

## Independent Auditor's Report

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

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its joint ventures as at 31 March 2025, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

#### 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 Consolidated Financial Statements* section of our report. We are independent of the Group, its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures 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 included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been

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## Independent Auditor's Report (Continued)

### Aequs Limited (formerly known as Aequs Private Limited)

used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such



## Independent Auditor's Report (Continued)

## Aequs Limited (formerly known as Aequs Private Limited)

other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 Matters

- a. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs.3,814 millions as at 31 March 2025, total revenues (before consolidation adjustments) of Rs.2,015 millions and net cash flows (before consolidation adjustments) amounting to Rs.27 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

One of the subsidiary located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

## 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 of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other

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

**Aequs Limited (formerly known as Aequs Private Limited)**

comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies, incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, incorporated in India 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, joint ventures as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.
  - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2025.
  - d (i) The respective management of the Holding Company and its subsidiary companies, joint venture companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditors of such subsidiary companies respectively that, to the best of its knowledge and belief, as disclosed in the Note 43(vi)(a) to the consolidated 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 Holding Company or any of such subsidiary companies, and joint venture companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, and joint venture companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The respective management of the Holding Company and its subsidiary companies, joint venture companies incorporated in India whose financial statements have been audited under the Act represented to us and the other auditors of such subsidiary companies respectively that, to the best of its knowledge and belief, as disclosed in the Note 43(vi)(b) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, and joint venture companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that



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

**Aequs Limited (formerly known as Aequs Private Limited)**

the Holding Company or any of such subsidiary companies, and joint venture companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instance mentioned below, the Holding Company, its subsidiary companies and joint venture companies which are companies incorporated in India whose financial statements have been audited under the Act, have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

In respect of the Holding Company, its nine subsidiary companies and three joint venture companies, the feature of recording audit trail (edit log) facility was not enabled (i) at the database level to log any direct data changes; (ii) at the application level for certain fields / tables relating to all the significant financial processes and (iii) for certain changes at the application level which were performed by users having privileged access rights.

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

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

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the provisions of Section 197 of the Act are not applicable to the Holding Company, its subsidiary companies, and joint venture companies incorporated in India since none of these companies is a public company as on 31 March 2025. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

*Chartered Accountants*

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



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Membership No.: 060573

Date: 30 August 2025

ICAI UDIN:25060573BMOKGI7976

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

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

- (xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities                               | CIN                   | Holding Company / Subsidiary | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|----------------------------------------------------|-----------------------|------------------------------|--------------------------------------------------------------------------------|
| 1       | Aequs Limited                                      | U80302KA2000PLC026760 | Holding Company              | ii(b), iii(c), iii(d), iii(f) and xiv(a)                                       |
| 2       | AeroStructures Manufacturing India Private Limited | U29253KA2013PTC067763 | Subsidiary                   | ii(a), ii(b) and xiv(a)                                                        |
| 3       | Aequs Consumer Products Private Limited            | U28995KA2019PTC129087 | Subsidiary                   | i(b), xiv(a) and xvii                                                          |
| 4       | Koppal Toys Molding COE Private Limited            | U36999KA2021PTC150753 | Subsidiary                   | xvii                                                                           |
| 5       | Aerostructures Assemblies India Private Limited    | U29253KA2013PTC067804 | Subsidiary                   | ii(b)                                                                          |
| 6       | Aequs Home Appliances Private Limited              | U31904KA2021PTC150511 | Subsidiary                   | vii(a) and xvii                                                                |
| 6       | Aequs Toys Private Limited                         | U26400KA2021PTC150503 | Subsidiary                   | vii(a) and xvii                                                                |

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

According to the information and explanations given to us, and based on our examination, in respect of the following subsidiary and joint venture companies incorporated in India and included in the consolidated financial statements, the CARO report relating to them has not been issued by its auditor till the date of this principal auditors' report.

| Sr. No. | Name of the entities                          | CIN                   | Subsidiary/Joint Venture |
|---------|-----------------------------------------------|-----------------------|--------------------------|
| 1       | Aequs Engineered Plastics Private Limited     | U22209KA2015PTC078777 | Subsidiary               |
| 2       | Aequs Force Consumer Products Private Limited | U28191KA2018PTC114901 | Subsidiary               |
| 3       | SQuAD Forging India Private Limited           | U28910KA2011PTC056681 | Joint Venture            |
| 4       | Aerospace Processing India Private Limited    | U35303KA2007PTC043311 | Joint Venture            |
| 5       | Aequs Cookware Private Limited                | U27504KA2024PTC189903 | Joint Venture            |

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

*Chartered Accountants*

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



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Date: 30 August 2025

Membership No.: 060573

ICAI UDIN:25060573BMOKGI7976

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

**Report on the internal financial controls with reference to the aforesaid consolidated 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**

In conjunction with our audit of the consolidated financial statements of Aequs Limited (formerly known as Aequs Private Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, and its joint venture companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, and its joint venture companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies 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 respective 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 respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 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 consolidated financial statements, whether due to fraud or error.



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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor(s) of the relevant subsidiary [company/companies] in terms of their report(s) referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 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.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of this matter.

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

*Chartered Accountants*

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



**Sampad Guha Thakurta**

*Partner*

Place: Chennai

Membership No.: 060573

Date: 30 August 2025

ICAI UDIN:25060573BMOKGI7976

## Consolidated Balance Sheet

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

| Particulars                                                                                       | Notes   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------------------------------------------------------------------|---------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                                     |         |                         |                         |
| <b>Non-current assets</b>                                                                         |         |                         |                         |
| Property, plant and equipment                                                                     | 4       | 1,668.82                | 1,749.45                |
| Right-of-use assets                                                                               | 5       | 3,349.25                | 4,112.40                |
| Capital work-in-progress                                                                          | 4A      | 3,950.90                | 1,753.85                |
| Goodwill                                                                                          | 6       | 172.56                  | 655.21                  |
| Other intangible assets                                                                           | 6       | 61.23                   | 85.43                   |
| Investments accounted for using equity method                                                     | 7       | 768.12                  | 621.61                  |
| Financial assets                                                                                  |         |                         |                         |
| Investments                                                                                       | 8       | 0.85                    | 0.83                    |
| Other financial assets                                                                            | 9 (iv)  | 708.24                  | 394.52                  |
| Deferred tax assets (net)                                                                         | 39      | 331.70                  | 324.47                  |
| Current tax assets                                                                                |         | 19.04                   | 14.26                   |
| Other non-current assets                                                                          | 10      | 133.08                  | 159.02                  |
| <b>Total non-current assets</b>                                                                   |         | <b>11,161.79</b>        | <b>9,871.05</b>         |
| <b>Current assets</b>                                                                             |         |                         |                         |
| Inventories                                                                                       | 11      | 4,082.69                | 3,541.17                |
| Financial assets                                                                                  |         |                         |                         |
| Investments                                                                                       | 8(ii)   |                         | 297.15                  |
| Trade receivables                                                                                 | 9 (i)   | 1,566.04                | 1,368.85                |
| Cash and cash equivalents                                                                         | 9 (ii)  | 609.43                  | 792.74                  |
| Bank balances other than above                                                                    | 9 (iii) | 188.48                  | 1,727.01                |
| Other financial assets                                                                            | 9 (iv)  | 128.72                  | 15.15                   |
| Contract assets                                                                                   | 12      | 52.89                   | 24.81                   |
| Other current assets                                                                              | 10      | 808.22                  | 588.20                  |
| Assets classified as held for sale                                                                | 42      | 0.14                    | 3.70                    |
| <b>Total current assets</b>                                                                       |         | <b>7,436.61</b>         | <b>8,358.78</b>         |
| <b>Total assets</b>                                                                               |         | <b>18,598.40</b>        | <b>18,229.83</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                                     |         |                         |                         |
| <b>EQUITY</b>                                                                                     |         |                         |                         |
| Equity share capital                                                                              | 13      | 5,818.29                | 4,247.59                |
| Instruments entirely equity in nature                                                             | 13A     | -                       | 4,071.16                |
| Other equity                                                                                      | 14      | 1,350.90                | (153.14)                |
| <b>Equity attributable to owners of Aequis Limited (formerly known as Aequis Private Limited)</b> |         | <b>7,169.19</b>         | <b>8,165.61</b>         |
| <b>Non controlling Interest</b>                                                                   | 14      | <b>(9.41)</b>           | <b>(9.41)</b>           |
| <b>Total equity</b>                                                                               |         | <b>7,159.78</b>         | <b>8,156.20</b>         |

Aequus Limited (Formerly known as Aequus Private Limited)

CIN: U80302KA2000PLC026760

**Consolidated Balance Sheet**

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

| Particulars                                                                               | Notes    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>LIABILITIES</b>                                                                        |          |                         |                         |
| <b>Non-current liabilities</b>                                                            |          |                         |                         |
| <b>Financial liabilities</b>                                                              |          |                         |                         |
| Borrowings                                                                                | 15 (i)   | 1,424.39                | 855.08                  |
| Lease liabilities                                                                         | 5        | 2,785.57                | 3,506.82                |
| Other financial liabilities                                                               | 15 (ii)  | 64.75                   | 6.38                    |
| Provision for employee benefits                                                           | 17       | 161.79                  | 126.58                  |
| Other non-current liabilities                                                             | 16       | 45.00                   | -                       |
| Contract liabilities                                                                      | 12       | 192.92                  | -                       |
| <b>Total non current liabilities</b>                                                      |          | <b>4,674.42</b>         | <b>4,494.86</b>         |
| <b>Current liabilities</b>                                                                |          |                         |                         |
| <b>Financial liabilities</b>                                                              |          |                         |                         |
| Borrowings                                                                                | 15 (i)   | 2,946.23                | 2,063.73                |
| Lease liabilities                                                                         | 5        | 694.28                  | 563.68                  |
| <b>Trade payables</b>                                                                     |          |                         |                         |
| a. Total outstanding dues of micro enterprises and small enterprises; and                 | 15 (iii) | 65.70                   | 9.99                    |
| b. Total outstanding dues to creditors other than micro enterprises and small enterprises | 15 (iii) | 2,243.17                | 2,015.20                |
| Other financial liabilities                                                               | 15 (ii)  | 400.25                  | 496.00                  |
| Provision for employee benefits                                                           | 17       | 65.57                   | 54.83                   |
| Other current liabilities                                                                 | 16       | 152.83                  | 191.88                  |
| Current tax liabilities (net)                                                             |          | 35.16                   | 60.92                   |
| Contract liabilities                                                                      | 12       | 160.72                  | 122.06                  |
| Liabilities directly associated with assets classified as held for sale                   | 42       | 0.29                    | 0.48                    |
| <b>Total current liabilities</b>                                                          |          | <b>6,764.20</b>         | <b>5,578.77</b>         |
| <b>Total liabilities</b>                                                                  |          | <b>11,438.62</b>        | <b>10,073.63</b>        |
| <b>Total equity and liabilities</b>                                                       |          | <b>18,598.40</b>        | <b>18,229.83</b>        |

The above statement of consolidated statement of cashflows should be read in conjunction with material accounting policies and the accompanying notes.

As per our report of even date attached

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

Chartered Accountants

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

for and on behalf of the Board of Directors of

**Aequus Limited (formerly known as Aequus Private Limited)**

CIN: U80302KA2000PLC026760

**Sampad Guha Bhakurta**

Partner

Membership No : 060573

Place: **Chennai**

Date: **30/8/2025**

**Rajeev Kaul**

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025

**Aravind S Melligeri**

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025

**Dinesh Iyer**

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

**Ravi Mallikarjun Hugar**

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025

**Aequis Limited (Formerly known as Aequis Private Limited)**

CIN: U80302KA2000PLC026760

**Consolidated Statement of Profit and Loss**

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

| Particulars                                                                                                                                                                            | Notes | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Continuing operations</b>                                                                                                                                                           |       |                              |                              |
| Revenue from operations                                                                                                                                                                | 18    | 9,246.06                     | 9,650.74                     |
| Other income                                                                                                                                                                           | 19    | 346.07                       | 232.30                       |
| <b>Total income (A)</b>                                                                                                                                                                |       | <b>9,592.13</b>              | <b>9,883.04</b>              |
| <b>Expenses</b>                                                                                                                                                                        |       |                              |                              |
| Cost of materials consumed                                                                                                                                                             | 20    | 4,082.60                     | 4,390.72                     |
| Changes in inventories of finished goods and work-in-progress                                                                                                                          | 21    | (160.60)                     | (224.67)                     |
| Employee benefit expense                                                                                                                                                               | 22    | 1,587.41                     | 1,434.08                     |
| Impairment losses on financial assets                                                                                                                                                  |       | 4.16                         | 14.63                        |
| Other expenses                                                                                                                                                                         | 23    | 2,998.87                     | 2,813.18                     |
| <b>Total expenses (B)</b>                                                                                                                                                              |       | <b>8,512.44</b>              | <b>8,427.94</b>              |
| <b>Earnings from continuing operations before finance cost, depreciation and amortization, share of profit/(loss) of associate and joint ventures, exceptional items and tax (A-B)</b> |       | <b>1,079.69</b>              | <b>1,455.10</b>              |
| Finance costs                                                                                                                                                                          | 24    | 589.01                       | 638.06                       |
| Depreciation and amortisation expense                                                                                                                                                  | 25    | 1,034.06                     | 1,076.85                     |
| <b>Loss from continuing operations before exceptional items, share of profit/(loss) of associates and joint ventures and tax</b>                                                       |       | <b>(543.38)</b>              | <b>(259.81)</b>              |
| Share of net profit/ (loss) of associates and joint ventures accounted for using the equity method, net of tax                                                                         | 40    | 85.24                        | 51.52                        |
| Exceptional items gain / (loss)                                                                                                                                                        | 26    | (482.65)                     | 186.48                       |
| <b>Loss before tax from continuing operations</b>                                                                                                                                      |       | <b>(940.79)</b>              | <b>(21.81)</b>               |
| <b>Income Tax expense</b>                                                                                                                                                              |       |                              |                              |
| - Current tax                                                                                                                                                                          | 39    | 148.88                       | 115.13                       |
| - Deferred tax                                                                                                                                                                         | 39    | (65.48)                      | (15.47)                      |
| <b>Total tax expense</b>                                                                                                                                                               |       | <b>83.40</b>                 | <b>99.66</b>                 |
| <b>Loss from continuing operations</b>                                                                                                                                                 |       | <b>(1,024.19)</b>            | <b>(121.47)</b>              |
| <b>Discontinued operations</b>                                                                                                                                                         |       |                              |                              |
| Profit / (loss) from discontinued operations before tax                                                                                                                                | 42    | 0.73                         | (20.97)                      |
| <b>Profit / (loss) from discontinued operations after tax</b>                                                                                                                          |       | <b>0.73</b>                  | <b>(20.97)</b>               |
| <b>Loss for the year</b>                                                                                                                                                               |       | <b>(1,023.46)</b>            | <b>(142.44)</b>              |

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Aequs Limited (Formerly known as Aequs Private Limited)

Consolidated Statement of Profit and Loss

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

CIN: U80302KA2000PLC026760

| Particulars                                                                                                                                                                                                           | Notes | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Other comprehensive income</b>                                                                                                                                                                                     |       |                              |                              |
| Items that will be reclassified to profit or loss                                                                                                                                                                     |       |                              |                              |
| - Exchange differences on translating financial statements of foreign operations                                                                                                                                      | 14    | (49.37)                      | (42.10)                      |
| Items that will not be reclassified to profit or loss                                                                                                                                                                 |       |                              |                              |
| - Remeasurements of post-employment benefit obligations                                                                                                                                                               |       | (3.86)                       | 3.08                         |
| <b>Other comprehensive income / (loss) for the year, net of tax</b>                                                                                                                                                   |       | <b>(53.23)</b>               | <b>(39.02)</b>               |
| <b>Total comprehensive profit/(loss) for the year, net of tax</b>                                                                                                                                                     |       | <b>(1,076.69)</b>            | <b>(181.46)</b>              |
| <b>Profit/ (loss) attributable to:</b>                                                                                                                                                                                |       |                              |                              |
| Owners of Aequs Limited (Formerly known as Aequs Private Limited)                                                                                                                                                     |       | (1,023.46)                   | (108.38)                     |
| Non controlling interests                                                                                                                                                                                             |       | 0.00                         | (34.06)                      |
|                                                                                                                                                                                                                       |       | <b>(1,023.46)</b>            | <b>(142.44)</b>              |
| <b>Other comprehensive (loss) / income attributable to:</b>                                                                                                                                                           |       |                              |                              |
| Owners of Aequs Limited (Formerly known as Aequs Private Limited)                                                                                                                                                     |       | (53.23)                      | (39.01)                      |
| Non controlling interests                                                                                                                                                                                             |       | -                            | (0.01)                       |
|                                                                                                                                                                                                                       |       | <b>(53.23)</b>               | <b>(39.02)</b>               |
| <b>Total comprehensive (loss) / income attributable to:</b>                                                                                                                                                           |       |                              |                              |
| Owners of Aequs Limited (Formerly known as Aequs Private Limited)                                                                                                                                                     |       | (1,076.69)                   | (147.39)                     |
| Non controlling interests                                                                                                                                                                                             |       | 0.00                         | (34.07)                      |
|                                                                                                                                                                                                                       |       | <b>(1,076.69)</b>            | <b>(181.46)</b>              |
| <b>Total comprehensive loss attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited) arising from:</b>                                                                                       |       |                              |                              |
| Continuing operation                                                                                                                                                                                                  |       | (1,077.42)                   | (160.49)                     |
| Discontinued operations                                                                                                                                                                                               |       | 0.73                         | (20.97)                      |
|                                                                                                                                                                                                                       |       | <b>(1,076.69)</b>            | <b>(181.46)</b>              |
| <br>Earnings per equity share for profit from continuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited)<br>(Basic and Diluted - in INR.) (Nominal value per share: ₹ 10) | 32    | (1.80)                       | (0.16)                       |
| <br>Earnings per equity share for profit from discontinuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited)<br>(Basic and Diluted - in INR.)                              | 32    | 0.00                         | (0.04)                       |
| <br>Earnings per equity share for profit from discontinuing & continuing operation attributable to owners of Aequs Limited (Formerly known as Aequs Private Limited) (Basic and Diluted - in INR.)                    | 32    | (1.80)                       | (0.20)                       |

The above statement of consolidated statement of cashflows should be read in conjunction with material accounting policies and the accompanying notes.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

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

for and on behalf of the Board of Directors of

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760

Sampad Guha Thakurta

Partner

Membership No : 060573

Place: Chennai

Date: 30/8/2025

Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025

Aravind S Malligari

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025

Dinesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025

## Consolidated Statement of changes in equity

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

## A. Equity share capital (refer note 13)

|                              | Amount   |
|------------------------------|----------|
| Balance as at April 01, 2023 | 4,247.58 |
| Changes during the year      | 0.01     |
| Balance as at March 31, 2024 | 4,247.59 |
| Changes during the year      | 1,570.70 |
| Balance as at March 31, 2025 | 5,818.29 |

## B. Instruments entirely equity in nature Compulsorily Convertible Preference Shares (CCPS) (refer note 13A)

|                              | Amount     |
|------------------------------|------------|
| Balance as at April 01, 2023 | -          |
| Changes during the year      | 4,071.16   |
| Balance as at March 31, 2024 | 4,071.16   |
| Changes during the year      | (4,071.16) |
| Balance as at March 31, 2025 | -          |

## C. Other equity and non-controlling interests (refer note 13)

|                                                                        | Other equity                          |                    |                                  |                     |                   |                        |                 |                |                                      |            | Non controlling interest |
|------------------------------------------------------------------------|---------------------------------------|--------------------|----------------------------------|---------------------|-------------------|------------------------|-----------------|----------------|--------------------------------------|------------|--------------------------|
|                                                                        | Attributable to owners of the Company |                    |                                  |                     |                   |                        |                 |                |                                      |            |                          |
|                                                                        | Reserves and surplus                  |                    |                                  |                     |                   |                        |                 | Items of OCI   | Total other equity                   |            |                          |
|                                                                        | Retained earnings                     | Securities premium | Share option outstanding account | Revaluation reserve | Statutory reserve | Common control reserve | Treasury shares | Other reserves | Foreign currency translation reserve |            |                          |
| Balance as at April 01, 2023                                           | (7,113.55)                            | 5,685.86           | 49.94                            | 173.00              | 11.06             | 93.94                  | (265.09)        | 148.67         | (245.33)                             | (1,461.50) | (113.56)                 |
| Profit / (loss) for the year                                           | (108.18)                              | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | (108.38)   | (34.06)                  |
| Other comprehensive income / (loss) for the year                       | 2.36                                  | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | 2.38       | -                        |
| Translation of financial statements of foreign enterprises             | -                                     | -                  | -                                | -                   | 0.10              | -                      | -               | -              | (42.10)                              | (42.00)    | -                        |
| Total comprehensive profit/(loss) for the year                         | (106.00)                              | -                  | -                                | -                   | 0.10              | -                      | -               | -              | (42.10)                              | (148.00)   | (34.06)                  |
| Transactions with owners of the Company                                |                                       |                    |                                  |                     |                   |                        |                 |                |                                      |            |                          |
| Premium on shares issued during the year                               | -                                     | 1,787.55           | -                                | -                   | -                 | -                      | -               | -              | -                                    | 1,787.55   | -                        |
| Employee stock option expense                                          | -                                     | -                  | 19.83                            | -                   | -                 | -                      | -               | -              | -                                    | 19.83      | -                        |
| Transfer of reserve relating to lapse of vested option                 | 10.00                                 | -                  | (9.63)                           | -                   | -                 | -                      | -               | -              | -                                    | 0.37       | -                        |
| Share issue expenses                                                   | -                                     | (179.64)           | -                                | -                   | -                 | -                      | -               | -              | -                                    | (179.64)   | -                        |
| Total contributions and distributions                                  | 10.00                                 | 1,607.91           | 10.20                            | -                   | -                 | -                      | -               | -              | -                                    | 1,628.11   | -                        |
| Change in ownership interests                                          |                                       |                    |                                  |                     |                   |                        |                 |                |                                      |            |                          |
| Non controlling interests acquired during the year without a change in | (238.00)                              | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | (238.00)   | 138.21                   |
| Total change in ownership interests                                    | (238.00)                              | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | (238.00)   | 138.21                   |
| Financial guarantee received during the year                           | -                                     | -                  | -                                | -                   | -                 | -                      | -               | 66.25          | -                                    | 66.25      | -                        |
| Transfer from revaluation reserve                                      | 173.00                                | -                  | -                                | (173.00)            | -                 | -                      | -               | -              | -                                    | -          | -                        |
| Sub total                                                              | 173.00                                | -                  | -                                | (173.00)            | -                 | -                      | -               | 66.25          | -                                    | 66.25      | -                        |
| Balance as at March 31, 2024                                           | (7,274.55)                            | 7,293.77           | 60.14                            | -                   | 11.16             | 93.94                  | (265.09)        | 214.92         | (287.43)                             | (153.14)   | (9.41)                   |

