**	**515**

40 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, 2024 and March 31, 2023.

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, 2024	March 31, 2023
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.*	-	-
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0
(iii)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.*	3	23
(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*	0	1
(vi)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	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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Aequs Private Limited

41 Subsequent events

a) The Company, vide its board resolution dated June 24, 2024, has approved the Scheme of Amalgamation of certain wholly owned subsidiaries i.e, AeroStructures Manufacturing India Private Limited, Aequs Engineered Plastics Private Limited, Aequs Force Consumer Products Private Limited and Aequs Toys Private Limited with Aequs Private Limited. As of the date of adoption of this standalone financial statements, the Scheme and the related petition are yet to be filed with requisite authorities, and necessary approvals are still pending.

Upon receiving the requisite approvals and completing all formalities associated with the merger, the Company will account for the transaction in accordance with the applicable accounting principles prescribed under Appendix C of the Indian Accounting Standard (Ind AS) 103, 'Business Combinations' notified under Section 133 of the Act and/ or any other applicable Ind AS, as amended from time to time as this will be a transaction between entities under common control. Following the merger, these subsidaries will be subsumed into the Company and will cease to exist as a separate legal entity.

This merger will have no impact on the Aeques Private Limited's consolidated financial statements.

b) The Company has approved a slump sale of its business of contract manufacturing of kitchen and home appliances to a newly formed Company namely "Aequs

Cookware Private Limited" vide an agreement dated July 11, 2024. As on the date of the financial statements, the transactions has not yet been consummated.

42 The financial statements were approved for issue by the Board of Directors on October 04, 2024.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: October 04, 2024

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

Rajeev Kaul
Managing Director & Chief Operating Officer (COO)
DIN-01468590

Address: 9, Parjat Lane,
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Place: Belagavi
Date: October 04, 2024

Ajay Prabhu
Director
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Place: Faro, Portugal
Date: October 04, 2024

Dinesh Iyer
Chief Financial Officer
Address: B-304, Adarsh
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Place: Belagavi
Date: October 04, 2024

Ravi Hugar
Company Secretary
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Karnataka, India
M. No. - A20823
Place: Belagavi
Date: October 04, 2024