## Consolidated Statement of changes in equity

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

## C. Other equity and non-controlling interests (refer note 13) (continued)

|                                                          | Other equity                          |                    |                                  |                     |                   |                        |                 |                |                                      |            |        | Non controlling interest |
|----------------------------------------------------------|---------------------------------------|--------------------|----------------------------------|---------------------|-------------------|------------------------|-----------------|----------------|--------------------------------------|------------|--------|--------------------------|
|                                                          | Attributable to owners of the Company |                    |                                  |                     |                   |                        |                 |                |                                      |            |        |                          |
|                                                          | Reserves and surplus                  |                    |                                  |                     |                   |                        |                 | Items of OCI   | Total other equity                   |            |        |                          |
|                                                          | Retained earnings                     | Securities premium | Share option outstanding account | Revaluation reserve | Statutory reserve | Common control reserve | Treasury shares | Other reserves | Foreign currency translation reserve |            |        |                          |
| Balance as at April 01, 2024                             | (7,274.55)                            | 7,293.77           | 60.14                            | -                   | 11.16             | 93.94                  | (265.09)        | 214.92         | (287.43)                             | (153.14)   | (9.41) |                          |
| Profit / (loss) for the year                             | (1,023.46)                            | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | (1,023.46) | -      |                          |
| Other comprehensive income / (loss) for the year         | (3.86)                                | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | (3.86)     | -      |                          |
| Translation of financial statement of foreign operations | -                                     | -                  | -                                | -                   | -                 | -                      | -               | -              | (49.37)                              | (49.37)    | -      |                          |
| Total comprehensive profit/(loss) for the year           | (1,027.32)                            | -                  | -                                | -                   | -                 | -                      | -               | -              | (49.37)                              | (1,076.69) | -      |                          |
| Transactions with owners of the Company                  | -                                     | -                  | -                                | -                   | -                 | -                      | -               | -              | -                                    | -          | -      |                          |
| Premium on shares issued during the year                 | -                                     | 2,500.45           | -                                | -                   | -                 | -                      | -               | -              | -                                    | 2,500.45   | -      |                          |
| Employee stock option expense                            | -                                     | -                  | 8.77                             | -                   | -                 | -                      | -               | -              | -                                    | 8.77       | -      |                          |
| Total contributions and distributions                    | -                                     | 2,500.45           | 8.77                             | -                   | -                 | -                      | -               | -              | -                                    | 2,509.22   | -      |                          |
| Financial guarantee received during the year             | -                                     | -                  | -                                | -                   | -                 | -                      | -               | 48.41          | -                                    | 48.41      | -      |                          |
| Exercise of share options                                | -                                     | -                  | -                                | -                   | -                 | -                      | 23.10           | -              | -                                    | 23.10      | -      |                          |
| Sub total                                                | -                                     | -                  | -                                | -                   | -                 | -                      | 23.10           | 48.41          | -                                    | 71.51      | -      |                          |
| Balance as at March 31, 2025                             | (8,301.87)                            | 9,794.22           | 68.91                            | -                   | 11.16             | 93.94                  | (241.99)        | 263.33         | (336.80)                             | 1,350.90   | (9.41) |                          |

The above statement of consolidated statement of cashflows should be read in conjunction with material accounting policies and the accompanying

As per our report of even date attached

for B S R &amp; Co LLP

Chartered Accountants

Firm Registration Number, 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No: 060573

Place: Chennai

Date

30/8/2025

for and on behalf of the Board of Directors of

Aequus Limited (formerly known as Aequus Private Limited)

CIN: U80302KA2000PLC026760

Rajeev Kaul

Managing Director

DIN: 01468590

Place: Hubballi

Date: August 12, 2025

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

Aravind S Menon

Executive Chairman and Chief Executive Officer

DIN: 00787735

Place: Hubballi

Date: August 12, 2025

Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M No - A20823

Place: Hubballi

Date: August 12, 2025

**Consolidated Statement of Cash Flows**

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

|                                                                             | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from operating activities</b>                                  |                              |                              |
| Loss before tax from continuing operations                                  | (940.79)                     | (21.81)                      |
| Profit / (Loss) before tax from discontinuing operations                    | 0.73                         | (20.97)                      |
| <b>Loss before tax</b>                                                      | <b>(940.06)</b>              | <b>(42.78)</b>               |
| <b>Adjustments for :</b>                                                    |                              |                              |
| Depreciation and amortisation expense                                       | 1,034.06                     | 1,076.85                     |
| Equity-settled share-based payment transactions                             | 8.77                         | 20.68                        |
| Net loss on disposal of property, plant and equipment / investment property | (0.42)                       | (186.38)                     |
| Interest income from financial asset at amortised cost                      | (89.12)                      | (81.91)                      |
| Gain on mutual funds                                                        | (23.74)                      | (3.58)                       |
| Liabilities no longer required written back                                 | (21.07)                      | (29.97)                      |
| Provision for slow moving inventory                                         | 138.42                       | -                            |
| Finance cost                                                                | 574.43                       | 638.06                       |
| Finance guarantee income                                                    | (9.46)                       | (6.06)                       |
| Finance guarantee expense                                                   | 14.58                        | -                            |
| Unwinding of discount on security deposits                                  | (19.72)                      | (17.27)                      |
| Unrealised exchange (gain) or loss                                          | (20.38)                      | (25.79)                      |
| Realized loss on lease payments                                             | 29.00                        | -                            |
| Share of (gain)/loss from associate and joint ventures                      | (85.24)                      | (51.52)                      |
| Impairment loss on goodwill                                                 | 482.65                       | -                            |
| Loss allowance on trade receivables                                         | 4.16                         | 14.63                        |
| Provision for doubtful advances and advance written off                     | 8.07                         | -                            |
| Government grant related to property, plant and equipment                   | (32.10)                      | -                            |
| Gain on derecognition of lease                                              | (18.59)                      | -                            |
|                                                                             | <b>1,034.24</b>              | <b>1,304.96</b>              |
| <b>Working capital adjustments</b>                                          |                              |                              |
| - (Increase) in trade receivables                                           | (319.48)                     | (309.23)                     |
| - (Increase) in inventories                                                 | (734.26)                     | (556.05)                     |
| - (Increase) in other financial assets (current and non-current)            | (28.77)                      | (23.03)                      |
| - (Increase) in other assets (current and non current)                      | (267.40)                     | (211.09)                     |
| - (Increase) in contract assets                                             | (27.91)                      | (19.81)                      |
| - Increase/(decrease) in trade payables                                     | 381.02                       | (193.95)                     |
| - Increase in provision for employee benefits                               | 47.71                        | 28.79                        |
| - Increase in other financial liabilities (current and non-current)         | 91.80                        | 2.37                         |
| - Increase/(decrease) in other liabilities (current and non-current)        | (58.48)                      | (130.44)                     |
| - Increase/(decrease) in contract liabilities                               | 264.04                       | (42.93)                      |
| <b>Cash (used in)/generated from operations</b>                             | <b>382.51</b>                | <b>(150.41)</b>              |
| Income taxes paid (net of refunds)                                          | (121.10)                     | (40.67)                      |
| <b>Net cash generated from / (used in) operating activities (A)</b>         | <b>261.41</b>                | <b>(191.08)</b>              |
| <b>Cash flow from investing activities</b>                                  |                              |                              |
| Acquisition of property, plant and equipment                                | (2,651.62)                   | (1,818.07)                   |
| Proceeds from sale of property, plant and equipment / investment property   | -                            | 262.20                       |
| Assets classified as held for sale                                          | 3.36                         | -                            |
| Loans given to related parties                                              | 15.38                        | -                            |
| Investments in associates and joint ventures                                | (42.31)                      | -                            |
| Proceeds from sale of mutual funds                                          | 493.04                       | (293.57)                     |
| Investment in mutual funds                                                  | (172.17)                     | -                            |
| Investment in bank deposits                                                 | (3,204.99)                   | (1,662.99)                   |
| Proceeds from maturity of bank deposits                                     | 4,701.97                     | -                            |
| Government grants received                                                  | 46.70                        | -                            |
| Interest received                                                           | 72.44                        | 78.75                        |
| <b>Net cash used in investing activities (B)</b>                            | <b>(738.20)</b>              | <b>(3,433.68)</b>            |

Aequs Limited (Formerly known as Aequs Private Limited)

Consolidated Statement of Cash Flows

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

CIN: U80302KA2000PLC026760

|                                                                              | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Cash flow from financing activities</b>                                   |                              |                              |
| Proceeds from issue of equity shares                                         | -                            | 0.03                         |
| Proceeds from issue of compulsorily convertible preference shares            | -                            | 5,219.34                     |
| Share issue expenses                                                         | -                            | (114.73)                     |
| Proceeds from long term borrowing                                            | 1,107.91                     | 903.53                       |
| Repayment of long term borrowing                                             | (345.06)                     | (797.49)                     |
| Proceeds from related party borrowing                                        | -                            | 76.08                        |
| Principal payment of lease liabilities                                       | (561.63)                     | (468.41)                     |
| Exercise of share options                                                    | 23.10                        | -                            |
| Acquisition of non controlling interests                                     | -                            | (100.00)                     |
| Proceeds from/(repayment of) short term borrowing (net)                      | 641.82                       | (155.26)                     |
| Finance costs paid                                                           | (612.13)                     | (628.19)                     |
| <b>Net cash generated from financing activities (C)</b>                      | <b>254.01</b>                | <b>3,934.90</b>              |
| <b>Net (decrease)/ increase in cash and cash equivalents (A + B + C)</b>     | <b>(222.78)</b>              | <b>310.14</b>                |
| Cash and cash equivalents at the beginning of the year                       | 792.74                       | 512.87                       |
| Effects of exchange rate changes on cash and cash equivalents                | 39.47                        | (30.27)                      |
| <b>Cash and cash equivalents at the end of the year</b>                      | <b>609.43</b>                | <b>792.74</b>                |
| <b>Cash and cash equivalents comprise the following : [refer note 9(ii)]</b> |                              |                              |
| <b>Balances with banks :</b>                                                 |                              |                              |
| -In current accounts                                                         | 296.70                       | 290.75                       |
| -Deposits with original maturity of less than three months                   | 312.70                       | 501.94                       |
| Cash on hand                                                                 | 0.03                         | 0.05                         |
| <b>Total cash and bank balance at the end of the year</b>                    | <b>609.43</b>                | <b>792.74</b>                |

The above statement of consolidated statement of cashflows should be read in conjunction with material accounting policies and the accompanying notes.

As per our report of even date attached

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

Chartered Accountants

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

for and on behalf of the Board of Directors of

**Aequs Limited (formerly known as Aequs Private Limited)**

CIN: U80302KA2000PLC026760



**Sampad Guha Thakurta**  
Partner

Membership No.: 060573

Place: **Chennai**

Date: **30/8/2025**

  
**Rajeev Kaul**  
Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025

  
**Aravind S. Keligere**  
Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025

  
**Dinesh Iyer**  
Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

  
**Ravi Mallikarjun Hugar**  
Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***1. Background:**

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

**2. Material accounting policies:**

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

**a. Basis of preparation and presentation**

These Consolidated 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.

The Consolidated 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; and
- Assets held for sale measured at lower of cost and fair value less cost to sell.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

**Functional and presentation currency**

The Consolidated Financial Statement of the Group are presented in Indian Rupees (INR / ₹), which is the functional currency of the Parent Company and the presentation currency for the Consolidated Financial Statements. All amounts disclosed in the Consolidated Financial Statements have been rounded to the two decimal of nearest millions (Mn) as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated. Amounts mentioned as "0.00" in the financial statements denote amounts rounded off being less than ₹ 0.005 Mn.

**Accounting policy on EBITDA**

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

**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. During the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

**b. Principles of consolidation and equity accounting**

The Consolidated Financial Statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company i.e., its subsidiaries. It also includes the Group's share of profits/(loss), net assets and retained post acquisition reserves of joint ventures and associates that are consolidated using the equity method of consolidation.

Control is achieved when the Company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint ventures and associates acquired or disposed off during the year are included in the statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint ventures and associates to bring their accounting policies in line with those used by other entities of the Group.

**(i) Subsidiaries:**

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

**(ii) Non-controlling interests (NCI)**

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

**(iii) Transactions eliminated on consolidation**

Intra Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****c. Business combination**

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method in accordance with Ind AS 103 'Business Combinations'. Other business combinations, involving entities or businesses are accounted for using acquisition method. Consideration transferred in such business combinations is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Goodwill is recognised and is measured as the excess of the sum of the (i) consideration transferred, (ii) the amount of any non-controlling interests in the acquiree, and (iii) the fair value of the acquirer's previously held equity interest in the acquiree, over the net of the consideration date amounts of the identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

**d. Goodwill**

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or Groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

**e. Investment in associates**

Associates are those enterprises over which the Group has significant influence but does not have control or joint control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any. When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to conform to the Group's accounting policies.

**f. Investment in joint ventures**

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Joint arrangements that involve the establishment of a separate entity in which each co venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

When the Group's share of losses exceeds the carrying value of the joint venture, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the joint venture. Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

**g. Segment reporting**

Operating segment reflect the Group's management structure and the way the financial information is regularly reviewed by the Executive Chairman and Chief Executive Officer (the Group's Chief Operating Decision Maker (CODM)). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segment on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

The Group's CODM is identified to be the Executive Chairman and Chief Executive Officer of the Group, who plans the allocation of resources and assess the performance of the segments. The Group has two reportable segments 'Aerospace' and 'Consumer' to be reported in its financial statements.

**h. Foreign currency transactions**

In preparing the Consolidated Financial Statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

For the purpose of presenting the Consolidated Financial Statements, the assets and liabilities of the Parent Company's foreign subsidiaries, associates and joint ventures are expressed using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operations, all of the accumulated exchange differences in respect of that operations attributable to the Company are reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rate.

*(This space is intentionally left blank)*

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

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**2. Material accounting policies (continued)****i. Revenue recognition**

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

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

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

The Group 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 Group does not adjust any of the transaction prices for time value of money.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. As a practical expedient, the Group 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 Group 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.

**j. Government grants**

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

**k. Income tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the parent company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****l. Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

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

Lease payments to be made under reasonably certain extensions options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, as in the case of lease of buildings, the Group's incremental borrowing rate is used, being the rate that the Group 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 Group 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.

**m. Impairment of assets**

At each balance sheet date, the Group reviews the carrying value of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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

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

**n. Cash and cash equivalents**

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

**o. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group'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 Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**p. Inventories**

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

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

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

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****q. Investments and other financial assets***Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

*Recognition*

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

*Measurement*

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

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (refer note 28 for asset details).

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

*Impairment of financial assets*

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

*Derecognition of financial assets*

A financial asset is derecognized only when

- The Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

*Income recognition*

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

*Dividend income*

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

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****r. Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost or deemed cost applied on transition to Ind AS less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items, net of refundable taxes. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

*Depreciation methods, estimated useful lives and residual value*

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

The estimated useful lives of assets are as follows:

| Asset                      | Useful life (in years)                 |
|----------------------------|----------------------------------------|
| Leasehold improvements     | 10 or lease period, whichever is lower |
| Plant and machinery        | 1.5 to 10                              |
| Computers                  | 3 to 6                                 |
| Furniture and fittings     | 1.5 to 5                               |
| Vehicles                   | 10                                     |
| Office and other equipment | 1.5 to 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.

**s. Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment property (building) is depreciated over the estimated remaining useful life of 7 years. The useful life has been determined based on technical evaluation performed by the management's expert.

**t. 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 Group amortizes intangible assets with finite useful life using the straight-line method over the following estimated useful lives:

| Asset             | Useful life (in years) |
|-------------------|------------------------|
| Computer software | 2 - 10 years           |
| Technical knowhow | 5 years                |

**u. Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group 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.

**v. Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group 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.

**w. Borrowing costs**

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

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****x. Employee benefits****Short-term obligations**

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

**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.

**Post-employment obligations**

The Group operates the following post-employment schemes:

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

*(a) Defined benefit plans:*

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

*Gratuity obligations (India):*

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

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

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

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

*Pension obligations (France):*

The French pension system is operated on a "pay as you go" basis. Each employee is entitled to receive a basic pension from the Social Security plus a complementary pension from defined contribution schemes ARRCO and AGIRC (solely for management for AGIRC). Moreover, retiring allowances (lump sums) must by law be paid by the employer when employees retire. The defined benefit obligation is calculated annually by actuaries using appropriate criteria applicable in France.

*(b) Defined contribution plans:*

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

*India:*

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

*United States of America:*

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

**Share-based payments**

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

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

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

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

**y. Financial guarantee contracts**

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

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

**Material Accounting Policies***(All amounts are in INR Millions, except share data, unless otherwise stated)***2. Material accounting policies (continued)****z. Contributed equity**

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

**aa. Non-current assets held for sale and discontinued operations**

Non-current assets and disposal Groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Assets and disposal Groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal Group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Where a disposal Group represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operations. The post-tax profit or loss of the discontinued operations together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

**ab. Earnings per share****Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, net of treasury shares.

**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.

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

**ac. Provisions and onerous contracts**

Provisions are recognised when the Group 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 are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an expense.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group 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 associate with the contract.

**3. Use of judgements and estimates**

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, accounting for right-of-use assets, impairment of goodwill and investments in associate and joint ventures, and estimation of and recoverability of deferred tax balances. Actual results could differ materially from these estimates.

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

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

**(i) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 7: investments accounted for using the equity method: whether the Group has significant influence over an investee;

Note 5: lease term: whether the Group is reasonably certain to exercise extension options.

**(ii) Assumption and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Note 17: measurement of defined benefit obligations: key actuarial assumptions;

Note 39: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Note 30: uncertain tax treatments;

Note 42: determining the fair value less costs to sell of the disposal Group on the basis of significant unobservable inputs;

Note 6: impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;

Notes 11 and 30: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 9 (ii): measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and

Notes 33: acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

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

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

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

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at April 1, 2021 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at April 1, 2021 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised in Note 39.

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Notes to consolidated financial statements

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

Note 4 - Property, Plant and Equipment

As at March 31, 2025

|                        | Gross carrying amount |               |                 |                                  |                      |                      | Accumulated Depreciation |                     |                 |                                   |                      |                      | Net carrying amount as at March 31, 2025 |
|------------------------|-----------------------|---------------|-----------------|----------------------------------|----------------------|----------------------|--------------------------|---------------------|-----------------|-----------------------------------|----------------------|----------------------|------------------------------------------|
|                        | As at April 1, 2024   | Additions     | Disposals       | Transfer from Right of Use asset | Exchange differences | As at March 31, 2025 | As at April 1, 2024      | Charge for the year | Disposals       | Transfer from Right of Use assets | Exchange differences | As at March 31, 2025 |                                          |
| Leasehold improvements | 59.50                 | 1.95          | -               | -                                | (3.28)               | 58.17                | 34.41                    | 5.22                | -               | -                                 | (1.85)               | 37.78                | 20.39                                    |
| Plant and machinery    | 3,485.39              | 295.69        | (245.06)        | 93.59                            | 11.08                | 3,640.69             | 1,810.21                 | 342.72              | (117.41)        | -                                 | 4.64                 | 2,040.16             | 1,600.53                                 |
| Computer equipment     | 125.16                | 13.74         | (2.80)          | -                                | 0.74                 | 136.84               | 93.12                    | 15.73               | (2.03)          | -                                 | (0.48)               | 106.34               | 30.50                                    |
| Office equipment       | 61.81                 | 5.03          | (3.75)          | -                                | 0.77                 | 63.86                | 45.56                    | 5.04                | (2.32)          | -                                 | 1.21                 | 49.49                | 14.37                                    |
| Furniture and fittings | 0.69                  | 0.47          | (0.19)          | -                                | (0.39)               | 0.58                 | 0.41                     | 0.27                | (0.18)          | -                                 | 0.07                 | 0.57                 | 0.01                                     |
| Vehicles               | 1.38                  | -             | -               | -                                | 0.64                 | 2.02                 | 0.77                     | -                   | -               | -                                 | (1.77)               | (1.00)               | 3.02                                     |
| <b>Total</b>           | <b>3,733.93</b>       | <b>316.88</b> | <b>(251.80)</b> | <b>93.59</b>                     | <b>9.56</b>          | <b>3,902.16</b>      | <b>1,984.48</b>          | <b>368.98</b>       | <b>(121.94)</b> | <b>-</b>                          | <b>1.71</b>          | <b>2,233.34</b>      | <b>1,668.82</b>                          |

As at March 31, 2024

|                        | Gross carrying amount |               |                 |                                  |                      |                      | Accumulated Depreciation |                     |                 |                                   |                      |                      | Net carrying amount as at March 31, 2024 |
|------------------------|-----------------------|---------------|-----------------|----------------------------------|----------------------|----------------------|--------------------------|---------------------|-----------------|-----------------------------------|----------------------|----------------------|------------------------------------------|
|                        | As at April 1, 2023   | Additions     | Disposals       | Transfer from Right of Use asset | Exchange differences | As at March 31, 2024 | As at April 1, 2023      | Charge for the year | Disposals       | Transfer from Right of Use assets | Exchange differences | As at March 31, 2024 |                                          |
| Leasehold improvements | 59.46                 | (0.02)        | (0.88)          | -                                | 0.94                 | 59.50                | 29.01                    | 5.77                | (0.81)          | -                                 | 0.44                 | 34.41                | 25.09                                    |
| Plant and machinery    | 3,204.50              | 262.69        | (161.29)        | 180.19                           | (0.70)               | 3,485.39             | 1,482.76                 | 346.58              | (161.31)        | 131.24                            | 10.94                | 1,810.21             | 1,675.18                                 |
| Computer equipment     | 122.01                | 7.01          | (3.88)          | -                                | 0.02                 | 125.16               | 78.91                    | 18.98               | (3.06)          | -                                 | (1.71)               | 93.12                | 32.04                                    |
| Office equipment       | 60.00                 | 3.16          | (3.85)          | -                                | 2.50                 | 61.81                | 40.00                    | 9.28                | (3.65)          | -                                 | (0.07)               | 45.56                | 16.25                                    |
| Furniture and fittings | 0.58                  | 0.78          | (2.57)          | -                                | 1.90                 | 0.69                 | 0.56                     | 1.67                | (2.54)          | -                                 | 0.72                 | 0.41                 | 0.28                                     |
| Vehicles               | 1.67                  | -             | -               | -                                | (0.29)               | 1.38                 | 1.67                     | -                   | -               | -                                 | (0.90)               | 0.77                 | 0.61                                     |
| <b>Total</b>           | <b>3,448.22</b>       | <b>273.62</b> | <b>(172.47)</b> | <b>180.19</b>                    | <b>4.37</b>          | <b>3,733.93</b>      | <b>1,632.91</b>          | <b>382.28</b>       | <b>(171.37)</b> | <b>131.24</b>                     | <b>9.42</b>          | <b>1,984.48</b>      | <b>1,749.45</b>                          |

Notes

a. Refer note 37 for information on property, plant and equipment pledged as security.

b. Refer note 31 disclosure of 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 March 31, 2025: INR 409.01 (March 31, 2024: INR 180.19) and accumulated depreciation of March 31, 2025: INR 315.90 (March 31, 2024: INR 131.24) on settlement of contractual payments.

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

Note 4A - Capital Work-in-progress

| Particulars              | As at April 1, 2023 | Additions | Capitalized during the year | As at March 31, 2024 | As at April 1, 2024 | Additions | Transfer | As at March 31, 2025 |
|--------------------------|---------------------|-----------|-----------------------------|----------------------|---------------------|-----------|----------|----------------------|
| Capital work-in-progress | 16.00               | 1,753.85  | (16.00)                     | 1,753.85             | 1,753.85            | 2,227.71  | (30.66)  | 3,950.90             |

Aging of Capital work-in-progress as at March 31, 2025

|                      | Amounts in Capital work in progress |                 |           |                   |                 |
|----------------------|-------------------------------------|-----------------|-----------|-------------------|-----------------|
|                      | Less than 1 year                    | 1-2 years       | 2-3 years | More than 3 years | Total           |
| Projects in progress | 2,228.20                            | 1,722.70        | -         | -                 | 3,950.90        |
| <b>Total</b>         | <b>2,228.20</b>                     | <b>1,722.70</b> | <b>-</b>  | <b>-</b>          | <b>3,950.90</b> |

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

|                      | Amounts in Capital work in progress |              |           |                   |                 |
|----------------------|-------------------------------------|--------------|-----------|-------------------|-----------------|
|                      | Less than 1 year                    | 1-2 years    | 2-3 years | More than 3 years | Total           |
| Projects in progress | 1,723.23                            | 30.62        | -         | -                 | 1,753.85        |
| <b>Total</b>         | <b>1,723.23</b>                     | <b>30.62</b> | <b>-</b>  | <b>-</b>          | <b>1,753.85</b> |

Capitalization of expenditure

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

|                                     | March 31, 2025  | March 31, 2024 |
|-------------------------------------|-----------------|----------------|
| Other expenses                      | 448.04          | 98.99          |
| Employee benefit expenses           | 275.12          | 94.55          |
| Finance cost                        | 217.74          | 116.02         |
| Cost of materials consumed          | 74.51           | -              |
| Depreciation on right-of-use assets | 43.38           | 21.72          |
|                                     | <b>1,058.79</b> | <b>331.28</b>  |

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Notes to consolidated financial statements

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

Note 4B - Investment Property

As at March 31, 2024

| Particulars       | Gross carrying amount |           |                 |                      |                      | Accumulated Depreciation |                     |                 |                      |                      | Net carrying amount as at March 31, 2024 |
|-------------------|-----------------------|-----------|-----------------|----------------------|----------------------|--------------------------|---------------------|-----------------|----------------------|----------------------|------------------------------------------|
|                   | As at April 1, 2023   | Additions | Disposals       | Exchange differences | As at March 31, 2024 | As at April 1, 2023      | Charge for the year | Disposals       | Exchange differences | As at March 31, 2024 |                                          |
| Land and Building | 197.00                | -         | (197.00)        | -                    | -                    | 133.06                   | 0.02                | (133.08)        | -                    | -                    | -                                        |
| <b>Total</b>      | <b>197.00</b>         | <b>-</b>  | <b>(197.00)</b> | <b>-</b>             | <b>-</b>             | <b>133.06</b>            | <b>0.02</b>         | <b>(133.08)</b> | <b>-</b>             | <b>-</b>             | <b>-</b>                                 |

Notes

(a) Investment property comprised of commercial properties that were leased to third parties. The lease were entered for a term of 9 years and the lessee has an option to terminate at the end of each 3 year period. Subsequent renewals are negotiated with the lessee.

(b) Amounts recognised in profit or loss for investment properties :

|                                                                               | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-------------------------------------------------------------------------------|------------------------------|------------------------------|
| Rental income from operating leases (included in Note 19 - Other income)      | -                            | 1.55                         |
| Depreciation (included in Note 25 - Depreciation and amortisation expense)    | -                            | 0.02                         |
| Gain on sale of investment property (included in Note 26 - Exceptional items) | -                            | 186.38                       |

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## Notes to consolidated financial statements

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

## Note 5 - Right of use assets

The Group has entered into agreements with lessors for lease of building (factory premises) and plant and machinery. The lease term ranges from 6 to 10 years and incremental borrowing rate ranges from 6% - 13.5%. Some property leases contain extension options exercisable by the Group. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable by the Group and the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

| Particulars         | Gross carrying amount |               |                            |                      |                      | Accumulated depreciation |                     |                            |                      |                      | Net carrying amount as at March 31, 2025 |
|---------------------|-----------------------|---------------|----------------------------|----------------------|----------------------|--------------------------|---------------------|----------------------------|----------------------|----------------------|------------------------------------------|
|                     | As at April 1, 2024   | Additions     | Disposals/ Transfer to PPE | Exchange differences | As at March 31, 2025 | As at April 1, 2024      | Charge for the year | Disposals/ Transfer to PPE | Exchange differences | As at March 31, 2025 |                                          |
| Building            | 3,979.60              | 139.13        | (273.79)                   | (0.34)               | 3,844.59             | 1,230.60                 | 367.18              | (20.69)                    | 1.96                 | 1,579.05             | 2,265.54                                 |
| Plant and machinery | 2,831.52              | 72.76         | (429.35)                   | 11.65                | 2,486.58             | 1,468.12                 | 257.68              | (333.25)                   | 10.32                | 1,402.87             | 1,083.71                                 |
| <b>Total</b>        | <b>6,811.12</b>       | <b>211.89</b> | <b>(703.14)</b>            | <b>11.31</b>         | <b>6,331.17</b>      | <b>2,698.72</b>          | <b>624.86</b>       | <b>(353.94)</b>            | <b>12.28</b>         | <b>2,981.92</b>      | <b>3,349.25</b>                          |

  

| Particulars         | Gross carrying amount |               |                            |                      |                      | Accumulated depreciation |                     |                            |                      |                      | Net carrying amount as at March 31, 2024 |
|---------------------|-----------------------|---------------|----------------------------|----------------------|----------------------|--------------------------|---------------------|----------------------------|----------------------|----------------------|------------------------------------------|
|                     | As at April 1, 2023   | Additions     | Disposals/ Transfer to PPE | Exchange differences | As at March 31, 2024 | As at April 1, 2023      | Charge for the year | Disposals/ Transfer to PPE | Exchange differences | As at March 31, 2024 |                                          |
| Building            | 3,380.01              | 657.44        | (58.29)                    | 0.44                 | 3,979.60             | 899.04                   | 381.03              | (59.28)                    | 9.81                 | 1,230.60             | 2,749.00                                 |
| Plant and machinery | 3,008.01              | 0.87          | (180.19)                   | 2.83                 | 2,831.52             | 1,320.08                 | 262.86              | (131.14)                   | 16.32                | 1,468.12             | 1,363.40                                 |
| <b>Total</b>        | <b>6,388.02</b>       | <b>658.31</b> | <b>(238.48)</b>            | <b>3.27</b>          | <b>6,811.12</b>      | <b>2,219.12</b>          | <b>643.89</b>       | <b>(190.42)</b>            | <b>26.13</b>         | <b>2,698.72</b>      | <b>4,112.40</b>                          |

\* Depreciation of right-of-use assets includes an amount of ₹ 43.38 (March 31, 2024- Nil) which has been capitalized and taken to CWIP- Note 4A.

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

## Lease liability

| Particulars  | March 31, 2025  | March 31, 2024  |
|--------------|-----------------|-----------------|
| Current      | 694.28          | 563.68          |
| Non-current  | 2,785.57        | 3,506.82        |
| <b>Total</b> | <b>3,479.85</b> | <b>4,070.50</b> |

  

| Particulars                            | March 31, 2025  | March 31, 2024  |
|----------------------------------------|-----------------|-----------------|
| Less than one year                     | 953.80          | 721.17          |
| Between one and five years             | 2,458.40        | 2,881.32        |
| After five years                       | 1,028.67        | 1,171.94        |
| <b>Total minimum lease payments</b>    | <b>4,440.87</b> | <b>4,774.43</b> |
| Less: imputed interest                 | 961.02          | 703.93          |
| <b>Present value of lease payments</b> | <b>3,479.85</b> | <b>4,070.50</b> |

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

| Particulars                                                                 | March 31, 2025 | March 31, 2024 |
|-----------------------------------------------------------------------------|----------------|----------------|
| Depreciation of right-of-use assets                                         | 624.86         | 643.89         |
| Interest expense on lease liabilities                                       | 276.94         | 303.76         |
| Expense relating to leases of low-value assets (included in other expenses) | 39.47          | 36.27          |
| Cash outflow for leases (principal and interest)                            | 838.57         | 772.17         |

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## Notes to consolidated financial statements

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

## Note 6 - Intangible assets

## As at March 31, 2025

| Particulars       | Gross carrying amount |              |               |                      |                      | Accumulated amortisation |                     |               |                      |                      | Net carrying amount as at March 31, 2025 |
|-------------------|-----------------------|--------------|---------------|----------------------|----------------------|--------------------------|---------------------|---------------|----------------------|----------------------|------------------------------------------|
|                   | As at April 1, 2024   | Additions    | Disposals     | Exchange differences | As at March 31, 2025 | As at April 1, 2024      | Charge for the year | Disposals     | Exchange differences | As at March 31, 2025 |                                          |
| Software          | 161.90                | 15.64        | (0.97)        | 0.10                 | 176.67               | 113.84                   | 15.22               | (0.97)        | (1.50)               | 126.59               | 50.08                                    |
| Technical knowhow | 128.33                | -            | -             | (0.94)               | 127.39               | 90.96                    | 25.00               | -             | 0.28                 | 116.24               | 11.15                                    |
| <b>Total</b>      | <b>290.23</b>         | <b>15.64</b> | <b>(0.97)</b> | <b>(0.84)</b>        | <b>304.06</b>        | <b>204.80</b>            | <b>40.22</b>        | <b>(0.97)</b> | <b>(1.22)</b>        | <b>242.83</b>        | <b>61.23</b>                             |
| Goodwill          | 655.21                | -            | -             | -                    | 655.21               | -                        | 482.65              | -             | -                    | 482.65               | 172.56                                   |

## As at March 31, 2024

| Particulars       | Gross carrying amount |              |                |                      |                      | Accumulated amortisation |                     |                |                      |                      | Net carrying amount as at March 31, 2024 |
|-------------------|-----------------------|--------------|----------------|----------------------|----------------------|--------------------------|---------------------|----------------|----------------------|----------------------|------------------------------------------|
|                   | As at April 1, 2023   | Additions    | Disposals      | Exchange differences | As at March 31, 2024 | As at April 1, 2023      | Charge for the year | Disposals      | Exchange differences | As at March 31, 2024 |                                          |
| Software          | 153.53                | 10.39        | (2.52)         | 0.50                 | 161.90               | 98.75                    | 19.03               | (2.26)         | (1.68)               | 113.84               | 48.06                                    |
| Technical knowhow | 163.12                | 0.81         | (35.81)        | 0.21                 | 128.33               | 83.90                    | 31.63               | (25.10)        | 0.53                 | 90.96                | 37.37                                    |
| <b>Total</b>      | <b>316.65</b>         | <b>11.20</b> | <b>(38.33)</b> | <b>0.71</b>          | <b>290.23</b>        | <b>182.65</b>            | <b>50.66</b>        | <b>(27.36)</b> | <b>(1.15)</b>        | <b>204.80</b>        | <b>85.43</b>                             |
| Goodwill          | 655.21                | -            | -              | -                    | 655.21               | -                        | -                   | -              | -                    | -                    | 655.21                                   |

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

## b. Impairment tests for goodwill

Goodwill is monitored at the level of the subsidiaries to which the goodwill has been allocated. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates.

## Goodwill has been allocated to the CGUs as below:

| Particulars                                             | March 31, 2025 | March 31, 2024 |
|---------------------------------------------------------|----------------|----------------|
| Aequs Force Consumer Products Private Limited (AFCPPL)  | -              | 482.14         |
| Aerostructures Assemblies India Private Limited (AAIPL) | 148.49         | 148.49         |
| Aequs Aeromachine Inc (AAM)                             | 24.07          | 24.58          |
| <b>Total</b>                                            | <b>172.56</b>  | <b>655.21</b>  |

The assumptions used in the impairment testing is as below:

| Particulars                                                                                 | March 31, 2025    |                  | March 31, 2024    |                  |
|---------------------------------------------------------------------------------------------|-------------------|------------------|-------------------|------------------|
|                                                                                             | AFCPPL            | AAI              | AFCPPL            | AAI              |
| Average sales growth rate                                                                   | Average of 22.67% | Average of 5.67% | Average of 36.54% | Average of 2.08% |
| Discount rate range                                                                         | 14.59%            | 17.40%           | 13.50%            | 17.40%           |
| Terminal value growth rate                                                                  | 5.00%             | 5.00%            | 5.00%             | 5.00%            |
| Significant estimate: Impact of possible changes in key assumptions                         |                   |                  |                   |                  |
| - 0.5% decrease in sales growth rate will lead to a change in the entity's valuation by:    | 10.14             | 12.07            | 49.81             | 16.25            |
| - 0.5% decrease in terminal growth rate will lead to a change in the entity's valuation by: | 15.18             | 10.25            | 10.63             | 13.73            |

The discount rate is a measure estimated based on the historical industry averaged weighted-average cost of capital. Debt leveraging as applicable to the region has been considered with relevant region's applicable interest rate. Revenue growth has been projected taking into account the average growth levels experienced over the past years and the estimated sales volume and price growth for the next foreseeable period. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

During the year ended March 31, 2025, the Group noted that it did not meet its revenue and EBITDA assumptions for AFCPPL, due to significant and unexpected decline in market demand and hence tested the goodwill for impairment based on these triggers. Based on the Group's assessment of future business and possible margins it determined that the carrying value of the CGU exceeded the fair value of INR 324.01 and accordingly recorded an impairment of INR 482.65, which has been disclosed as an exceptional item in the statement of profit and loss. For the year ended March 31, 2024, there were no other probable scenarios where the CGU's/group of CGU's recoverable amount would fall below its carrying amount.

## Note 6A - Intangible assets under development

|                   | As at April 1, 2023 | Additions   | Transfer      | Effect of exchange differences | As at March 31, 2024 | As at April 1, 2024 | Additions | Transfers | Effect of exchange differences | As at March 31, 2025 |
|-------------------|---------------------|-------------|---------------|--------------------------------|----------------------|---------------------|-----------|-----------|--------------------------------|----------------------|
| Software          | -                   | -           | -             | -                              | -                    | -                   | -         | -         | -                              | -                    |
| Technical knowhow | 4.13                | 5.47        | (4.40)        | (5.20)                         | -                    | -                   | -         | -         | -                              | -                    |
| <b>Total</b>      | <b>4.13</b>         | <b>5.47</b> | <b>(4.40)</b> | <b>(5.20)</b>                  | <b>-</b>             | <b>-</b>            | <b>-</b>  | <b>-</b>  | <b>-</b>                       | <b>-</b>             |

Note: Intangible assets under development mainly comprises of cost of software implementation under progress and cost incurred towards new process under development.

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## Notes to consolidated financial statements

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

## Note 7 - Investments accounted for using equity method

|                                                                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Investment in equity instruments of joint ventures, unquoted, fully paid-up</b> |                         |                         |
| - Aerospace Processing India Private Limited                                       | 238.96                  | 178.03                  |
| - SQuAD Forging India Private Limited                                              | 497.15                  | 443.58                  |
| - Aequs Cookware Private Limited                                                   | 32.01                   | -                       |
|                                                                                    | <b>768.12</b>           | <b>621.61</b>           |
| Aggregate market value of quoted investments                                       | -                       | -                       |
| Aggregate amount of unquoted investments                                           | 768.12                  | 621.61                  |
| Aggregate amount of impairment in the value of investments                         | -                       | -                       |

## Notes:

- i. Refer note 40 for summarized financial information of joint ventures
- ii. Investment in Aerospace Processing India Private Limited includes ₹ 6.32 (March 31, 2024: ₹11.01) towards fair value of financial guarantee extended. (Refer Note 15(i))
- iii. Investment in SQUAD Forging India Private Limited includes ₹ 40.33 (March 31, 2024: ₹53.21) towards fair value of financial guarantee extended. (Refer Note 15(i))
- iv. Investment in Aequs Cookware Private Limited includes ₹ 64.29 (March 31, 2024: ₹ 0.00) towards fair value of financial guarantee extended. (Refer Note 15(i))

|                                                                                                                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| v. Investment in the following entities includes shared based compensation cost of:                                            |                              |                              |
| SQuAD Forging India Private Limited                                                                                            | 1.32                         | 0.49                         |
| Aerospace Processing India Private Limited                                                                                     | 0.00                         | (0.09)                       |
| Aequs Cookware Private Limited                                                                                                 | 0.16                         | -                            |
| vi. Investment in the following entities includes share of profit/ (loss) of joint ventures accounted under the equity method: |                              |                              |
| SQuAD Forging India Private Limited                                                                                            | 52.12                        | 18.40                        |
| Aerospace Processing India Private Limited                                                                                     | 60.65                        | 34.00                        |
| Aequs Cookware Private Limited                                                                                                 | (27.53)                      | -                            |

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

## Note 8(i) - Non-current investments

## Investments at fair value through profit and loss

## Unquoted

|                                                             |             |             |
|-------------------------------------------------------------|-------------|-------------|
| Investment in government securities                         | 0.85        | 0.83        |
|                                                             | <b>0.85</b> | <b>0.83</b> |
| -Aggregate market value of quoted investments               | -           | -           |
| -Aggregate amount of unquoted investments                   | 0.85        | 0.83        |
| -Aggregate amount of impairment in the value of investments | -           | -           |

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

## Note 8(ii) - Current investments

## Unquoted

## Investment in equity instruments (Fully paid up)

|                                                                     |          |          |
|---------------------------------------------------------------------|----------|----------|
| - Aequs Foundation                                                  | -        | 0.00     |
| Nil (March 31, 2024: 200) equity shares of ₹ 10 each fully paid-up. |          |          |
| Less: Impairment in the value of investment                         | -        | (0.00)   |
|                                                                     | <b>-</b> | <b>-</b> |

## Note:

During the year ended March 31, 2024, the Parent Company sold 800 equity shares of Aequs Foundation. During the current year, the Parent Company has sold reamaining holding of 200 equity shares of Aequs Foundation.

## Notes to consolidated financial statements

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

## Note 8(ii) - Current investments-(continued)

## Investments mandatorily at fair value through profit and loss

## Quoted

## Investment in mutual funds

Investment in mutual funds

## Total

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|  | -                       | 297.15                  |
|  | -                       | 297.15                  |
|  | -                       | 297.15                  |
|  | -                       | 0.00                    |
|  | -                       | (0.00)                  |
|  |                         |                         |
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|  | 1,583.47                | 1,387.88                |
|  | 13.01                   | 7.25                    |
|  | (30.44)                 | (26.28)                 |
|  | 1,566.04                | 1,368.85                |

## Note 9 (i) - Trade Receivables

## (Unsecured)

Trade receivables from other than related parties (considered good)

Receivables from related parties (considered good) (refer note 35)

Less: Loss allowance (refer note 28 for movement in loss allowance)

## Ageing of trade receivables as on March 31, 2025

| Particulars                  | Outstanding for following periods from due date of payment |                    |                 |           |           |                   | Total    |
|------------------------------|------------------------------------------------------------|--------------------|-----------------|-----------|-----------|-------------------|----------|
|                              | Not due                                                    | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade receivables |                                                            |                    |                 |           |           |                   |          |
| Considered good              | 1,288.66                                                   | 257.18             | 18.00           | 20.10     | -         | 12.54             | 1,596.48 |
|                              | 1,288.66                                                   | 257.18             | 18.00           | 20.10     | -         | 12.54             | 1,596.48 |
| Less: Loss allowance         | -                                                          | -                  | -               | (20.10)   | -         | (10.34)           | (30.44)  |
|                              | 1,288.66                                                   | 257.18             | 18.00           | -         | -         | 2.20              | 1,566.04 |

## Ageing of trade receivables as on March 31, 2024

| Particulars                  | Outstandi | Outstanding for following periods from due date of payment |                 |           |           |                   | Total    |
|------------------------------|-----------|------------------------------------------------------------|-----------------|-----------|-----------|-------------------|----------|
|                              | Not due   | Less than 6 months                                         | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed trade receivables |           |                                                            |                 |           |           |                   |          |
| Considered good              | 1,184.23  | 123.50                                                     | 13.55           | 57.76     | 15.13     | 0.96              | 1,395.13 |
|                              | 1,184.23  | 123.50                                                     | 13.55           | 57.76     | 15.13     | 0.96              | 1,395.13 |
| Less: Loss allowance         | -         | (2.16)                                                     | (2.23)          | (19.92)   | (1.97)    | -                 | (26.28)  |
| Total trade receivables      | 1,184.23  | 121.34                                                     | 11.32           | 37.84     | 13.16     | 0.96              | 1,368.85 |

## Note:

Refer note 37 for information on lien/charge against trade receivables.

## Note 9 (ii) - Cash and Cash Equivalents

Cash on hand

Balances with banks:

- In current accounts

- Deposits with original maturity of less than 3 months

## Total

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|  | 0.03                    | 0.05                    |
|  | 296.70                  | 290.75                  |
|  | 312.70                  | 501.94                  |
|  | 609.43                  | 792.74                  |

## Note:

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

## Note 9 (iii) - Bank balances other than above

Margin money deposits

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

|  |        |          |
|--|--------|----------|
|  | 188.01 | 38.29    |
|  | 0.47   | 1,688.72 |
|  | 188.48 | 1,727.01 |

## Note:

a. Margin money deposits are against letter of credit issued in favour of domestic and foreign vendors.

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 9 (iv) - Other financial assets****(Unsecured, considered good, unless otherwise specified)**

|                                                                  | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Non current</b>                                               |                                 |                                 |
| Deposits with Bank with remaining maturity of more than one year | 15.85                           | -                               |
| Deferred consideration receivable                                | 300.53                          | -                               |
| Security deposits                                                | 389.86                          | 394.52                          |
|                                                                  | <b>706.24</b>                   | <b>394.52</b>                   |
| <b>Current</b>                                                   |                                 |                                 |
| Recoverable from related parties                                 | 24.01                           | 31.57                           |
| Government grant receivable (refer note 19)                      | 91.80                           | -                               |
| Deferred consideration receivable                                | 18.03                           | -                               |
| Security deposits                                                | 0.01                            | 0.29                            |
| Other financial assets                                           | 16.03                           | 12.40                           |
| Less: Expected credit loss                                       | (21.16)                         | (29.11)                         |
|                                                                  | <b>128.72</b>                   | <b>15.15</b>                    |
| <b>Expected credit loss includes</b>                             |                                 |                                 |
| Expected credit loss for recoverable from related party          | (21.16)                         | (29.11)                         |
|                                                                  | <b>(21.16)</b>                  | <b>(29.11)</b>                  |
| <b>Note 10 - Other assets</b>                                    |                                 |                                 |
| <b>Non current</b>                                               |                                 |                                 |
| Capital advances                                                 | 101.51                          | 127.80                          |
| Prepaid expenses                                                 | 31.84                           | 42.24                           |
| Balance with statutory authorities                               | -                               | 0.14                            |
| Less: Loss allowance                                             | (0.27)                          | (11.16)                         |
|                                                                  | <b>133.08</b>                   | <b>159.02</b>                   |
| <b>Loss allowance includes</b>                                   |                                 |                                 |
| Provision for doubtful advances                                  | (0.27)                          | (11.16)                         |
|                                                                  | <b>(0.27)</b>                   | <b>(11.16)</b>                  |
| <b>Current</b>                                                   |                                 |                                 |
| Advance to suppliers                                             | 233.74                          | 105.04                          |
| Advances to employees                                            | 9.80                            | 3.84                            |
| Prepaid expenses                                                 | 98.93                           | 75.23                           |
| Unamortized financial guarantee expense                          | 50.88                           | 62.90                           |
| Balance with statutory authorities                               | 415.17                          | 341.36                          |
| Provision for doubtful balances with statutory authorities       | (0.30)                          | (0.17)                          |
|                                                                  | <b>808.22</b>                   | <b>588.20</b>                   |

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## Notes to consolidated financial statements

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

|                                                                                                                                                                                                                                                                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Note 11 - Inventories</b>                                                                                                                                                                                                                                                   |                         |                         |
| Raw materials [including Goods in transit: March 31, 2025: ₹186.01 (March 31, 2024: ₹229.99)]                                                                                                                                                                                  | 2,051.54                | 1,684.37                |
| Work-in-progress                                                                                                                                                                                                                                                               | 1,211.12                | 1,140.00                |
| Finished goods                                                                                                                                                                                                                                                                 | 1,095.98                | 856.66                  |
| Stores and spares [including Goods in transit: March 31, 2025: ₹7.80 (March 31, 2024: ₹9.98)]                                                                                                                                                                                  | 153.49                  | 151.16                  |
| Less: Provision for slow moving inventory                                                                                                                                                                                                                                      | (429.44)                | (291.02)                |
|                                                                                                                                                                                                                                                                                | <b>4,082.69</b>         | <b>3,541.17</b>         |
| <b>Note:</b>                                                                                                                                                                                                                                                                   |                         |                         |
| a. For lien/charge against inventories refer note 37                                                                                                                                                                                                                           |                         |                         |
| b. Write-down of inventories to net realizable value amounted to ₹ 152.89 (March 31, 2024: ₹ 103.11). These were recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in the statement of profit and loss. |                         |                         |
| c. Provision for slow moving inventory includes provision in respect of:                                                                                                                                                                                                       |                         |                         |
| Raw materials                                                                                                                                                                                                                                                                  | (164.42)                | (169.55)                |
| Finished goods                                                                                                                                                                                                                                                                 | (112.56)                | (40.78)                 |
| Work-in-progress                                                                                                                                                                                                                                                               | (105.67)                | (41.23)                 |
| Stores and spares                                                                                                                                                                                                                                                              | (46.79)                 | (39.46)                 |
|                                                                                                                                                                                                                                                                                | <b>(429.44)</b>         | <b>(291.02)</b>         |
| <b>Note 12 - Contract assets and contract liabilities</b>                                                                                                                                                                                                                      |                         |                         |
| <b>Non current</b>                                                                                                                                                                                                                                                             |                         |                         |
| <b>Contract liabilities</b>                                                                                                                                                                                                                                                    |                         |                         |
| Unearned revenue                                                                                                                                                                                                                                                               | 192.92                  | -                       |
|                                                                                                                                                                                                                                                                                | <b>192.92</b>           | <b>-</b>                |
| <b>Current</b>                                                                                                                                                                                                                                                                 |                         |                         |
| <b>Contract assets</b>                                                                                                                                                                                                                                                         | 52.89                   | 24.81                   |
|                                                                                                                                                                                                                                                                                | <b>52.89</b>            | <b>24.81</b>            |
| <b>Contract liabilities</b>                                                                                                                                                                                                                                                    |                         |                         |
| Advance from customers                                                                                                                                                                                                                                                         | 102.58                  | 79.61                   |
| Unearned revenue                                                                                                                                                                                                                                                               | 58.14                   | 42.45                   |
|                                                                                                                                                                                                                                                                                | <b>160.72</b>           | <b>122.06</b>           |
| <b>Note:</b>                                                                                                                                                                                                                                                                   |                         |                         |
| Revenue recognised that was included in contract liabilities balance as at the beginning of the period:                                                                                                                                                                        |                         |                         |
| - Sale of goods                                                                                                                                                                                                                                                                | 122.06                  | 165.41                  |

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## Notes to consolidated financial statements

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

**Note 13 - Equity share capital****Authorised**

Equity shares of ₹10 each

**Issued, subscribed and fully paid up**

Equity shares of ₹10 each

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

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

|                                           | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|-------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                           | No. of shares        | Amount          | No. of shares        | Amount          |
| <b>At the beginning of the year</b>       | <b>431,460,000</b>   | <b>4,314.60</b> | <b>431,460,000</b>   | <b>4,314.60</b> |
| Increase during the year                  | 174,269,934          | 1,742.70        | -                    | -               |
| <b>Outstanding at the end of the year</b> | <b>605,729,934</b>   | <b>6,057.30</b> | <b>431,460,000</b>   | <b>4,314.60</b> |

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

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

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

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

**(iv) Terms and rights attached to equity shares**

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

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

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

| Name of the shareholder                         | As at March 31, 2025 |          | As at March 31, 2024 |          |
|-------------------------------------------------|----------------------|----------|----------------------|----------|
|                                                 | No. of shares        | Amount   | No. of shares        | Amount   |
| Aequs Manufacturing Investments Private Limited | 272,189,936          | 2,721.90 | 263,837,003          | 2,638.37 |

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

|                                                 | As at March 31, 2025 |               | As at March 31, 2024 |               |
|-------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                 | No. of shares        | Amount        | No. of shares        | Amount        |
| Aequs Manufacturing Investments Private Limited | 272,189,936          | 46.78%        | 263,837,003          | 62.11%        |
| Melligeri Private Family Foundation             | 106,261,570          | 18.26%        | 114,431,505          | 26.94%        |
| Amansa Investments Ltd                          | 48,235,541           | 8.29%         | -                    | -             |
|                                                 | <b>426,687,047</b>   | <b>73.33%</b> | <b>378,268,508</b>   | <b>89.05%</b> |

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## Notes to consolidated financial statements

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

## (vii) Details of shareholding of Promoters

## As at March 31, 2025

| Name of the Promoters                            | As at March 31, 2025 |                             |                             | As at March 31, 2024 |                             |                             |
|--------------------------------------------------|----------------------|-----------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|
|                                                  | No. of shares        | % of total number of shares | % of change during the year | No. of shares        | % of total number of shares | % of change during the year |
| Aequus Manufacturing Investments Private Limited | 272,189,936          | 46.78%                      | -15.33%                     | 263,837,003          | 62.11%                      | 62.11%                      |
| Melligeri Private Family Foundation              | 106,261,570          | 18.26%                      | -8.68%                      | 114,431,505          | 26.94%                      | 26.94%                      |
| Aravind S. Melligeri                             | 1,000,000            | 0.17%                       | 0.05%                       | 500,000              | 0.12%                       | 0.00%                       |

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

|                         | March 31, 2025 | March 31, 2024 |
|-------------------------|----------------|----------------|
| Number of equity shares | 157,069,937    | -              |

Shares allotted through the conversion of Compulsorily Convertible Preference Shares (Refer note (iii) above)

(ix) During the year ended March 31, 2025 the Company has converted 407,115,771 (March 31, 2024: Nil) Compulsorily Convertible Preference Shares (CCPS) into 157,069,937 (March 31, 2024: Nil) equity shares of INR 10.00 each fully paid up. Of the above, 46,818,017 equity shares at premium of INR 19.48 and 110,251,920 equity shares at premium of INR 30.63 (March 31, 2024: Nil) per share.

(x) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 13B.

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

## (xi) Shares reserved for issue under options

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

## 13A Instruments entirely equity in nature

Preference Share Capital  
Authorised

Compulsorily convertible preference shares of ₹10 each

| As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|----------------------|-----------------|----------------------|-----------------|
| Number of shares     | Amount          | Number of shares     | Amount          |
| 408,900,000          | 4,089.00        | 408,900,000          | 4,089.00        |
| <b>408,900,000</b>   | <b>4,089.00</b> | <b>408,900,000</b>   | <b>4,089.00</b> |
|                      |                 |                      |                 |
| 407,115,771          | 4,071.16        | 407,115,771          | 4,071.16        |
| (407,115,771)        | -4,071.16       | -                    | -               |
| -                    | -               | 407,115,771          | 4,071.16        |

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

|                                                  | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|--------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                                  | Number of shares     | Amount          | Number of shares     | Amount          |
| Balance outstanding at the beginning of the year | 408,900,000          | 4,089.00        | 160,000,000          | 1,600.00        |
| Increase in preference shares during the year    | -                    | -               | 248,900,000          | 2,489.00        |
| Balance outstanding at the end of the year       | <b>408,900,000</b>   | <b>4,089.00</b> | <b>408,900,000</b>   | <b>4,089.00</b> |

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

|                                                   | As at March 31, 2025 |                 | As at March 31, 2024 |                 |
|---------------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                                   | Number of shares     | Amount          | Number of shares     | Amount          |
| Balance outstanding at the beginning of the year  | <b>407,115,771</b>   | <b>4,071.16</b> | <b>57,206,340</b>    | <b>572.06</b>   |
| Add: Preferential issue during the year           | -                    | -               | 349,909,431          | 3,499.10        |
| Balance outstanding at the end of the year        | <b>407,115,771</b>   | <b>4,071.16</b> | <b>407,115,771</b>   | <b>4,071.16</b> |
| Less: Converted into equity shares                | 407,115,771          | 4,071.16        | -                    | -               |
| <b>Balance outstanding at the end of the year</b> | <b>-</b>             | <b>-</b>        | <b>407,115,771</b>   | <b>4,071.16</b> |

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

| Name of Holder                        | As on March 31, 2025 |               |           | As on March 31, 2024 |               |           |
|---------------------------------------|----------------------|---------------|-----------|----------------------|---------------|-----------|
|                                       | No. of CCPS          | Value of CCPS | % holding | No. of CCPS          | Value of CCPS | % holding |
| Amicus Capital Private Equity I LLP   | -                    | -             | -         | 51,966,240           | 519.66        | 12.77%    |
| Amicus Capital Partners India Fund I  | -                    | -             | -         | 5,240,100            | 52.40         | 1.29%     |
| Amicus Capital Partners India Fund II | -                    | -             | -         | 66,007,260           | 660.07        | 16.00%    |
| Catamaran Ekam AIF                    | -                    | -             | -         | 47,528,416           | 475.28        | 11.67%    |
| Steadview Capital Mauritius Limited   | -                    | -             | -         | 52,597,824           | 525.98        | 12.92%    |
| Sparta Group LLC                      | -                    | -             | -         | 40,557,366           | 405.57        | 9.96%     |
| Amansa Investments Ltd                | -                    | -             | -         | 124,207,157          | 1,242.07      | 30.51%    |
| Others                                | -                    | -             | -         | 19,011,408           | 190.11        | 4.67%     |

## Notes to consolidated financial statements

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

## 13A Instruments entirely equity in nature (continued)

## (iv) Terms and rights attached to Compulsorily Convertible Preference Shares

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

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

## (A) CCPS (Round 1)

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

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

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

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

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

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

Since, the conversion ratio has been determined as at 31 March 2024, it met the criteria to be clasified as a equity instrument. Accordingly, the CCPS was reclassified from financial liability to instrument entirely equity in nature in the previous financial year.

During the financial year, the Company has converted all outstanding CCPS into equity shares basis the agreed conversion ratio.

## (B) CCPS (Round 2)

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

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

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

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

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

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

Since, the conversion ratio has been determined as at 31 March 2024, it met the criteria to be clasified as a equity instrument. Accordingly, the CCPS was reclassified from financial liability to instrument entirely equity in nature in the previous financial year.

During the financial year, the Company has converted all outstanding CCPS into equity shares basis the agreed conversion ratio.

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**Notes to consolidated financial statements**

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

**13B. Stock option plan**

The Parent Company has granted stock options to the employees/directors of the Parent Company and its operating subsidiaries and other group entities.

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

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

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

**ESOP Scheme 2013**

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

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

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

**ESOP Scheme 2016**

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

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

|                                               | March 31, 2025       |                  |                                 | March 31, 2024   |                                 |
|-----------------------------------------------|----------------------|------------------|---------------------------------|------------------|---------------------------------|
| Particulars                                   | Exercise price range | Number           | Weighted average exercise price | Number           | Weighted average exercise price |
| Options outstanding at beginning of year      | 24 - 40              | 1,930,414        | 30.29                           | 2,542,227        | 28.24                           |
| <b>Add:</b>                                   |                      |                  |                                 |                  |                                 |
| Options granted during the year               | 24 - 40              | 425,000          | 36.60                           | -                | -                               |
| <b>Less:</b>                                  |                      |                  |                                 |                  |                                 |
| Options exercised during the year             | 24 - 40              | (222,047)        | 26.97                           | (10,000)         | 23.78                           |
| Options forfeited during the year             | 24 - 40              | -                | -                               | (601,813)        | 26.89                           |
| <b>Options outstanding at the end of year</b> | <b>24 - 40</b>       | <b>2,133,367</b> | <b>29.52</b>                    | <b>1,930,414</b> | <b>30.29</b>                    |
| <b>Option exercisable at the end of year</b>  |                      | <b>1,148,368</b> |                                 | <b>1,065,914</b> |                                 |

## Notes to consolidated financial statements

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

## 13B. Stock option plan

## 13B. Stock option plan (continued)

## ESOP Scheme 2020

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

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

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

## ESOP Scheme 2022

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

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

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

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 14 - Other equity**

|                                      | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|--------------------------------------|---------------------------------|---------------------------------|
| Retained earnings                    | (8,301.87)                      | (7,274.55)                      |
| Securities premium reserve           | 9,794.22                        | 7,293.77                        |
| Share options outstanding account    | 68.91                           | 60.14                           |
| Statutory Reserve                    | 11.16                           | 11.16                           |
| Common control capital reserve       | 93.94                           | 93.94                           |
| Treasury shares                      | (241.99)                        | (265.09)                        |
| Other reserves                       | 263.33                          | 214.92                          |
| Foreign currency translation reserve | (336.80)                        | (287.43)                        |
| Revaluation reserve                  | -                               | -                               |
|                                      | <b>1,350.90</b>                 | <b>(153.14)</b>                 |
| Non-controlling interest             | (9.41)                          | (9.41)                          |
|                                      | <b>1,341.49</b>                 | <b>(162.55)</b>                 |

**Nature and Purpose of reserves****a. Securities premium reserve**

Securities premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Act. During the year ended the Company has utilized March 31, 2025: Nil (March 31, 2024: ₹179.84) for share issue expenses.

**b. Share options outstanding account**

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

**c. Statutory reserve**

Statutory reserve represents the reserve that Aequs Aerospace France SAS is maintaining in accordance with the French Commercial Code (the Code). It is not a free reserve and there are certain restrictions with respect to its utilisation under the Code.

**d. Common control capital reserve**

Common control capital reserve represents the reserve created on acquisition of Aequs Engineered Plastics Private Limited (AEPPL) and Aequs Consumer Products Private Limited (ACPPL) under common control approach as per Ind AS 103-Business Combinations. Refer Note 33.

**e. Treasury shares**

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

**f. Other reserve**

Other reserves includes fair value of financial guarantee given by MFRE private trust and Aequs SEZ private limited and any other adjustments as may be required under Ind AS.

**g. Foreign currency translation reserve**

Exchange difference arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**h. Revaluation reserve**

Revaluation reserve was created in the prior years to record surplus arising out of revaluation of Property, plant and equipment held by an overseas subsidiary of the Group. This item of property, plant and equipment was re-classified to investment property based on change of use during the year ended March 31, 2021. The carrying value of the investment property was considered to be deemed cost of transition to Ind AS and hence the revaluation reserve was transferred to retained earnings.

*Note: For movement in reserves, please refer 'Consolidated statement of changes in equity'.*

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## Notes to consolidated financial statements

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

## Note 14 - Other equity (continued)

|                                                                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Reserves and surplus</b>                                                        |                         |                         |
| <b>(i) Retained earnings</b>                                                          |                         |                         |
| Opening Balance                                                                       | (7,274.55)              | (7,113.55)              |
| Net profit/(loss) for the year                                                        | (1,023.46)              | (108.38)                |
| Transfer from revaluation reserve                                                     | -                       | 173.00                  |
| Non-controlling interest movement                                                     | -                       | (238.00)                |
| Transfer of reserve relating to lapse of vested option                                | -                       | 10.00                   |
| <b>Items of other comprehensive income recognised directly in retained earnings :</b> |                         |                         |
| - Remeasurement of post employment benefit obligations                                | (3.86)                  | 2.38                    |
| <b>Closing balance</b>                                                                | <b>(8,301.87)</b>       | <b>(7,274.55)</b>       |
| <b>(ii) Securities premium reserve</b>                                                |                         |                         |
| Opening balance                                                                       | 7,293.77                | 5,685.86                |
| Add: Premium received during the year                                                 | 2,500.45                | 1,787.55                |
| Less: Utilisation towards share issue expenses                                        | -                       | (179.64)                |
| <b>Closing balance</b>                                                                | <b>9,794.22</b>         | <b>7,293.77</b>         |
| <b>(iii) Share options outstanding account</b>                                        |                         |                         |
| Opening balance                                                                       | 60.14                   | 49.94                   |
| Employee stock option expense                                                         | 8.77                    | 19.83                   |
| Transfer relating to lapse of vested option to Retained Earnings                      | -                       | (9.63)                  |
| <b>Closing balance</b>                                                                | <b>68.91</b>            | <b>60.14</b>            |
| <b>(iv) Revaluation Reserve</b>                                                       |                         |                         |
| Opening balance                                                                       | -                       | 173.00                  |
| Transfer to reserves                                                                  | -                       | (173.00)                |
| <b>Closing balance</b>                                                                | <b>-</b>                | <b>-</b>                |
| <b>(iv) Statutory Reserve</b>                                                         |                         |                         |
| Opening balance                                                                       | 11.16                   | 11.06                   |
| Movement for the year                                                                 | -                       | 0.10                    |
| <b>Closing balance</b>                                                                | <b>11.16</b>            | <b>11.16</b>            |
| <b>(vi) Common control capital reserve</b>                                            |                         |                         |
| Opening balance                                                                       | 93.94                   | 93.94                   |
| <b>Closing balance</b>                                                                | <b>93.94</b>            | <b>93.94</b>            |
| <b>(vii) Treasury Shares</b>                                                          |                         |                         |
| Opening Balance                                                                       | (265.09)                | (265.09)                |
| Additions during the year                                                             | 23.10                   | -                       |
| <b>Closing balance</b>                                                                | <b>(241.99)</b>         | <b>(265.09)</b>         |
| <b>(viii) Other Reserves</b>                                                          |                         |                         |
| Opening balance                                                                       | 214.92                  | 148.67                  |
| Financial guarantee received during the year                                          | 48.41                   | 66.25                   |
| <b>Closing balance</b>                                                                | <b>263.33</b>           | <b>214.92</b>           |
| <b>Total reserves and surplus [(i) + (ii) + (iii) + (iv) + (v) + (vi) + (vii)]</b>    | <b>1,687.70</b>         | <b>134.29</b>           |

## Notes to consolidated financial statements

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

## Note 14 - Other equity (continued)

|                                                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------------------------------------|-------------------------|-------------------------|
| <b>B. Items of other comprehensive income</b>                        |                         |                         |
| <b>(ix) Foreign exchange translation reserve</b>                     |                         |                         |
| Opening balance                                                      | (287.43)                | (245.33)                |
| Currency Translation Reserve for the year                            | (49.37)                 | (42.10)                 |
| <b>Closing balance</b>                                               | <b>(336.80)</b>         | <b>(287.43)</b>         |
| <b>Total other comprehensive income (ix)</b>                         | <b>(336.80)</b>         | <b>(287.43)</b>         |
| <b>(C) Non Controlling Interest</b>                                  |                         |                         |
| Opening balance                                                      | (9.41)                  | (113.56)                |
| Movement for the year                                                | -                       | 104.15                  |
| <b>Closing balance</b>                                               | <b>(9.41)</b>           | <b>(9.41)</b>           |
| <b>Total other equity including Non Controlling interest (A+B+C)</b> | <b>1,341.49</b>         | <b>(162.55)</b>         |

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## Notes to consolidated financial statements

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

## Note 15 (i) - Borrowings

|                                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Non current:</b>                                  |                         |                         |
| Term loans from banks (secured)                      |                         |                         |
| Rupee loan                                           | 1,803.89                | 959.67                  |
| Foreign currency loan (USD)                          | 15.10                   | 26.71                   |
| Foreign currency loan (Euro)                         | 67.18                   | 87.53                   |
|                                                      | <b>1,886.17</b>         | <b>1,073.91</b>         |
| Less: Current maturities of Long-term borrowings     | 453.18                  | 211.05                  |
| Less: Interest accrued but not due on borrowings     | 8.60                    | 7.78                    |
|                                                      | <b>1,424.39</b>         | <b>855.08</b>           |
| <b>Current:</b>                                      |                         |                         |
| Working capital facilities from banks (secured)      | 1,978.71                | 1,572.70                |
| Working capital - others (secured)                   | 200.36                  | -                       |
| Loans from related parties (unsecured)               | 272.71                  | 264.08                  |
| Current maturities of term loans                     | 453.18                  | 211.05                  |
| Interest accrued but not due on long term borrowings | 41.27                   | 15.90                   |
|                                                      | <b>2,946.23</b>         | <b>2,063.73</b>         |

## Notes :

## (a) As at March 31, 2025

## (A) Term loans

## Aequs Engineered Plastics Private Limited (AEPPL)

## INR loan from banks

(i) The ECLGS rupee loan consists of Working Capital Term Loan (WCTL) from bank with outstanding balance of ₹ Nil as on March 31, 2025. The carrying interest at REPO Rate plus 3.90% p.a. The loan is secured by extension of hypothecation of entire primary security available for existing Securities, Collateral : Extension of Second Charge on existing security situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan has 100 % guarantee from National Credit Guarantee Trustee Company Limited (NCGTC). The term loan is repayable in 36 monthly instalments post moratorium period of 12 months from the date of disbursement of the loan i.e. September 21, 2020, making the total term of the loan 48 months. This loan facility was closed during the current year.

(ii) The ECLGS rupee loan consists of WCTL from bank with outstanding balance of ₹ 22.00 as on March 31, 2025, carrying interest at REPO Rate plus 4 % p.a. (Capped @9.25%) The loan is secured by extension of hypothecation of entire primary security available for existing Securities, Collateral : Extension of Second Charge on existing security situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan has 100 % guarantee from NCGTC. The term loan is repayable in 36 monthly instalments post moratorium period of 24 months from the date of disbursement of the loan, making the total term of the loan 60 months.

## Aerostructures Manufacturing India Private Limited (ASMIPL)

1) HDFC Bank: Term loan taken by the Company carries an interest at 1YRS MCLR + 1.35% p.a. and is repayable in 60 monthly instalments and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/s. MFRE Private Trust, the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by the Parent Company (restricted to the extent of ₹600.00) and & M/s. MFRE Private Trust to the extent of value of the property which is provided as collateral. The outstanding balance of the loan as on March 31, 2025 is ₹ 3.33. An amount of ₹ 1.35 has been adjusted against this loan on account of unamortised financial guarantee expense and unamortised loan processing fees.

2) HDFC Bank: Term loan taken by the Company carries an interest at 3 MT BILL+2.2% p.a. and is repayable in 60 monthly instalments and is secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited ('ASEZ') and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company and personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company. The outstanding balance of the loan as on March 31, 2025 is ₹26.86.

3) Axis Bank: Term loan taken by the Company carries an interest at REPO+3.40% p.a. and is repayable in 60 monthly instalments and is secured by hypothecation on entire Plant and Machinery Purchased out of Term Loan of the borrower, both present and future. The outstanding balance of the loan as on March 31, 2025 is ₹ 144.78.

4) HDFC Bank: ECLGS Loan taken by the Company carries an interest at 1YRS MCLR + 1.35% p.a. and is repayable in 60 monthly instalments after 12 months of moratorium period and is secured by extension of second charge over Primary and secondary securities including Mortgage Created in favour of bank. ECLGS Loan is 100% guaranteed by NCGTC+C11 (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹41.50.

5) Axis Bank: ECLGS Loan taken by the Company carries an interest at REPO + 4.85% p.a. (capped at 9.25%) and is repayable in 48 monthly instalments after 12 months of moratorium period and is secured by hypothecation of plant & machinery, collateral security over parcel of land owned by Aequs SEZ Pvt Ltd (restricted to the value of the land), ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹21.12.

6) Axis Bank: ECLGS Loan taken by the Company carries an interest at REPO + 4.85% p.a. (capped at 9.25%) and is repayable in 48 monthly instalments after 12 months of moratorium period and is secured by hypothecation on entire current assets of the borrower both present and future, ECLGS Loan is 100% guaranteed by NCGTC (Ministry of Finance, Government of India). The outstanding balance of the loan as on March 31, 2025 is ₹46.40.

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***(A) Term loans- (continued)****Aequs Limited (formerly known as Aequs Private Limited) (AL)**

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

**Aequs Aero Machine Inc. ('AAM')**

AAM has obtained foreign currency loans in USD at interest rates ranging from 4.73% to 6.18% per annum. These loans are taken from ENG's Commercial Finance, U.S. Bank Equipment Finance, and NewLane Finance, are repayable over 60 to 84 monthly installments from the date of disbursement. They are secured by the respective machinery for which the loans were sanctioned. As of March 31, 2025, the outstanding loan amount is ₹15.30 million.

**Aequs Aerospace France SAS (AAF Corp)**

Foreign currency loans taken by AAF Corp in Euros carry interest rates from 2.03% to 2.25% p.a. The loans are repayable over 5 to 7 years. Loan from BPI France, HSBC and Credit Cooperatif is guaranteed for 80% by the National Guarantee Fund of the High Balance Sheet Enhancement Loans, and loans from Codefi and Region are loans without Guarantee. Loan outstanding as at March 31, 2025 is ₹ 69.04 million.

**Foreign currency loan from banks****Aequs Engineered Plastics Private Limited (AEPL)**

A secured foreign currency loan from bank with outstanding balance ₹ 0.00 as on March 31, 2025, carrying interest at 6M SOFR +300 basis points p.a. The loan is secured by hypothecation of entire PPE acquired or to be acquired out of bank finance in the name of the Company. Collateral security includes registered equitable mortgage on SEZ Land situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan is also secured by the corporate guarantee by Aequs SEZ Private Limited. The term loan is repayable in 73 monthly instalments. This loan facility was closed during the current period.

**Aequs Consumer Products Private Limited (ACPPL)**

(a) HDFC Bank: Term loan taken by the Company carries an interest at 1YRS MCLR + 2.50% p.a. and is repayable in 60 monthly instalments (including current moratorium period of 9 months) and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/s. MFRE Private Trust, the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/s. MFRE Private Trust. An amount of Nil has been adjusted against the loan on account of unamortized loan processing charges. This loan facility was closed during the current period.

(b) Canara Bank: Term loan taken by the Company carries an interest at - Present RLLR 8.30% + 3% CRP over RLLR+0.8% Liquidity premium and is repayable in 8 years 6 months monthly instalments (including repayment holiday period of 18 months) and is secured by hypothecation of plant & machinery/equipment, miscellaneous Assets and electrical installation, collateral security over parcel of land & building owned by M/s Aequs SEZ private limited, the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited and the Parent Company. This term loan facility closed during the year ended March 31, 2024.

(c) HDFC Bank: Term loan of Sanction amount of ₹ 2000 million taken by the Company and Outstanding amount as on March 31, 2025 of ₹1,012.67 Million carries an interest 8.95% p.a. (linked to T-bill 3 months). and is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement, moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March'2025 and ending in March'2030. and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and M/S the Parent Company. An amount of ₹ 0.01 has been adjusted against the loan on account of unamortized loan processing charges.

(d) Karnataka Bank: Term loan of Sanction amount of ₹ 983.74 million taken by the Company and Outstanding amount as on March 31, 2025 of ₹484.99 Million carries an interest at 6 M T-bill+2.77% p.a. and is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement, moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March'2025 and ending in March'2030 and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and M/S the Parent Company. An amount of ₹ 2.00 has been adjusted against the loan on account of unamortized loan processing charges.

(e) The term loans are reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹ Nil, unamortised transaction cost (loan processing charges) received amounting to ₹11.48.

**(B) Current Borrowings (Working capital)****Aequs Engineered Plastics Private Limited (AEPL)**

Working capital facilities includes Cash Credit, Export Packing Credit (EPC) and Packing Credit in Foreign Currency (PCFC). Working capital facilities are primarily secured by present and future hypothecation of entire stocks of raw material, stock in process, finished goods, spares and receivables and other current assets. Collateral security includes registered mortgage on SEZ Land situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan is also secured by the corporate guarantee by Aequs SEZ Private Limited. CC and EPC carries an interest of REPO+4.85% p.a. while PCFC carries an interest of 6m SOFR + 200 bps. Loan outstanding as at March 31, 2025 towards Cash Credit and EPC facilities are ₹ 91.99 million and ₹ 38.08 million, respectively.

**Aequs Limited (formerly known as Aequs Private Limited)(AL)**

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, Executive Chairman and Chief Executive Officer of the Parent Company. Working capital facilities are repayable on demand. CC carry interest rates of T-Bill 3 Months 7.08% + Spread 2.16% = 9.24% p.a., PCFC carries an interest of Term SOFR + 200 bps. Loan outstanding as at March 31, 2025 towards cash credit, EPC and PCFC facilities are ₹ 71.92 million, ₹ nil and ₹ 151.67 million respectively.

## Notes to consolidated financial statements

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

## (B) Current Borrowings (Working capital)- (Continued)

## Aerostructures Manufacturing India Private Limited (ASMIPL)

Working capital facilities taken by the Company includes Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC). Working capital facilities are secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. The facilities are also secured by personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by AL, ASEZ and MFRE Trust. CC carries an interest of T-Bill 3 months+2.59% p.a. while PCFC carries an interest of Term SOFR + 200 bps. Loan outstanding as at March 31, 2025 towards CC and PCFC facilities availed from HDFC Bank are ₹ 32.78 million and ₹ 709.35 million, respectively and availed from Axis Bank are ₹ 65.56 million and ₹ 745.66 million, respectively.

## Aerostructures Assemblies India Private Limited (AAI)

(i) As at the year end, the Company has a total sanction limit of ₹150.00 which is split between fund based limit of ₹130.00 and non-fund based limit of ₹20.00.

(ii) Working capital facility taken by company from HDFC Bank carries interest rate of 3 month T-Bill + 2.25% p.a. Working capital facilities are repayable on demand and are renewable on yearly basis. Loan outstanding as at March 31, 2025 is ₹ 73.62 million.

(iii) Working capital facilities taken are secured primarily by hypothecation of stock and book debts; further collaterally secured by charge on existing plant and machinery and movable assets and corporate guarantee given by the shareholder the Parent Company.

(iv) The working capital loan is reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹2.00.

## Aequs Force Consumer Products Private Limited (AFCPPL)

(a) Working capital facilities availed during the year by the Company are repayable on demand and include Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC). Working capital facilities are secured by hypothecation of inventories, existing and future receivables and other current assets and exclusive charge on plant and machineries of the Company with interest T-Bill 3 Months 6.87% + Spread 3.97% . The loan is also secured by a Corporate guarantee provided by the Parent Company. Loan outstanding as at March 31, 2025 is Nil.

## Aequs Consumer Products Private Limited (ACPPL)

(a) Working capital facilities taken by the Company from HDFC bank includes Letter of Credit and Cash Credit (CC). Working capital facilities are secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables. Collateral security includes, parcel of land and building owned by M/s. MFRE Private Trust and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company. CC carries interest @ 3T-Bill 3 Months 7.03% + Spread 4.01% p.a. This facility has been closed during the current period.

## Aequs Aerospace France SAS ('AAF Corp')

(a) Working capital facility comprises of factoring arrangements amounting to INR 20.36 million as at March 31, 2025 taken on a recourse basis.

## (C) Loan from related parties

## Aequs Aerospace LLC (AALLC), USA

Loan taken from Melligeri Investment LLC(MILLC) amounting to INR 16.33 carries interest rate of 13%p.a & is repayable on demand.

## Aequs Aerospace BV (AABV)

Loan taken from Aequs Manufacturing Investments Private Limited (AMIPL) amounting to USD 3 million (INR 277.83 million) carrying an interest rate of 13% p.a. and is repayable on demand.

## (D) Details of Quarterly statements of current assets filed by the company with the bank and reconciliation with books of account for the year ended March 31, 2025:

| Quarter | Name of bank  | Particulars of Securities Provided | Amount as reported in the quarterly return/ statements | Amount as per books of account (net of provision) | Amount of difference | Reason for discrepancies |
|---------|---------------|------------------------------------|--------------------------------------------------------|---------------------------------------------------|----------------------|--------------------------|
| Jun-24  | Various Banks | Inventories                        | 3,109.43                                               | 3,109.75                                          | 0.32                 | Refer below Note         |
| Sep-24  |               | Inventories                        | 3,487.00                                               | 3,488.00                                          | 1.00                 |                          |
| Dec-24  |               | Inventories                        | 3,576.00                                               | 3,579.00                                          | 3.00                 |                          |
| Mar-25  |               | Inventories                        | 3,351.28                                               | 3,400.04                                          | 48.76                |                          |

(a) The difference is due to rounding off adjustments.

(b) The amount declared for the quarter ending March 2025 in the stock statement was before the conclusion of audit. The closing value of inventory was revised due to inventorisation of overheads.

| Quarter | Name of bank  | Particulars of Securities Provided | Amount as reported in the quarterly return/ statements | Amount as per books of account (net of provision) | Amount of difference | Reason for discrepancies |
|---------|---------------|------------------------------------|--------------------------------------------------------|---------------------------------------------------|----------------------|--------------------------|
| Jun-24  | Various Banks | Trade receivables                  | 1,561.00                                               | 1,559.81                                          | 1.19                 | Refer below Note         |
| Sep-24  |               | Trade receivables                  | 1,496.00                                               | 1,493.00                                          | 3.00                 |                          |
| Dec-24  |               | Trade receivables                  | 1,540.00                                               | 1,544.00                                          | (4.00)               |                          |
| Mar-25  |               | Trade receivables                  | 1,628.80                                               | 1,607.89                                          | 20.91                |                          |

(a) Differences are due to adjustments made post submission of the statement to the bank.

(b) The above amounts pertain to entities in the Group that have availed working capital borrowings in India.

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 15 (i) - Borrowings (continued)****Koppal Toys Molding COE Private Limited (KTMCP)****Term loan from Bank - INR Loan**

Canara Bank: Term loan taken by the Company carries an interest at -Present RLLR 9.25% + 3%+0.4%. and over repayable in 5 years monthly instalments(Including repayment holiday period of 12 months) and is secured by hypothecation of plant & machinery/equipment's. The Parent Company provides corporate guarantee. however the loan was fully paid during the year.

**Aequs Consumer Products Private Limited (ACPPL)**

(a) HDFC Bank: Term loan taken by the Company carries an interest at 1YRS MCLR + 2.50% p.a and is repayable in 60 monthly instalments (including current moratorium period of 9 months) and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/s. MFRE Private Trust, the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/s. MFRE Private Trust. An amount of ₹ Nil has been adjusted against the loan on account of unamortized loan processing charges.

(b) Canara Bank: Term loan taken by the Company carries an interest at - Present RLLR 8.30% + 3% CRP over RLLR+0.8% Liquidity premium and is repayable in 8 years 6 months monthly instalments(Including repayment holiday period of 18 months) and is secured by hypothecation of plant & machinery/equipment, miscellaneous Assets and electrical installation, collateral security over parcel of land & building owned by M/s Aequs SEZ private limited , the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited and the Parent Company. This term loan facility closed during the year ended March 31, 2024.

(c ) HDFC Bank: Term loan of ₹ 2,000.00 taken by the Company carries an interest 8.95% p.a. (linked to T-bill 3 months). and is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement, moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March, 2025 and ending in March, 2030. and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and the Parent Company. An amount of ₹ 0.01 has been adjusted against the loan on account of unamortized loan processing charges.

(d) Karnataka Bank: Term loan of ₹ 983.74 taken by the Company carries an interest at 6 M T-bill+2.77% p.a and i is repayable in RTL: Door to Door tenor of [78 months] from the date of first disbursement,moratorium period of [18 months] and repayment period of [21 quarterly repayments], commencing from March'2025 and ending in March'2030 and is secured by hypothecation of plant & machinery, collateral security over parcel of land & building owned by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral), the personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited (to the extent of value of Land provided as Collateral) and the Parent Company. An amount of ₹ 2.00 has been adjusted against the loan on account of unamortized loan processing charges.

(e) The term loans are reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹ Nil, unamortised transaction cost (loan processing charges) received amounting to ₹13.00 and unamortised financial guarantee received amounting to ₹ Nil.

(f) The term loans are reduced by Ind AS adjustments for unamortised transaction cost (loan processing charges) received amounting to ₹13.00.

**Aequs Rajas Extrusion Private Limited (AREPL)**

As on March 31, 2024, the Company has availed a loan of Rs 7.00 from the Parent Company. The Loan carries an interest rate of 12% p.a. payable monthly. As per agreement, unless otherwise agreed in writing between the parties, Borrower shall pay outstanding principal amount within 48 months after the end of the moratorium period of 12 months from the date of first disbursement of Loan i.e., January 20, 2022 Amount along with accrued interest thereon. The Loan is convertible into equity shares at the option of the lender.

**Aequs Engineered Plastics Private Limited (AEPPL)****INR loan from banks**

(a)The ECLGS rupee loan consists of Working Capital Term Loan (WCTL) from bank with outstanding balance of ₹ 10.83 as on March 31,2024 carrying interest at REPO Rate plus 3.90% p.a. The loan is secured by extension of hypothecation of entire primary security available for existing Securities , Collateral : Extension of Second Charge on existing security situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan has 100 % guarantee from National Credit Guarantee Trustee Company Limited (NCGTC). The term loan is repayable in 36 monthly instalments post moratorium period of 12 months from the date of disbursement of the loan i.e. September 21, 2020, making the total term of the loan 48 months.

(b)The ECLGS rupee loan consists of WCTL from bank with outstanding balance of ₹ 33.00 as on March 31, 2024 carrying interest at REPO Rate plus 4 % p.a. The loan is secured by extension of hypothecation of entire primary security available for existing Securities, Collateral : Extension of Second Charge on existing security situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan has 100 % guarantee from NCGTC. The term loan is repayable in 36 monthly instalments post moratorium period of 24 months from the date of disbursement of the loan, making the total term of the loan 60 months.

**Foreign currency loan from banks**

A secured foreign currency loan from bank with outstanding balance ₹ 4.89 carrying interest at 6M SOFR +300 basis points p.a. The loan is secured by hypothecation of entire PPE acquired or to be acquired out of bank finance in the name of the Company. Collateral security includes registered equitable mortgage on SEZ Land situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan is also secured by the corporate guarantee by Aequs SEZ Private Limited. The term loan is repayable in 73 monthly instalments.

**Aequs Force Consumer Products Private Limited (AFCPPL)**

(a)Working capital facilities availed during the year by the Company are repayable on demand and include Export Packing Credit (EPC) and Pre-shipment Credit in Foreign Currency (PCFC) and Cash Credit (CC). Working capital facilities are secured by hypothecation of inventories, existing and future receivables and other current assets and exclusive charge on plant and machineries of the Company with interest T-Bill 3 Months 6.87% + Spread 3.97% . The loan is also secured by a Corporate guarantee provided by the Parent Company. The working capital loan is reduced by unamortised financial guarantee received amounting to ₹2.00.

## Notes to consolidated financial statements

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

## Note 15 (i) - Borrowings (continued)

## Aequs Engineered Plastics Private Limited (AEPL)

Working capital facilities includes Cash Credit , Export Packing Credit (EPC) and Packing Credit in Foreign Currency (PCFC). Working capital facilities are primarily secured by present and future hypothecation of entire stocks of raw material, stock in process, finished goods, spares and receivables and other current assets. Collateral security includes registered mortgage on SEZ Land situated at Aequs SEZ, 437/A, Hattargi Village, Hukkeri Taluk, Belgaum in the name of Aequs SEZ Private Limited. The loan is also secured by the corporate guarantee by Aequs SEZ Private Limited. CC and EPC carries an interest of REPO+4.25% p.a. while PCFC carries an interest of 6m SOFR + 200 bps.

## Aerostructures Assemblies India Private Limited (AAI)

(a) As at the year end, the Company has a total sanction limit of ₹ 150.00 which is split between fund based limit of ₹ 130.00 and non-fund based limit of ₹20.00.

(b) Working capital facility taken by company from HDFC Bank carries interest rate of 3 month T-Bill + 2.25% p.a. Working capital facilities are repayable on demand and are renewable on yearly basis.

(c) Working capital facilities taken are secured primarily by hypothecation of stock and book debts; further collaterally secured by charge on existing plant and machinery and movable assets and corporate guarantee given by the shareholder the Parent Company.

## AeroStructures Manufacturing India Private Limited (ASMIPL)

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

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

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

## Aequs Toys Private Limited (ATPL)

Working capital facilities includes Cash Credit having sanction amount of ₹ Nil. Working capital facilities are by an exclusive charge on movable fixed assets and current assets (trade receivables and inventories) of the company, exclusive charge on Quest tower building owned by MFRE Private Trust, personal guarantee of Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by the Parent Company and MFRE Private Trust. This loan is closed during the year ended March 31, 2024.

Overdraft against third party deposit (FCNR): Overdraft facility is secured primarily by lien on Foreign Currency Non Resident (FCNR) deposit. Overdraft facility carry interest rate of 12.15% p.a. Overdraft facility amounting to ₹ 18.00 was utilized and repaid completely during the year. This loan is closed during the year ended March 31, 2024.

## Aequs Limited (formerly known as Aequs Private Limited) (AL)

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 unencumbered plant and machinery and parcel of land owned by Aequs SEZ Private Limited, corporate guarantee provided by Aequs SEZ Private Limited and personal guarantee provided by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company. 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.

## Aequs Consumer Products Private Limited (ACPPL)

(a) Working capital facilities taken by the Company from HDFC bank includes Letter of Credit and Cash Credit (CC). Working capital facilities are secured by hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables. Collateral security includes, parcel of land and building owned by M/s. MFRE Private Trust and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company. CC carries interest @ 3T-Bill 3 Months 7.03% + Spread 4.01% p.a.

(b) Working capital facilities taken by the Company from Canara Bank includes Letter of Credit and Cash Credit (CC). Working capital facilities are secured by hypothecation Proposed stock and book debts. Collateral security includes, parcel of land owned by M/s.MFRE Private Trust and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind Melligeri, Executive Chairman and Chief Executive Officer of the Parent Company and corporate guarantee given by M/S Aequs SEZ Private Limited and the Parent Company. These working capital facilities are closed during year 2023-24.

(c) The working capital loans was reduced by Ind AS adjustments for unamortised financial guarantee received amounting to ₹ Nil.

(d) Overdraft against third party deposit (FCNR): Overdraft facility is secured primarily by Lien on FCNR deposit. Overdraft facility carry interest rate of 12.15% p.a. This facility was utilised and repaid during the current year.

**Notes to consolidated financial statements**

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

**(C) Loan from related parties****Aequs Limited (formerly known as Aequs Private Limited) (AL)**

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

**Aequs Engineered Plastics Private Limited (AEPL)**

Loan from related party are unsecured and repayable on demand and carry an interest rate of 12% p.a. payable monthly.

**Aequs Force Consumer Products Private Limited (AFCPPL)**

Loan from related party are unsecured and repayable on demand availed from Aequs SEZ Private Limited amounting to ₹Nil and the Parent Company by the Company amounting to ₹Nil. These

**Aequs Consumer Products Private Limited (ACPPL)**

Loan from related party pertains to unsecured loan availed by the Company from the Parent Company ₹Nil with interest @ 12% p.a. These loans are repayable on demand. Loan has been fully repaid during year ended March 31, 2024.

**Aequs Aerospace LLC, USA (AALLC)**

Loan taken from Melligeri Investment LLC (MILLC) amounting to INR 16.00 carries interest rate of 13% p.a. is and repayable on demand.

**(D) Details of quarterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts for year ended March 31, 2024:****1. Inventories**

| Quarter | Name of bank          | Particulars of Securities Provided | Amount as per books of account (net of provision) | Amount as reported in the quarterly return/statements | Amount of difference | Reason for discrepancies |
|---------|-----------------------|------------------------------------|---------------------------------------------------|-------------------------------------------------------|----------------------|--------------------------|
| Jun-23  | Axis Bank & HDFC Bank | Inventories                        | 2,741.21                                          | 2,945.23                                              | (204.02)             | Refer below Note         |
| Sep-23  |                       | Inventories                        | 2,994.98                                          | 3,244.82                                              | (249.84)             |                          |
| Dec-23  |                       | Inventories                        | 2,841.18                                          | 3,091.16                                              | (249.98)             |                          |
| Mar-24  |                       | Inventories                        | 3,021.19                                          | 3,026.77                                              | (5.58)               |                          |

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

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

(iii) The amount declared for the quarter ending March 2024 in the stock statement was before the conclusion of audit. The closing value of inventory was revised due to inventorisation of

**2. Trade receivables**

| 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  | Axis Bank    | Inventories                        | 1,268.18                                          | 1,205.83                                              | 62.35                | Refer below Note         |
| Sep-23  |              | Inventories                        | 1,059.86                                          | 1,182.20                                              | (122.34)             |                          |
| Dec-23  |              | Inventories                        | 1,030.06                                          | 1,145.94                                              | (115.88)             |                          |
| Mar-24  |              | Inventories                        | 1,276.32                                          | 1,270.97                                              | 5.35                 |                          |

(i) Amounts reported to banks are excluding balances with related parties, foreign exchange adjustments, loss allowance on trade receivables and net of advances.

(ii) Differences are due to adjustments made post submission of the statement to the bank.

(iii) The above amounts pertain to entities in the Group that have availed working capital borrowings in India.

(iv) Excludes unearned revenue amount and unrealised forex gain/loss.

(v) Due to netting off the trade receivables and trade payables outstanding from same customer/vendor and provision for unbilled revenue.

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## Notes to consolidated financial statements

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

## (E) Loan covenants

Under the terms of the borrowing facilities with various banks, the below entities of the group are required to comply with following financial covenants :

|                                               | AL                                 | ASMIPL                             | AAI                                | AFCPPL                             | ACPPL                              | AEPPL                                                                    |
|-----------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------------------------------------------|
| Total Net Worth (TNW)                         | > INR 500                          | > INR 1,742                        | -                                  | > INR 150                          | -                                  | > INR 200                                                                |
| Total Outside Liabilities (TOL)/ Adjusted TNW | < 3                                | < 4                                | < 3                                | < 4                                | < 3                                | -                                                                        |
| Interest Coverage Ratio (ICOR)                | > 2                                | > 2                                | -                                  | -                                  | -                                  | -                                                                        |
| Debt Service Coverage Ratio (DSCR)            | > 1.2                              | > 1.2                              | > 1.2                              | -                                  | > 1.25                             | > 1.5                                                                    |
| Compliance                                    | Complied with the above covenants. | Complied with the above covenants. | Complied with the above covenants. | Complied with the above covenants. | Complied with the above covenants. | Complied with the above covenants other than debt service coverage ratio |

## Notes:

(i) There are no restrictive covenants on Parent Company's share capital.

(ii) Breaches in complying with the financial covenants would permit the bank to call back the loans. However, the Group continues to classify the loans as non-current based on its original repayment schedule as in the view of management, the breach is not material and the bank has not demanded repayment of the loan before the date of approval of these financial statements.

Refer Note 36 - Net debt reconciliation for reconciliation of movements of liabilities to cash flows arising from financing activities and Note 37 - Assets pledged as security against the current and non-current borrowings.

## Note 15 (ii) - Other financial liabilities

|                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------|-------------------------|-------------------------|
| <b>Non current:</b>           |                         |                         |
| Guarantee liability           | 64.75                   | 6.38                    |
|                               | <b>64.75</b>            | <b>6.38</b>             |
| <b>Current:</b>               |                         |                         |
| Capital creditors             | 195.74                  | 356.47                  |
| Guarantee liability           | 4.93                    | 5.61                    |
| Dues to related parties       | 2.06                    | -                       |
| Employees related liabilities | 157.43                  | 133.92                  |
| Other financial liabilities   | 40.09                   | -                       |
|                               | <b>400.25</b>           | <b>496.00</b>           |

## Note 15 (iii) - Trade Payables

## Current:

## Trade payables

|                                                                  |                 |                 |
|------------------------------------------------------------------|-----------------|-----------------|
| - Dues to micro enterprise and small enterprises (Refer note 38) | 65.70           | 9.99            |
|                                                                  | <b>65.70</b>    | <b>9.99</b>     |
| Due to other than micro and small enterprises                    |                 |                 |
| - Due to related parties (Refer note 35)                         | 300.71          | 155.89          |
| - Other trade payables                                           | 1,942.46        | 1,859.31        |
|                                                                  | <b>2,243.17</b> | <b>2,015.20</b> |
|                                                                  | <b>2,308.87</b> | <b>2,025.19</b> |

## Ageing of trade payables as on March 31, 2025

|                              | Not Due         | Outstanding for following periods from due date of payment |              |             |                   | Total           |
|------------------------------|-----------------|------------------------------------------------------------|--------------|-------------|-------------------|-----------------|
|                              |                 | Less than 1 year                                           | 1-2 Years    | 2-3 Years   | More than 3 years |                 |
| (i) Undisputed dues -MSME    | 23.08           | 42.59                                                      | 0.03         | -           | -                 | <b>65.70</b>    |
| (ii) Undisputed dues -Others | 264.52          | 813.07                                                     | 57.55        | 5.06        | 33.68             | <b>1,173.88</b> |
| Unbilled                     | 1,069.29        | -                                                          | -            | -           | -                 | <b>1,069.29</b> |
|                              | <b>1,356.89</b> | <b>855.66</b>                                              | <b>57.58</b> | <b>5.06</b> | <b>33.68</b>      | <b>2,308.87</b> |

## Ageing of trade payables as on March 31, 2024

|                              | Not Due       | Outstanding for following periods from due date of payment |              |              |                   | Total           |
|------------------------------|---------------|------------------------------------------------------------|--------------|--------------|-------------------|-----------------|
|                              |               | Less than 1 year                                           | 1-2 Years    | 2-3 Years    | More than 3 years |                 |
| (i) Undisputed dues -MSME    | 0.10          | 9.89                                                       | -            | -            | -                 | <b>9.99</b>     |
| (ii) Undisputed dues -Others | 547.75        | 1,167.71                                                   | 49.39        | 66.90        | 34.41             | <b>1,866.16</b> |
| Unbilled                     | 149.04        | -                                                          | -            | -            | -                 | <b>149.04</b>   |
|                              | <b>696.89</b> | <b>1,177.60</b>                                            | <b>49.39</b> | <b>66.90</b> | <b>34.41</b>      | <b>2,025.19</b> |

Notes to consolidated financial statements

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

| Note 16 - Other liabilities               | As at          | As at          |
|-------------------------------------------|----------------|----------------|
|                                           | March 31, 2025 | March 31, 2024 |
| <b>Non current</b>                        |                |                |
| Deferred government grant (refer note 19) | 45.00          | -              |
|                                           | <b>45.00</b>   | <b>-</b>       |
| <b>Current</b>                            |                |                |
| Statutory dues payable                    | 142.14         | 188.88         |
| Deferred government grant (refer note 19) | 10.69          | -              |
| Deferred income                           | -              | 2.31           |
| Others                                    | -              | 0.69           |
|                                           | <b>152.83</b>  | <b>191.88</b>  |

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**Notes to consolidated financial statements**

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

**Note 17 - Provision for employee benefits**

|                                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Non-Current</b>                      |                         |                         |
| Provision for gratuity                  | 117.63                  | 95.77                   |
| Provision for other retirement benefits | 44.16                   | 30.81                   |
|                                         | <b>161.79</b>           | <b>126.58</b>           |
| <b>Current</b>                          |                         |                         |
| Provision for gratuity                  | 4.23                    | 4.57                    |
| Provision for leave obligations         | 61.34                   | 50.26                   |
|                                         | <b>65.57</b>            | <b>54.83</b>            |

**(i) Leave obligation**

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

The amount of the provision of ₹ 61.34 (March 31, 2024: ₹50.26) is presented as current. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Leave obligation not expected to settled within next 12 months

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
|  | 46.77                   | 32.90                   |

**(ii) Defined contribution plans****India**

The Group in India has certain defined contribution plans. Contributions are made to provident fund in India 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 Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹169.34 (March 31, 2024: ₹143.40).

**United States of America**

The Group maintains a defined contribution employee retirement plan through its PEO Insperity, pursuant to Section 401(a) of the Internal Revenue Code, which includes a 401(k) feature which enables the employee to make a pre-tax or post-tax(ROTH) salary reduction contribution to the plan. The Company has a match of employee contributions of 25% of employee contribution up to 1% of eligible compensation. Substantially all employees who have completed six months of service are eligible to participate in the plan. The Company did not make a discretionary contribution for the year ended March 31, 2025 and March 31, 2024 .

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

The Group provides for gratuity for employees in India as per the 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 retirement/termination 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 Group makes contribution to recognised funds in India.

The Group makes annual contribution for the Gratuity plan to an Insurance Company. Such contributions are recognised as plan assets. The Group make contribution to the planned assets based on the expected payout. Final liability is actuarially valued and recognised in the books as at the end of each year by the Group. Upon actuarial valuation at the year end, any resultant difference between the liability and fair value of the fund is recognised in the books of accounts as liability.

**France**

The French pension system is operated on a "pay as you go" basis. Each employee is entitled to receive a basic pension from the Social Security plus a complementary pension from defined contribution schemes ARRCO and AGIRC. Moreover, retiring allowances (lump sums) must, by law be paid by the employer when employees retire.

The allowances to be paid to Group's employees are defined by the Collective Bargaining Agreement of the Metallurgical Industry.

All permanent employees are being covered on this scheme. Normal Retirement Age in France is 62 but 41.50 years of employment is required. Benefit rights are not vested before Normal Retirement Age.

The pensionable salary is equal to the average over the last 12 months of the gross paid salaries. Should an employee wants to retire at his/her own initiative the allowance is subject to social charges.

This retiring allowances scheme is not externally funded through an insurance contract.

## Notes to consolidated financial statements

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

## Note 17 - Provision for employee benefits (continued)

|                                                                                                     | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>(a) Total amount recognised in statement of profit or loss</b>                                   |                              |                              |
| Current service cost                                                                                | 24.00                        | 17.64                        |
| Interest on defined obligation                                                                      | 7.54                         | 6.09                         |
| Shared service cost recovered                                                                       | -                            | (1.98)                       |
| Net actuarial (gain) / loss recognized during the year                                              | (4.55)                       | (0.69)                       |
| <b>Total amount recognised in statement of profit or loss (A)</b>                                   | <b>26.99</b>                 | <b>21.06</b>                 |
| <b>(b) Total amount recognised in other comprehensive income</b>                                    |                              |                              |
| Actuarial (gains)/losses arising from changes in                                                    |                              |                              |
| -return on plan assets                                                                              | -                            | (0.19)                       |
| -demographic assumptions                                                                            | 3.38                         | 3.17                         |
| -financial assumptions                                                                              | 3.29                         | 3.40                         |
| -experience adjustments                                                                             | (11.22)                      | (4.95)                       |
| <b>Total amount recognised in other comprehensive income (B)</b>                                    | <b>(4.55)</b>                | <b>1.43</b>                  |
| <b>Total amount recognised in statement of profit and loss and other comprehensive income (A+B)</b> | <b>22.44</b>                 | <b>22.49</b>                 |
| <b>(c) Changes in the defined benefit obligation during the year</b>                                |                              |                              |
|                                                                                                     | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
| Obligations as at the beginning of the year                                                         | 100.03                       | 83.54                        |
| Current service cost                                                                                | 24.00                        | 17.64                        |
| Interest cost                                                                                       | 7.54                         | 8.06                         |
| Benefits paid                                                                                       | (5.99)                       | (9.67)                       |
| Settlements                                                                                         | -                            | (0.98)                       |
| Liabilities (transferred) / assumed                                                                 | 0.83                         | 0.72                         |
| Acquisition / divestiture                                                                           | -                            | (0.02)                       |
| Remeasurement (gains)/ losses                                                                       | -                            | (0.88)                       |
| - arising from changes in demographic assumptions.                                                  | 3.38                         | 3.17                         |
| - arising from changes in financial assumptions.                                                    | 3.29                         | 3.40                         |
| - arising from changes in experience adjustments.                                                   | (11.22)                      | (4.95)                       |
| <b>Defined benefit obligation at the end of the year</b>                                            | <b>121.86</b>                | <b>100.03</b>                |
| <b>(d) Change in fair value of plan assets</b>                                                      |                              |                              |
| <b>Fair value of plan assets at the beginning of the year</b>                                       | 0.31                         | 0.31                         |
| Expected return on plan assets                                                                      | -                            | 0.04                         |
| Contributions                                                                                       | 5.90                         | 2.32                         |
| Benefit payments from plan assets                                                                   | (5.90)                       | (2.37)                       |
| Actuarial gain / (loss) on plan assets                                                              | -                            | 0.01                         |
| <b>Fair value of plan assets at the end of the year</b>                                             | <b>0.31</b>                  | <b>0.31</b>                  |
|                                                                                                     | As at<br>March 31, 2025      | As at<br>March 31, 2024      |
| <b>(e) Net (asset) / liability</b>                                                                  |                              |                              |
| Present value of unfunded defined benefit obligation                                                | 121.55                       | 100.03                       |
| Fair value of plan assets                                                                           | 0.31                         | 0.31                         |
| <b>Net defined benefit liability/(asset) recognized in balance sheet</b>                            | <b>121.86</b>                | <b>100.34</b>                |
| <b>(f) Classification</b>                                                                           |                              |                              |
| Current                                                                                             | 4.23                         | 4.57                         |
| Non current                                                                                         | 117.63                       | 95.77                        |
|                                                                                                     | <b>121.86</b>                | <b>100.34</b>                |
| <b>(g) Investment details of plan assets</b>                                                        |                              |                              |
| Pooled asset with an insurance company                                                              | 0.31                         | 0.31                         |
| <b>Total</b>                                                                                        | <b>0.31</b>                  | <b>0.31</b>                  |
| <b>(h) Actual return on plan assets</b>                                                             | 0.05                         | 0.04                         |
| <b>(i) Expected contribution in next year</b>                                                       | -                            | 1.67                         |

**Notes to consolidated financial statements**

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

**Note 17 - Provision for employee benefits (continued)****Actuarial assumptions**

|                                          | March 31, 2025                                                                                       | March 31, 2024                                                                                       |
|------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <b>Significant actuarial assumptions</b> |                                                                                                      |                                                                                                      |
| Discount rate per annum                  | 6.85%-7.05%                                                                                          | 7.15%-7.5%                                                                                           |
| Salary escalation rate per annum         | 10.00%                                                                                               | 10.00%                                                                                               |
| <b>Other actuarial assumptions</b>       |                                                                                                      |                                                                                                      |
| Attrition rate                           | 9% to 18% at 21 to 30 years age and reducing to 0% to 8% at older ages according to graduated scale. | 9% to 18% at 21 to 30 years age and reducing to 0% to 8% at older ages according to graduated scale. |
| Retirement age                           | 58                                                                                                   | 58                                                                                                   |

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

**Sensitivity analysis**

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

| Changes in assumption                                  | March 31, 2025 | March 31, 2024 |
|--------------------------------------------------------|----------------|----------------|
| <b>Discount rate</b>                                   |                |                |
| Defined benefit obligation (DBO) on increase in 50 bps | 115.49         | 95.54          |
| Discount rate +50 basis points impact (%)              | -5.23%         | -4.43%         |
| Defined benefit obligation (DBO) on decrease in 50 bps | 132.11         | 107.85         |
| Discount rate -50 basis points impact (%)              | 7.88%          | 7.89%          |
| <b>Salary increase rate</b>                            |                |                |
| Defined benefit obligation (DBO) on increase in 50 bps | 131.24         | 107.26         |
| Impact of increase in 50 bps on DBO                    | 7.16%          | 7.30%          |
| Defined benefit obligation (DBO) on decrease in 50 bps | 116.13         | 95.97          |
| Impact of decrease in 50 bps on DBO                    | -5%            | -4%            |

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

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

**Maturity profile of the defined benefit obligations.****Expected future cashflows (in million) [Undiscounted]**

|                                                                      | March 31, 2025 | March 31, 2024 |
|----------------------------------------------------------------------|----------------|----------------|
| Less than one year                                                   | 5.00           | 5.08           |
| Between one and five year                                            | 24.23          | 23.26          |
| After five year                                                      | 347.39         | 267.44         |
| <b>Total</b>                                                         | <b>376.62</b>  | <b>295.78</b>  |
| Weighted average duration of the defined benefit obligation in years | 11.25          | 11.11          |

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**Notes to consolidated financial statements**

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

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**Note 17 - Provision for employee benefits (continued)**

**Risk exposure**

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

**(i) Market risk (discount rate)**

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

**(ii) Longevity risk**

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

**(iii) Annual risk**

**Salary increase assumption**

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

**Attrition/withdrawal assumption**

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

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**Notes to consolidated financial statements**

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

**Note 18 - Revenue from operations**

|                                              | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------|------------------------------|------------------------------|
| <b>Revenue from contracts with customers</b> |                              |                              |
| Sale of manufactured goods                   | 8,949.54                     | 9,401.18                     |
| Sale of services                             | 30.09                        | 10.74                        |
|                                              | <b>8,979.63</b>              | <b>9,411.92</b>              |
| <b>Other operating income</b>                |                              |                              |
| Scrap sales                                  | 266.43                       | 236.62                       |
| Others                                       | -                            | 2.20                         |
|                                              | <b>266.43</b>                | <b>238.82</b>                |
|                                              | <b>9,246.06</b>              | <b>9,650.74</b>              |

(i) Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date.

58.14 42.45

(ii) Refer note 34 for geographical disaggregation of revenue.

(iii) Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days. These include unbilled receivables which primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date.

**Note 19 - Other income**

|                                                       |               |               |
|-------------------------------------------------------|---------------|---------------|
| Government grant                                      | 94.96         | -             |
| Liabilities no longer required written back           | 21.07         | 29.97         |
| Gain on derecognition of lease                        | 18.59         | -             |
| Net gain on disposal of property, plant and equipment | 0.42          | 10.24         |
| Exchange difference(other than borrowings)            | 52.27         | 33.36         |
| Interest income                                       | 89.12         | 81.91         |
| Unwinding of discount on security deposit             | 19.72         | 17.27         |
| Financial guarantee income                            | 9.46          | 6.06          |
| Gain on mutual funds                                  | 23.74         | 3.58          |
| Miscellaneous income                                  | 16.72         | 49.91         |
|                                                       | <b>346.07</b> | <b>232.30</b> |

**Note:**

Government grant income includes income which has been recognised on account of capital subsidy of ₹ 32.06 (₹ Nil for year ended March 31, 2024) towards investment made in property, plant, and equipment in previous financial years and income of ₹ 62.91 (₹ Nil for year ended March 31 2024) recognised on account of reimbursement of rental expenses incurred in previous financial years, under the Karnataka Government scheme. There is a corresponding Government grant receivable recognised in Other financial asset ₹ 91.80 and deferred grant income of ₹ 55.69.

**Note 20 - Cost of materials consumed****Raw material consumed**

|                                           |                 |                 |
|-------------------------------------------|-----------------|-----------------|
| Opening stock                             | 1,684.37        | 1,392.13        |
| Less: Provision for slow moving inventory | (169.55)        | (135.44)        |
| Add: Purchases during the year            | 4,454.90        | 4,648.85        |
| Less: Closing stock                       | (2,051.54)      | (1,684.37)      |
| Less: Provision for slow moving inventory | 164.42          | 169.55          |
| <b>Cost of raw material consumed</b>      | <b>4,082.60</b> | <b>4,390.72</b> |

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 21 - Change in inventories of work-in-progress and finished goods**

|                                                                           | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---------------------------------------------------------------------------|------------------------------|------------------------------|
| Inventory at the end of the year (a)                                      |                              |                              |
| Work-in-progress                                                          | 1,211.12                     | 1,140.00                     |
| Finished goods                                                            | 1,095.98                     | 856.66                       |
|                                                                           | <b>2,307.10</b>              | <b>1,996.66</b>              |
| Add :Inventories pertaining to entities acquired                          | (15.13)                      | -                            |
| Inventory at the beginning of the year (b)                                |                              |                              |
| Work-in-progress                                                          | 1,140.00                     | 919.56                       |
| Finished goods                                                            | 856.66                       | 841.76                       |
|                                                                           | <b>1,996.66</b>              | <b>1,761.32</b>              |
| Less: Movement in provision for slow moving inventory                     | (136.22)                     | 37.98                        |
|                                                                           | <b>(189.35)</b>              | <b>(273.32)</b>              |
| Exchange difference                                                       | 28.75                        | 48.65                        |
| <b>Change in inventories of finished goods and work -in-progress(b-a)</b> | <b>(160.60)</b>              | <b>(224.67)</b>              |

**Note 22 - Employee benefit expenses**

|                                           |                 |                 |
|-------------------------------------------|-----------------|-----------------|
| Salaries, wages and bonus                 | 1,295.49        | 1,164.14        |
| Contribution to provident and other funds | 169.34          | 143.40          |
| Employee stock option expense             | 8.77            | 20.68           |
| Leave compensation                        | 8.84            | 11.26           |
| Gratuity                                  | 31.52           | 25.02           |
| Staff welfare expenses                    | 73.45           | 69.58           |
|                                           | <b>1,587.41</b> | <b>1,434.08</b> |

**Note 23 - Other expenses**

|                                                                             |                 |                 |
|-----------------------------------------------------------------------------|-----------------|-----------------|
| Consumption of spares and components                                        | 475.02          | 441.98          |
| Subcontracting expenses                                                     | 1,183.82        | 1,186.03        |
| Insurance                                                                   | 60.18           | 59.00           |
| Power and fuel                                                              | 241.13          | 294.49          |
| Repairs and maintenance                                                     |                 |                 |
| Machinery                                                                   | 115.74          | 106.20          |
| Building                                                                    | 73.73           | 74.02           |
| Others                                                                      | 147.37          | 85.00           |
| Legal and professional fees                                                 | 180.52          | 133.46          |
| Payment to auditors                                                         | 9.24            | 9.40            |
| Rental charges                                                              | 39.47           | 36.27           |
| Printing and stationery                                                     | 5.80            | 5.78            |
| Freight & forwarding                                                        | 148.40          | 114.58          |
| Rates and taxes                                                             | 50.76           | 53.96           |
| Travelling and conveyance                                                   | 76.94           | 29.35           |
| Communication                                                               | 20.02           | 38.13           |
| Advertising and sales promotion                                             | 40.04           | 32.48           |
| Bank charges                                                                | 54.33           | 53.53           |
| Loss on disposal of property, plant and equipment/investment property (net) | 3.12            | 10.40           |
| Expenditure on corporate social responsibility                              | 4.22            | -               |
| Share issue expenses of subsidiaries                                        | 3.68            | -               |
| Provision for doubtful advances & advances written off                      | 8.07            | 21.86           |
| Miscellaneous expenses                                                      | 57.27           | 27.26           |
|                                                                             | <b>2,998.87</b> | <b>2,813.18</b> |

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)*

|                                                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------------------------|------------------------------|------------------------------|
| <b>Note 23 - Other expenses- continued</b>                     |                              |                              |
| <b>A. Details of corporate social responsibility</b>           |                              |                              |
| (i) Amount required to be spent by the Company during the year | 4.22                         | -                            |
| (ii) Amount approved by the board to be spent during the year  | 4.22                         | -                            |
| (iii) Amount spent during the year                             |                              |                              |
| (a) Construction/acquisition of any asset                      | -                            | -                            |
| (b) On purposes other than (a) above                           | 4.22                         | -                            |
| (iv) Details of related party transactions                     | -                            | -                            |
| (v) Nature of activities                                       | Promoting education          | -                            |
| (vi) Shortfall at the end of the year                          | -                            | -                            |
| <b>Note 24 - Finance cost</b>                                  |                              |                              |
| Interest expense on working capital borrowings                 | 130.50                       | 143.35                       |
| Interest expense on term loan                                  | 66.24                        | 70.73                        |
| Interest expense -others                                       | 43.37                        | 61.98                        |
| Exchange differences (on borrowings)                           | 57.38                        | 43.60                        |
| Financial guarantee expense                                    | 14.58                        | 14.64                        |
| Loan processing charges                                        | -                            | -                            |
| Interest expense on lease liabilities                          | 276.94                       | 303.76                       |
|                                                                | <b>589.01</b>                | <b>638.06</b>                |
| <b>Note 25 - Depreciation and amortisation expenses</b>        |                              |                              |
| Depreciation of property, plant and equipment*                 | 368.98                       | 382.28                       |
| Amortisation of intangible assets**                            | 40.22                        | 50.66                        |
| Depreciation on investment property                            | -                            | 0.02                         |
| Depreciation on right-of-use assets***                         | 624.86                       | 643.89                       |
|                                                                | <b>1,034.06</b>              | <b>1,076.85</b>              |
| <b>Note 26 - Exceptional items</b>                             |                              |                              |
| Impairment loss on Goodwill                                    | 482.65                       | -                            |
| Gain on sale of investment property                            | -                            | (186.48)                     |
|                                                                | <b>482.65</b>                | <b>(186.48)</b>              |

\* Refer Note 4 for further details on property, plant and equipment

\*\* Refer Note 6 for further details on intangible assets

\*\*\* Refer Note 5 for further details on right-of-use assets

(i) During the year ended March 31, 2025, the Group has recognised an impairment on goodwill of INR 482.65, allocated towards AFCPPL.

(ii) In May 2023, SCI Du Champ De Pivones, a subsidiary company has sold the investment property to an outside party for a consideration of INR 246 and recognised a gain of INR 186.48 on sale of investment property.

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 27 - Fair value measurement****Financial instruments by category**

|                                                   | <b>Fair value hierarchy</b> | <b>Classification</b> | <b>As at March 31, 2025</b> | <b>As at March 31, 2024</b> |
|---------------------------------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------------|
| <b>Financial assets</b>                           |                             |                       |                             |                             |
| Non current investments                           | Level 2                     | FVTPL                 | 0.85                        | 0.83                        |
| Current investments                               | Level 1                     | FVTPL                 | -                           | 297.15                      |
| Trade receivables                                 | -                           | Amortised cost        | 1,566.04                    | 1,368.85                    |
| Cash and cash equivalents and other bank balances | -                           | Amortised cost        | 609.43                      | 792.74                      |
| Bank balances other than above                    | -                           | Amortised cost        | 188.48                      | 1,727.01                    |
| Other financial assets                            | -                           | Amortised cost        | 834.96                      | 409.67                      |
| <b>Total financial assets</b>                     |                             |                       | <b>3,199.76</b>             | <b>4,596.25</b>             |
| <b>Financial liabilities</b>                      |                             |                       |                             |                             |
| Borrowings                                        | -                           | Amortised cost        | 4,370.62                    | 2,918.81                    |
| Lease liabilities                                 | -                           | Amortised cost        | 3,479.85                    | 4,070.50                    |
| Trade payables                                    | -                           | Amortised cost        | 2,308.87                    | 2,025.19                    |
| Other financial liabilities                       | -                           | Amortised cost        | 465.00                      | 502.38                      |
| <b>Total financial liabilities</b>                |                             |                       | <b>10,624.34</b>            | <b>9,516.88</b>             |

**(i) Fair value hierarchy**

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group 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.

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

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

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

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

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

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

**(iii) Significant estimates**

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

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 28 - Financial risk management**

The Group's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Group's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Group's risk management and have established policies to identify and analyse the risks faced by the Group. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Group. 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 Group is exposed to and how the Group manages the risk.

**Financial risk management**

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

**A Credit risk**

Credit risk is a risk where the counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures to customers including outstanding receivables, other receivables and loans and deposits.

**(i) Credit risk management**

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

**(ii) Provision for expected credit loss**

The Group's financial assets mainly comprise of investments, trade receivables, deposits with bank, loans & lease deposits. The assessment of ECL is done as follows:

**1) Loans and Deposits :**

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

**2) Deposits with bank :**

They are considered to be having negligible risk or nil risk, as they are maintained with banks having strong credit ratings and the period of such deposits is generally not exceeding one year.

**3) Trade receivables and other dues from related parties**

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

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

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## Notes to consolidated financial statements

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

## Note 28 - Financial risk management (continued)

## A Credit risk (continued)

## Reconciliation of loss allowance provision - Trade receivables

|                                         | Amount       |
|-----------------------------------------|--------------|
| <b>As at April 01, 2023</b>             |              |
| Balance at the beginning of the year    | 40.54        |
| Charged to profit and loss              | 14.63        |
| Utilisation/ reversal in loss allowance | (28.89)      |
| <b>As at March 31, 2024</b>             | <b>26.28</b> |
| Charged to profit and loss              | 4.16         |
| Utilisation/ reversal in loss allowance | -            |
| <b>As at March 31, 2025</b>             | <b>30.44</b> |

## 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, Group's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

## (i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting year:

- A. Expiring within one year  
B. Expiring beyond one year (bank loans)

|                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------|-------------------------|-------------------------|
| A. Expiring within one year              | 1,724.51                | 752.55                  |
| B. Expiring beyond one year (bank loans) | -                       | 2,362.56                |
|                                          | <b>1,724.51</b>         | <b>3,115.11</b>         |

## (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 as at March 31, 2025

|                             | Less than 1 year | 1 to 5 years    | More than 5 years | Total            |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| Borrowings                  | 2,904.96         | 1,424.39        | -                 | 4,329.35         |
| Trade payables              | 2,308.87         | -               | -                 | 2,308.87         |
| Lease liabilities           | 953.80           | 2,458.40        | 1,028.67          | 4,440.87         |
| Other financial liabilities | 400.25           | 41.77           | 22.98             | 465.00           |
|                             | <b>6,567.88</b>  | <b>3,924.56</b> | <b>1,051.65</b>   | <b>11,544.09</b> |

## Contractual maturities of financial liabilities as at March 31, 2024

|                             | Less than 1 year | 1 to 5 years    | More than 5 years | Total            |
|-----------------------------|------------------|-----------------|-------------------|------------------|
| Borrowings                  | 2,047.83         | 837.48          | 17.71             | 2,903.02         |
| Trade payables              | 1,874.49         | 150.70          | -                 | 2,025.19         |
| Lease liabilities           | 721.17           | 2,881.32        | 1,171.94          | 4,774.43         |
| Other financial liabilities | 496.00           | 6.38            | -                 | 502.38           |
|                             | <b>5,139.49</b>  | <b>3,875.88</b> | <b>1,189.65</b>   | <b>10,205.02</b> |

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 28 - Financial risk management (continued)****C Market risk**

Market risk is a risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

**(i) Foreign currency risk**

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

The Group primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Group has a natural hedge in terms of its receivables and payables being in USD. The Group also has risk in terms of translation of its foreign operations. Further, any additional exposure is continuously monitored and hedging options like forward contracts are taken whenever they are expected to be cost effective.

**(a) Foreign currency risk exposure**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2025:

|                                                            | GBP          | USD             | EUR           | HKD         | JPY          | CHF         |
|------------------------------------------------------------|--------------|-----------------|---------------|-------------|--------------|-------------|
| <b>Financial asset</b>                                     |              |                 |               |             |              |             |
| Trade receivable                                           | -            | 1,706.74        | 2.03          | -           | -            | -           |
| Cash and cash equivalents                                  | -            | 57.05           | -             | -           | -            | -           |
| Other financial assets                                     | -            | -               | 0.18          | -           | -            | -           |
| <b>Net exposure to foreign currency risk (assets)</b>      | <b>-</b>     | <b>1,763.79</b> | <b>2.21</b>   | <b>-</b>    | <b>-</b>     | <b>-</b>    |
| <b>Financial liability</b>                                 |              |                 |               |             |              |             |
| Trade payables                                             | 20.44        | 810.97          | 65.15         | 0.07        | -            | 7.08        |
| Borrowings                                                 | -            | 272.71          | -             | -           | -            | -           |
| Lease liabilities                                          | -            | -               | 757.24        | -           | -            | -           |
| Other financial liabilities                                | -            | 34.17           | 1.85          | -           | 74.39        | 0.26        |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>20.44</b> | <b>1,117.85</b> | <b>824.24</b> | <b>0.07</b> | <b>74.39</b> | <b>7.34</b> |

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR as against respective foreign currency are as follows as at March 31, 2024:

|                                                            | GBP          | USD             | EUR           | HKD          | JPY      | CHF      |
|------------------------------------------------------------|--------------|-----------------|---------------|--------------|----------|----------|
| <b>Financial asset</b>                                     |              |                 |               |              |          |          |
| Trade receivable                                           | -            | 1,760.15        | 2.36          | -            | -        | -        |
| Other financial assets                                     | -            | 58.90           | 194.10        | -            | -        | -        |
| Other current assets                                       | 5.30         | 20.58           | 8.95          | -            | -        | -        |
| Other non current assets                                   | -            | 24.00           | -             | -            | -        | -        |
| <b>Net exposure to foreign currency risk (assets)</b>      | <b>5.30</b>  | <b>1,863.63</b> | <b>205.41</b> | <b>-</b>     | <b>-</b> | <b>-</b> |
| <b>Financial liability</b>                                 |              |                 |               |              |          |          |
| Trade payables                                             | 10.87        | 856.00          | 47.72         | 20.00        | -        | -        |
| Bank Borrowings                                            | -            | 1,322.52        | -             | -            | -        | -        |
| Lease liabilities                                          | -            | -               | 923.33        | -            | -        | -        |
| Other current liabilities                                  | -            | 176.53          | -             | -            | -        | -        |
| Contract liabilities                                       | -            | 48.73           | -             | -            | -        | -        |
| <b>Net exposure to foreign currency risk (liabilities)</b> | <b>10.87</b> | <b>2,403.78</b> | <b>971.05</b> | <b>20.00</b> | <b>-</b> | <b>-</b> |

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## Notes to consolidated financial statements

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

## Note 28 - Financial risk management (continued)

## (b) Sensitivity

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

|                          | Impact on profit after tax and equity |                         |
|--------------------------|---------------------------------------|-------------------------|
|                          | As at<br>March 31, 2025               | As at<br>March 31, 2024 |
| USD Sensitivity          |                                       |                         |
| INR/USD - Increase by 5% | 23.31                                 | (19.51)                 |
| INR/USD - decrease by 5% | (23.31)                               | 19.51                   |
| GBP Sensitivity          |                                       |                         |
| INR/GBP - Increase by 5% | (0.74)                                | (0.20)                  |
| INR/GBP - decrease by 5% | 0.74                                  | 0.20                    |
| EUR Sensitivity          |                                       |                         |
| INR/EUR - Increase by 5% | (29.67)                               | (27.64)                 |
| INR/EUR - decrease by 5% | 29.67                                 | 27.64                   |
| HKD Sensitivity          |                                       |                         |
| INR/HKD - Increase by 5% | (0.00)                                | (0.72)                  |
| INR/HKD - decrease by 5% | 0.00                                  | 0.72                    |
| JPY Sensitivity          |                                       |                         |
| INR/JPY - Increase by 5% | (2.68)                                | -                       |
| INR/JPY - decrease by 5% | 2.68                                  | -                       |
| CHF Sensitivity          |                                       |                         |
| INR/CHF - Increase by 5% | (0.26)                                | 0.02                    |
| INR/CHF - decrease by 5% | 0.26                                  | (0.02)                  |

## (iii) Interest rate risk

(a) The exposure of Group's borrowings to interest rate changes at the end of the reporting period

|                          |                 |                 |
|--------------------------|-----------------|-----------------|
| Variable rate borrowings | 3,985.92        | 2,428.18        |
| Fixed rate borrowings    | 3,864.55        | 4,334.58        |
| <b>Total borrowings</b>  | <b>7,850.47</b> | <b>6,762.76</b> |

(b) Profit & loss and equity is sensitive to higher/lower interest expense from borrowings as a result of change in

|                                              |         |        |
|----------------------------------------------|---------|--------|
| Interest rates - increase by 50 basis points | (14.39) | (8.76) |
| Interest rates - decrease by 50 basis points | 14.39   | 8.76   |

## (iii) Price risk

Price risk is the risk of a decline in the value of a security or an investment portfolio. The Group had investments in debt mutual funds as at March 31, 2024. During the year March 31, 2025, the investments were disposed off and the balance is nil. The fair value for this was impacted by interest rate movements.

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 29 - Capital management**

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

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

**(i) Net Debt to Equity Ratio**

Net debt (refer note no. 36)

Total equity

**Net debt to equity ratio**

| <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|---------------------------------|---------------------------------|
| 7,052.56                        | 4,469.56                        |
| 7,159.78                        | 8,156.20                        |
| <b>0.99</b>                     | <b>0.55</b>                     |

**Note 30 - Contingent liabilities**

Labour related matters (Refer Note (i))

Tax matters (Refer note (ii))

| <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|---------------------------------|---------------------------------|
| 68.33                           | 60.00                           |
| 861.22                          | 844.31                          |

(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 March 31, 2025: INR 68.33 (March 31, 2024: INR 60.00). The Company is however confident of winning this case based on the counsel advice and hence the same has not been provided by the Company in the consolidated financial statements.

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

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

(iv) Income tax refund claimed by the Parent Company (pertaining to FY 20, 21 & 22 amounting to INR 13) has been adjusted by Tax department against the outstanding demand. The said adjustment is not accepted by the Parent Company and is treated as payments made under protest.

(v) In Aerostructure Manufacturing Indian Private Limited, income tax matters under dispute amounting to INR 39.00, mainly include disputed claims arising out of various adjustments carried out pursuant to assessment proceedings and additions on account of transfer pricing adjustments made by the Tax Authorities under Section 92CA of the Income Tax Act, 1961. The Company is of the view that it has a good defence in respect of the disallowances and adjustments made.

(vi) In Aerostructures Assemblies India Private Limited, income tax matters under dispute amounting to INR 16.96, mainly include disputed claims arising out of adjustments against the benchmarking analysis of manufacturing segment carried out pursuant to assessment proceedings and additions on account of transfer pricing adjustments made by the Tax Authorities under Section 143(3) of the Income Tax Act, 1961. The Company is of the view that it has a good defence in respect of the disallowances and adjustments made.

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)*

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

(viii) 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.

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

(x) Refer note 35 for Corporate guarantees given to third parties by the Group for loans taken by related parties of the group.

**Note 31 - Commitments****Capital commitments**

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

**Particulars**

(i) Property, plant and equipment

|  | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|--|---------------------------------|---------------------------------|
|  | 311.26                          | 153.53                          |
|  | <b>311.26</b>                   | <b>153.53</b>                   |

The Group has entered into various contracts for acquisition of property, plant and, equipment as part of its segment expansion plans.

**Note 32 - Earnings per share**

(a) Earnings per share (basic and diluted)

-From continuing operations

-From discontinued operations

Total basic and diluted earnings per share attributable to the equity holders of the company

|  | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|--|---------------------------------|---------------------------------|
|  | (1.80)                          | (0.16)                          |
|  | 0.00                            | (0.04)                          |
|  | <b>(1.80)</b>                   | <b>(0.20)</b>                   |

(b) Profit attributable to the equity share holders used in calculating basic and diluted earnings per share

-From continuing operations

-From discontinued operations

Loss attributable to equity shareholders of the Company

|  |                   |                 |
|--|-------------------|-----------------|
|  | (1,024.15)        | (88.46)         |
|  | 0.69              | (19.92)         |
|  | <b>(1,023.46)</b> | <b>(108.38)</b> |

(c) Weighted Average number of Equity shares in calculating basic and diluted EPS

**567,485,326**      **544,522,820**

**Diluted Earning per share**

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

*(This space is intentionally left blank)*

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 33 - Business combination and other acquisitions and disposals-Transfer of business undertaking**

On July 11, 2024, one of the Group's subsidiary company - Aequs Consumer Products Private Limited (ACPPL) has entered into an agreement with Aequs Cookware Private Limited (ACPL) and transferred certain assets and liabilities relating to its Consumer Durable Goods business unit effective from October 1, 2024. The consideration of ₹ 300.53 is receivable after two years from the effective date of transfer and interest of 12% p.a. on the outstanding consideration amount is receivable quarterly from the effective date of transfer.

The assets and liabilities have been transferred at the values as given in the below table:

| Category                          | As at<br>September 30, 2024 |
|-----------------------------------|-----------------------------|
| Property, plant and equipment     | 142.92                      |
| Capital work-in-progress          | 1.45                        |
| Intangible assets                 | 0.48                        |
| Right-of-use assets               | 167.74                      |
| Inventory                         | 69.68                       |
| Trade receivables                 | 101.95                      |
| Financial assets                  | 22.64                       |
| Cash and cash equivalents         | 21.93                       |
| Other bank balances               | 3.79                        |
| Other assets                      | 86.88                       |
| <b>Total Assets</b>               | <b>619.46</b>               |
| Financial liabilities             | 5.56                        |
| Trade payables                    | 89.41                       |
| Employee benefit obligations      | 6.76                        |
| Other liabilities                 | 2.28                        |
| Contract liabilities              | 31.68                       |
| Lease liabilities                 | 183.24                      |
| <b>Total Liabilities</b>          | <b>318.93</b>               |
| <b>Net Assets</b>                 | <b>300.53</b>               |
| Purchase consideration receivable | 300.53                      |

*(This space is intentionally left blank)*

## Notes to consolidated financial statements

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

## Note 34 - Segment information

## Description of segments and principal activities

The Group's Chief Operating Decision Maker (CODM) is identified to be the Executive Chairman and Chief Executive Officer of the Parent Company, who plans the allocation of resources and assess the performance of the segments. During the year ended March 31, 2024, the Group has identified two reportable segments i.e., Aerospace and Consumer compared to single reportable in the preceding year. Hence, segment information for the corresponding previous financial years has been restated.

| Particulars                                                                                                                                                                                                                             | For the year ended March 31, 2025 |                   |                 |                |                   | For the year ended March 31, 2024 |                 |                 |                |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|-----------------|----------------|-------------------|-----------------------------------|-----------------|-----------------|----------------|-----------------|
|                                                                                                                                                                                                                                         | Aerospace                         | Consumer          | Total Segment   | Eliminations   | Total             | Aerospace                         | Consumer        | Total Segment   | Eliminations   | Total           |
| <b>Revenue</b>                                                                                                                                                                                                                          |                                   |                   |                 |                |                   |                                   |                 |                 |                |                 |
| Gross revenue                                                                                                                                                                                                                           | 9,092.54                          | 1,075.08          | 10,167.62       | -              | 10,167.62         | 8,315.75                          | 2,185.96        | 10,501.71       | -              | 10,501.71       |
| Intra segment revenue                                                                                                                                                                                                                   | (846.13)                          | (75.43)           | (921.56)        | -              | (921.56)          | (745.97)                          | (105.00)        | (850.97)        | -              | (850.97)        |
| <b>Net external revenue</b>                                                                                                                                                                                                             | <b>8,246.41</b>                   | <b>999.65</b>     | <b>9,246.06</b> | <b>-</b>       | <b>9,246.06</b>   | <b>7,569.78</b>                   | <b>2,080.96</b> | <b>9,650.74</b> | <b>-</b>       | <b>9,650.74</b> |
| <b>Result</b>                                                                                                                                                                                                                           |                                   |                   |                 |                |                   |                                   |                 |                 |                |                 |
| Segment result                                                                                                                                                                                                                          | 1,597.75                          | (286.71)          | 1,311.04        | (101.59)       | 1,209.45          | 1,743.73                          | (155.68)        | 1,588.05        | (132.95)       | 1,455.10        |
| <b>Add / (Less)</b>                                                                                                                                                                                                                     |                                   |                   |                 |                |                   |                                   |                 |                 |                |                 |
| Finance costs                                                                                                                                                                                                                           | (387.75)                          | (238.70)          | (626.45)        | 37.44          | (589.01)          | (388.10)                          | (357.86)        | (745.96)        | 107.90         | (638.06)        |
| Depreciation and amortisation expense                                                                                                                                                                                                   | (611.40)                          | (422.66)          | (1,034.06)      | -              | (1,034.06)        | (615.54)                          | (460.13)        | (1,075.67)      | (1.18)         | (1,076.85)      |
| <b>Segment result before exceptional items, share of net profit/(loss) of associates and joint ventures accounted for using the equity method net of tax, unallocated corporate income net of unallocated expenses and income taxes</b> | <b>598.60</b>                     | <b>(948.07)</b>   | <b>(349.47)</b> | <b>(64.15)</b> | <b>(413.62)</b>   | <b>740.09</b>                     | <b>(973.67)</b> | <b>(233.58)</b> | <b>(26.23)</b> | <b>(259.81)</b> |
| Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, net of tax                                                                                                                           | 113.06                            | (27.82)           | 85.24           | -              | 85.24             | 51.52                             | -               | 51.52           | -              | 51.52           |
| Exceptional item allocated to segment.                                                                                                                                                                                                  | -                                 | (482.65)          | (482.65)        | -              | (482.65)          | 186.48                            | -               | 186.48          | -              | 186.48          |
| Unallocated corporate income net of unallocated expenses                                                                                                                                                                                | -                                 | -                 | -               | -              | (129.76)          | -                                 | -               | -               | -              | -               |
| <b>Profit / (loss) before tax</b>                                                                                                                                                                                                       | <b>711.66</b>                     | <b>(1,458.54)</b> | <b>(746.88)</b> | <b>(64.15)</b> | <b>(940.79)</b>   | <b>978.09</b>                     | <b>(973.67)</b> | <b>4.42</b>     | <b>(26.23)</b> | <b>(21.81)</b>  |
| Income taxes                                                                                                                                                                                                                            | -                                 | -                 | -               | -              | (83.40)           | -                                 | -               | -               | -              | (99.66)         |
| <b>Profit / (loss) after tax</b>                                                                                                                                                                                                        | <b>711.66</b>                     | <b>(1,458.54)</b> | <b>(746.88)</b> | <b>(64.15)</b> | <b>(1,024.19)</b> | <b>978.09</b>                     | <b>(973.67)</b> | <b>4.42</b>     | <b>(26.23)</b> | <b>(121.47)</b> |

## Other information

| Particulars                         | As at March 31, 2025 |                 |                  |                 |                  | As at March 31, 2024 |                 |                  |                 |                  |
|-------------------------------------|----------------------|-----------------|------------------|-----------------|------------------|----------------------|-----------------|------------------|-----------------|------------------|
|                                     | Aerospace            | Consumer        | Total Segment    | Eliminations    | Total            | Aerospace            | Consumer        | Total Segment    | Eliminations    | Total            |
| Segment assets                      | 10,148.71            | 8,701.64        | 18,850.35        | (602.69)        | 18,247.66        | 10,631.34            | 7,343.20        | 17,974.54        | (83.44)         | 17,891.10        |
| <b>Unallocated corporate assets</b> |                      |                 |                  |                 |                  |                      |                 |                  |                 |                  |
| Deferred tax assets                 | 331.70               | -               | 331.70           | -               | 331.70           | -                    | -               | -                | -               | 324.47           |
| Current tax assets                  | 19.04                | -               | 19.04            | -               | 19.04            | -                    | -               | -                | -               | 14.26            |
| <b>Total assets</b>                 | <b>10,499.45</b>     | <b>8,701.64</b> | <b>19,201.09</b> | <b>(602.69)</b> | <b>18,598.40</b> | <b>10,631.34</b>     | <b>7,343.20</b> | <b>17,974.54</b> | <b>(83.44)</b>  | <b>18,229.83</b> |
| Segment liabilities                 | 6,893.90             | 5,147.00        | 12,040.90        | (602.28)        | 11,438.62        | 6,633.44             | 4,019.58        | 10,653.02        | (579.39)        | 10,073.63        |
| Unallocated corporate liabilities   | -                    | -               | -                | -               | -                | -                    | -               | -                | -               | -                |
| <b>Total liabilities</b>            | <b>6,893.90</b>      | <b>5,147.00</b> | <b>12,040.90</b> | <b>(602.28)</b> | <b>11,438.62</b> | <b>6,633.44</b>      | <b>4,019.58</b> | <b>10,653.02</b> | <b>(579.39)</b> | <b>10,073.63</b> |

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Notes to consolidated financial statements

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

Geographical information

Revenue

|                          | Year ended March 31, 2025 |         | Year ended March 31, 2024 |         |
|--------------------------|---------------------------|---------|---------------------------|---------|
| Geography                | Amount                    | %       | Amount                    | %       |
| India                    | 985.96                    | 10.74%  | 1,223.10                  | 12.67%  |
| United States of America | 2,130.92                  | 23.02%  | 1,862.50                  | 19.30%  |
| France                   | 2,044.82                  | 22.11%  | 1,709.75                  | 17.72%  |
| Hong Kong                | 622.14                    | 6.72%   | 1,606.45                  | 16.65%  |
| Sweden                   | 904.57                    | 9.77%   | 1,044.50                  | 10.82%  |
| United Kingdom           | 817.64                    | 8.83%   | 679.44                    | 7.04%   |
| Germany                  | 1,135.12                  | 12.28%  | 993.99                    | 10.30%  |
| Others                   | 604.89                    | 6.53%   | 531.01                    | 5.50%   |
| Total                    | 9,246.06                  | 100.00% | 9,650.74                  | 100.00% |

Non-current assets

| Geography | As at March 31, 2025 | As at March 31, 2024 |
|-----------|----------------------|----------------------|
| India     | 9,551.55             | 8,598.56             |
| France    | 380.13               | 786.27               |
| USA       | 194.62               | 486.22               |
| Total     | 10,126.30            | 9,871.05             |

Information about major customers

| Particulars | Year ended March 31, 2025 |          |                    | Year ended March 31, 2024 |          |                    |
|-------------|---------------------------|----------|--------------------|---------------------------|----------|--------------------|
|             | Segment                   | Revenue  | % of total revenue | Segment                   | Revenue  | % of total revenue |
| Customer 1  | Aerospace                 | 2,198.00 | 23.74%             | Aerospace                 | 1,812.25 | 18.78%             |
| Customer 2  | Aerospace                 | 1,834.99 | 19.82%             | Aerospace                 | 1,652.57 | 17.12%             |
| Customer 3  | Aerospace                 | 904.57   | 9.77%              | Consumer                  | 1,166.60 | 12.09%             |
| Customer 4  | Aerospace                 | 883.09   | 9.54%              | Aerospace                 | 1,044.57 | 10.82%             |

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## Notes to consolidated financial statements

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

## Note 35 - Related Party Transactions

## Names of related parties and related party relationship

| Relationship                                                                   | Name of the related party                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Related parties where control exists</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Ultimate holding company</b>                                                | Aequs Inc, Cayman Islands (100% beneficially owned and controlled by the Melligiri Foundation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Holding company</b>                                                         | Aequs Manufacturing Investments Private Limited, Mauritius ('AMIPL')                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Related parties with whom transactions have taken place during the year</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Associates</b>                                                              | Aequs Foundation, India (ceased to be associate w.e.f February 25, 2024).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Joint ventures</b>                                                          | Aerospace Processing India Private Limited ('API')<br>SQuAD Forging India Private Limited ('SQuAD')<br>Aequs Cookware Private Limited ('ACPL') w.e.f. September 30, 2024<br>Aequs Rajas Extrusion Private Limited ('AREPL') (ceased to be joint ventures w.e.f. June 19, 2023)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Subsidiaries</b>                                                            | AeroStructures Manufacturing India Private Limited ('ASMIPL')<br>Aequs Stock Option Plan Trust ('ESOP Trust')<br>Aequs Aerospace BV ('AABV')<br>Aerospace Manufacturing Holdings Private Limited ('AMHPL')<br>Aequs Oil and Gas LLC ('AOGLLC')<br>Aequs Engineered Plastics Private Limited ('AEPPL')<br>Aequs Force Consumer Products Private Limited ('AFCPPL')<br>Aequs Consumer Products Private Limited ('ACPPL')<br>Aequs Toys Private Limited ('ATPL')<br>Aerostructures Assemblies India Private Limited ('AAI')<br>Aequs Material Management Private Limited ('AMMPL') (Struck off w.e.f. June 29, 2024)<br><br>Subsidiary of ASMIPL<br>Aequs Aerospace LLC ('AALLC')<br><br>Subsidiary of Aequs Aerospace LLC ('AALLC')<br>Aequs Aero Machine Inc ('AAM')<br><br>Subsidiary of AABV<br>SCI Du Champ De pivoinies ('SCI Du') (Merged w.ef April 01, 2023)<br>Aequs Holdings France SAS ('AHF')<br><br>Subsidiary of AHF<br>Aequs Aerospace France SAS ('AAF Corp')<br><br>Subsidiaries of AAF Corp<br>Bernar SAS ('Bernar') (Merged w.ef April 01, 2023)<br><br>Subsidiaries of Aequs Engineered Plastics Private Limited ('AEPPL')<br>Aequs Toys Hong kong Private Limited, Hong Kong ('ATHPL')<br><br>Subsidiaries of Aequs Force Consumer Products Private Limited ('AFCPPL')<br>Aequs Force Technology Company Limited ('AFTCL'), deregistered w.e.f. December 27, 2024<br><br>Subsidiaries of Aequs Consumer Products Private Limited ('ACPPL')<br>Aequs Home Appliances Private Limited ('AHAPL'), struck off w.e.f. June 27, 2025<br><br>Subsidiaries of Aequs Toys Private Limited<br>Koppal Toys Molding COE private Limited ('KTMCPPL')<br>Koppal Toys Tooling COE Private Limited ('KTTCPPL'), struck off w.e.f. November 30, 2024<br>Aequs Rajas Extrusion Private Limited ('AREPL') w.e.f. June 19, 2023 |
| <b>Directors/ Key management personnel</b>                                     | Mr. Rajeev Kaul, Managing Director<br>Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer<br>Dr. Ajay Aravind Prabhu, Director<br>Dr. Eberhard Klaus Richter, Director<br>Dr. Shubhada Rao, Director (ceased to be director w.e.f. December 31, 2024)<br>Mr. Mahesh Parasuraman, Director (w.e.f. March 24, 2021 and ceased to be director w.e.f. September 11, 2023)<br><br>Ms. Vidhya Sarathy, Director (Appointed as an additional director w.e.f January 31, 2025 and Independent director w.e.f April 25, 2025)<br>Mr. Dinesh Iyer, Chief Financial Officer<br>Dr. Anup Wadhawan, Independent Director (w.e.f. April 25, 2025)<br>Mr. Ravi Mallikarjun Hugar, Company Secretary and Compliance officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Notes to consolidated financial statements

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

|                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Enterprises in which individuals owning interest in the Group, or their relatives have control, joint control or significant influence</b> | Aequs SEZ Private Limited ('ASEZ')<br>Automotive End Solution Private Limited('AESPL')<br>Melligeri Investments LLC ('MILLC')<br>Industrial Knowledge Centre Private Limited ('IKC')<br>MFRE Texas Holding LLC, USA<br>MFRE Taris, LLC<br>MFRE Private Trust<br>MFRE Estate Private Limited ('MFREEPL')<br>Altum Trust ('Altum')<br>QuEST Global Engineering Services Private Limited ('QGESPL')<br>Aequs Stock Option Plan Trust ('ESOPT')<br>Aequs Limited, Malta ('ALM') (renamed as MFO IP holdings Private Limited w.e.f March, 17, 2025)<br>Hubballi Durable Goods Cluster Private Limited ('HDGCPL') |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 35 - Related party disclosures- Transactions**

|                                                          | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------------------|------------------------------|------------------------------|
| <b>Holding Company - AMIPL</b>                           |                              |                              |
| Unsecured loan taken during the year                     | -                            | 248.14                       |
| Interest expense -others                                 | 32.77                        | -                            |
| <b>ESOPT</b>                                             |                              |                              |
| Share options excercised during the year                 | 23.10                        | -                            |
| <b>Associates</b>                                        |                              |                              |
| <b>Aequs Foundation</b>                                  |                              |                              |
| Expenses incurred on behalf of related entity            | 0.32                         | 0.12                         |
| Sale of PPE                                              | -                            | 0.01                         |
| <b>Joint Ventures - Transactions</b>                     |                              |                              |
| <b>SQuAD</b>                                             |                              |                              |
| Employee stock option expense cross charge               | 0.16                         | 0.49                         |
| Expenses incurred on behalf on related entity            | 0.28                         | 8.93                         |
| Fair value of financial guarantee issued during the year | 0.90                         | 0.90                         |
| Financial guarantee income                               | 2.40                         | 5.21                         |
| Investments in equity shares                             | -                            | 154.88                       |
| Sale of goods                                            | 55.61                        | 42.67                        |
| Sale of assets                                           | 0.01                         | -                            |
| Expenses incurred by related party                       | 0.05                         | -                            |
| Services provided (Subcon)                               | 10.80                        | 2.28                         |
| Purchase of goods and consumables                        | 42.53                        | 35.38                        |
| Services received                                        | 0.39                         | 0.37                         |
| <b>API</b>                                               |                              |                              |
| Employee stock option expense cross charge               | -                            | 0.09                         |
| Expenses incurred on behalf on related party             | 0.03                         | 14.34                        |
| Expenses incurred by related party                       | 0.01                         | -                            |
| Sale of goods                                            | 0.07                         | -                            |
| Services received                                        | 323.55                       | 267.45                       |
| Services provided                                        | 19.20                        | 5.25                         |
| Financial guarantee income                               | 0.90                         | 0.85                         |
| Fair value of financial guarantee issued                 | -                            | 6.32                         |
| Purchase of goods and consumables                        | 0.13                         | -                            |
| <b>ACPL</b>                                              |                              |                              |
| Expenses incurred on behalf of related party             | 0.43                         | -                            |
| Service Rendered                                         | -                            | -                            |
| Expenses incurred by related party                       | 2.27                         | -                            |
| Interest on deferred consideration recoverable           | 18.03                        | -                            |
| Deferred consideration recoverable                       | 300.53                       | -                            |
| Financial guarantee Income                               | 3.20                         | -                            |
| Fair value of financial guarantee issued during the year | 64.29                        | -                            |
| Employee stock option expense                            | 0.16                         | -                            |
| Investments in equity shares                             | 41.50                        | -                            |

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Enterprises in which individuals owning interest in the Group, or their relatives have control, joint control or significant influence - Transactions**

|                                                            | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------------------|------------------------------|------------------------------|
| <b>IKC</b>                                                 |                              |                              |
| Expenses incurred on behalf on RP                          | 0.37                         | 0.78                         |
| Services received                                          | 1.48                         | 61.14                        |
| <b>ASEZ</b>                                                |                              |                              |
| Deposit given                                              | 14.43                        | 5.22                         |
| Expenses incurred on behalf on related entity              | 8.72                         | 19.65                        |
| Expense incurred by related party                          | 1.23                         | 0.75                         |
| Financial guarantee expense                                | 10.21                        | 43.70                        |
| Interest expense on lease liability                        | 246.38                       | 219.81                       |
| Repayment of lease liability                               | 256.99                       | -                            |
| Surrender of Lease liability                               | 63.05                        |                              |
| Services received                                          | 444.89                       | 702.26                       |
| Services provided                                          | -                            | 4.70                         |
| Fair value of financial guarantee received during the year | 8.22                         | 73.46                        |
| <b>MILLC</b>                                               |                              |                              |
| Interest on loan taken                                     | 2.10                         | 2.02                         |
| <b>QGEPL</b>                                               |                              |                              |
| Services received                                          | 10.03                        | 2.55                         |
| <b>MFRE Private Trust</b>                                  |                              |                              |
| Expenses incurred on behalf on RP                          | -                            | 0.50                         |
| Fair value of the guarantee taken                          | -                            | 1.02                         |
| Financial guarantee expense                                | -                            | 1.65                         |
| <b>MFREEPL</b>                                             |                              |                              |
| Financial guarantee expense                                | -                            | 0.76                         |
| <b>AESPL</b>                                               |                              |                              |
| Expenses incurred on behalf on RP                          | -                            | -                            |
| <b>ALM</b>                                                 |                              |                              |
| Branding expenses                                          | 10.00                        | 5.90                         |
| <b>HDGCPL</b>                                              |                              |                              |
| Deposit given                                              | -                            | 44.90                        |
| Services received                                          | 239.81                       | 231.49                       |
| Repayment of lease liability                               | 18.82                        | -                            |
| Transfer due to slump sale                                 | 183.24                       | -                            |
| Recognition of new lease                                   | -                            | -                            |
| Interest expenses on lease liability                       | 53.04                        | 12.60                        |
| Expenses incurred by related party                         | 0.03                         | -                            |
| Expenses incurred on behalf on RP                          | -                            | 0.60                         |
| <b>MFRE Taris, LLC</b>                                     |                              |                              |
| Repayment of lease liability                               | -                            | 13.27                        |
| Interest expenses on lease liability                       | -                            | 0.46                         |

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

Notes to consolidated financial statements

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

Key managerial personnel and their relatives

|                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|--------------------------------|------------------------------|------------------------------|
| <b>Managerial remuneration</b> |                              |                              |
| Mr. Aravind s Melligeri        | 43.89                        | 40.84                        |
| Mr. Rajeev Kaul                | 18.36                        | 15.10                        |
| Mr. Ravi Mallikarjun Hugar     | 7.23                         | 5.35                         |
| Mr. Dinesh Iyer                | 17.02                        | 14.07                        |
| Ms. Shubhada Rao               | -                            | 1.41                         |
| Mrs. Vidhya Sarathy            | 0.42                         | -                            |
| Mr. Ajay Aravind Prabhu        | 1.45                         | -                            |
| Short term employee benefits   | 83.90                        | 72.18                        |
| Post employee benefits         | 0.75                         | 0.76                         |
| Share-based payment            | 3.71                         | 3.83                         |

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 35 - Related party disclosures- Balances as at year-end**

|                                                                                                                  | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Ultimate Holding Company-Aequs Inc                                                                               |                                 |                                 |
| Dues from related parties                                                                                        | -                               | 0.07                            |
| <b>Holding Company - AMIPL</b>                                                                                   |                                 |                                 |
| Loans from related parties (unsecured)                                                                           | 256.37                          | 248.14                          |
| Interest accrued but not due on borrowings                                                                       | 19.36                           | -                               |
| <b>Associates</b>                                                                                                |                                 |                                 |
| <b>AF</b>                                                                                                        |                                 |                                 |
| Dues from related parties                                                                                        | -                               | 0.04                            |
| <b>Joint Ventures - Balances</b>                                                                                 |                                 |                                 |
| <b>SQuAD</b>                                                                                                     |                                 |                                 |
| Investment in share capital                                                                                      | 746.23                          | 746.23                          |
| Impairment of Investments                                                                                        | 234.39                          | 234.39                          |
| Fair value of financial guarantee issued                                                                         | 40.33                           | 39.43                           |
| Fair value of ESOP cost                                                                                          | 1.32                            | 1.16                            |
| Trade receivables                                                                                                | 7.61                            | 2.85                            |
| Dues from related parties                                                                                        | 0.06                            | 0.72                            |
| Trade Payables                                                                                                   | 1.06                            | 11.10                           |
| <b>API</b>                                                                                                       |                                 |                                 |
| Investment in share capital                                                                                      | 89.52                           | 89.52                           |
| Fair value of financial guarantee issued                                                                         | 6.32                            | -                               |
| Fair value of ESOP cost                                                                                          | 0.00                            | -                               |
| Trade receivables                                                                                                | 0.07                            | 0.40                            |
| Dues from related parties                                                                                        | 0.01                            | 1.07                            |
| Trade Payables                                                                                                   | 108.52                          | 70.76                           |
| Dues to related parties                                                                                          | -0.01                           | -                               |
| <b>ACPL</b>                                                                                                      |                                 |                                 |
| Trade receivables from related parties                                                                           | -                               | -                               |
| Investment in Equity shares                                                                                      | 41.50                           | -                               |
| Fair value of financial guarantee issued                                                                         | 64.29                           | -                               |
| Fair value of ESOP cost                                                                                          | 0.16                            | -                               |
| Business purchase receivable                                                                                     | 318.56                          | -                               |
| Dues to related parties                                                                                          | 0.02                            | -                               |
| <b>Enterprises in which individuals owning interest in the Group, or their relatives have control - Balances</b> |                                 |                                 |
| <b>IKC</b>                                                                                                       |                                 |                                 |
| Dues from related parties                                                                                        | 0.03                            | 0.26                            |
| Trade Payables                                                                                                   | 0.11                            | 1.71                            |
| <b>Ultimate Holding Company - Aequs, Inc</b>                                                                     |                                 |                                 |
| Dues from related parties                                                                                        | -                               | 0.07                            |
| <b>MILLC</b>                                                                                                     |                                 |                                 |
| Dues from related parties                                                                                        | -                               | 0.34                            |
| Unsecured Borrowings                                                                                             | 16.33                           | 15.93                           |
| Interest Payable                                                                                                 | 8.92                            | 6.58                            |
| <b>ESOPT</b>                                                                                                     |                                 |                                 |
| Unsecured loan given                                                                                             | 241.99                          | 265.00                          |

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 35 - Related party disclosures - Balances as at year-end (continued)**

|                                            | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|--------------------------------------------|---------------------------------|---------------------------------|
| <b>ASEZ</b>                                |                                 |                                 |
| Fair value of financial guarantee received | 22.31                           | 130.99                          |
| Unamortized fair value of the guarantee    | 46.19                           | -                               |
| Security deposit (Undiscounted)            | 397.01                          | 316.02                          |
| Dues from related parties                  | 3.46                            | 0.93                            |
| Dues to related parties                    | 0.02                            | 0.77                            |
| Trade Payables                             | 33.44                           | 35.21                           |
| Trade receivables                          | -                               | 4.01                            |
| <b>AESPL</b>                               |                                 |                                 |
| Trade Payables                             | 0.15                            | 0.15                            |
| Dues to related parties                    | 0.33                            | 0.33                            |
| Dues from related parties                  | 17.25                           | 26.34                           |
| Impairment on dues from related parties    | -                               | 25.74                           |
| <b>QGEPL</b>                               |                                 |                                 |
| Trade Payables                             | 3.45                            | 0.45                            |
|                                            |                                 |                                 |
|                                            | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
| <b>Altum</b>                               |                                 |                                 |
| Dues from related parties                  | 0.00                            | 0.00                            |
| <b>MFREEPL</b>                             |                                 |                                 |
| Dues from related parties                  | 0.01                            | 0.01                            |
| Fair value of financial guarantee received | -                               | 0.26                            |
| <b>MFRE Private Trust</b>                  |                                 |                                 |
| Dues from related parties                  | -                               | 1.97                            |
| Trade payable to related parties           | -                               | -                               |
| Fair value of financial guarantee received | -                               | 3.30                            |
| <b>ALM</b>                                 |                                 |                                 |
| Trade Payables                             | 66.19                           | 5.98                            |
| <b>HDGCPL</b>                              |                                 |                                 |
| Dues from related parties                  | 0.01                            | 0.64                            |
| Dues to related parties                    | -                               | -                               |
| Security deposit                           | 64.59                           | 99.32                           |
| Trade Payables                             | 5.89                            | 30.53                           |

**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)*

|                                                     | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2023</b> |
|-----------------------------------------------------|---------------------------------|---------------------------------|
| <b>Key managerial personnel and their relatives</b> |                                 |                                 |
| Short-term employee benefits                        | 9.92                            | 6.75                            |
| Post employee benefits                              | 0.75                            | 0.76                            |

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

|                                                                |        |        |
|----------------------------------------------------------------|--------|--------|
| i. Investments in associates and joint ventures (Refer Note 7) | 768.31 | 621.61 |
| ii. Guarantees utilised (for term loan and working capital)    |        |        |
| Aerospace Processing India Private Limited ('API').            | 50.00  | 50.00  |
| SQuAD Forging India Private Limited ('SQuAD')                  | 240.00 | 290.00 |

The terms are in compliance with Section 186(7) of the Companies Act, 2013.

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## Notes to consolidated financial statements

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

## Note 36 - Net debt reconciliation

| Particulars                    | As at             | As at             |
|--------------------------------|-------------------|-------------------|
|                                | March 31, 2025    | March 31, 2024    |
| Cash and cash equivalents      | 609.43            | 792.74            |
| Bank balances other than above | 188.48            | 1,727.01          |
| Lease liabilities              | (3,479.85)        | (4,070.50)        |
| Non-current borrowings         | (1,886.17)        | (1,073.91)        |
| Current borrowings             | (2,484.45)        | (1,844.90)        |
| <b>Net debt</b>                | <b>(7,052.56)</b> | <b>(4,469.56)</b> |

## Net debt reconciliation:

|                                      | Cash and cash equivalents and other bank balances | Liabilities from financing activities |                                                       |                                          |                    | Total             |
|--------------------------------------|---------------------------------------------------|---------------------------------------|-------------------------------------------------------|------------------------------------------|--------------------|-------------------|
|                                      |                                                   | Lease obligations                     | Non-current borrowings (including current maturities) | Compulsory Convertible Preference Shares | Current borrowings |                   |
| <b>Net debt as at March 31, 2023</b> | <b>574.04</b>                                     | <b>(3,897.86)</b>                     | <b>(977.87)</b>                                       | <b>(575.39)</b>                          | <b>(1,908.13)</b>  | <b>(6,785.21)</b> |
| Cashflows                            | 1,976.34                                          | -                                     | -                                                     | -                                        | -                  | <b>1,976.34</b>   |
| New leases/ new borrowings           | -                                                 | (658.00)                              | (904.00)                                              | 0.39                                     | (76.00)            | <b>(1,637.61)</b> |
| Foreign exchange adjustments         | (30.27)                                           | 16.95                                 | (0.04)                                                | -                                        | (7.53)             | <b>(20.89)</b>    |
| Repayments                           | -                                                 | 468.41                                | 797.49                                                | -                                        | 155.00             | <b>1,420.90</b>   |
| Interest expense                     | -                                                 | (303.76)                              | (111.29)                                              | -                                        | (208.05)           | <b>(623.10)</b>   |
| Interest paid                        | -                                                 | 303.76                                | 110.80                                                | -                                        | 213.63             | <b>628.19</b>     |
| Other non-cash adjustments           | -                                                 | -                                     | 11.00                                                 | 575.00                                   | (14.00)            | <b>572.00</b>     |
| <b>As at March 31, 2024</b>          | <b>2,520.11</b>                                   | <b>(4,070.50)</b>                     | <b>(1,073.91)</b>                                     | <b>-</b>                                 | <b>(1,845.08)</b>  | <b>(4,469.38)</b> |
| <b>Net debt as at March 31, 2024</b> | <b>2,520.11</b>                                   | <b>(4,070.50)</b>                     | <b>(1,073.91)</b>                                     | <b>-</b>                                 | <b>(1,845.08)</b>  | <b>(4,469.38)</b> |
| Cashflows                            | (1,761.32)                                        | -                                     | -                                                     | -                                        | (641.82)           | <b>(2,403.14)</b> |
| New leases/ new borrowings           | -                                                 | (199.77)                              | (1,107.91)                                            | -                                        | -                  | <b>(1,307.69)</b> |
| Foreign exchange adjustments         | 39.12                                             | (37.46)                               | (45.55)                                               | -                                        | 6.60               | <b>(37.29)</b>    |
| Repayments                           | -                                                 | 561.63                                | 345.06                                                | -                                        | (0.00)             | <b>906.70</b>     |
| Interest expense                     | -                                                 | (275.63)                              | (31.86)                                               | -                                        | (164.40)           | <b>(471.89)</b>   |
| Interest paid                        | -                                                 | 346.18                                | 123.43                                                | -                                        | 142.52             | <b>612.13</b>     |
| Other non-cash adjustments           | -                                                 | 195.70                                | (95.43)                                               | -                                        | 17.73              | <b>118.00</b>     |
| <b>As at March 31, 2025</b>          | <b>797.91</b>                                     | <b>(3,479.85)</b>                     | <b>(1,886.17)</b>                                     | <b>-</b>                                 | <b>(2,484.45)</b>  | <b>(7,052.56)</b> |

## Note:

Interest on term loans in one of the subsidiaries INR 97.79 Mn has been paid during the year. The same has been capitalized in accordance with Ind AS 23 Borrowing Cost.

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 37 - Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings as below. The amounts are as disclosed in the standalone financial statements of the entities included in consolidation without adjusting for inter-company eliminations.

|                                                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| <b>Current</b>                                            |                         |                         |
| <b>A. Financial assets:</b>                               |                         |                         |
| - Trade receivables                                       | 1,608.96                | 1,579.14                |
| - Cash and cash equivalents                               | -                       | 2,024.78                |
| - Other bank balances                                     | -                       | 44.27                   |
| - Other assets                                            | 57.00                   | 7.36                    |
| <b>B. Non financial assets:</b>                           |                         |                         |
| - Inventories                                             | 3,349.91                | 3,039.30                |
| - Contract assets                                         | -                       | -                       |
| - Other assets                                            | 123.54                  | 88.98                   |
| <b>Total current assets pledged as security</b>           | <b>5,139.41</b>         | <b>6,783.83</b>         |
| <b>Non current</b>                                        |                         |                         |
| <b>A. Non financial assets:</b>                           |                         |                         |
| Property plant and equipment and capital work in progress | 4,979.20                | 4,017.97                |
| - Plant and machinery                                     | 1,028.90                | 2,270.21                |
| - Computer equipment                                      | -                       | 15.52                   |
| - Office equipment                                        | -                       | 8.97                    |
| - Capital work-in-progress                                | 3,950.30                | 1,722.70                |
| - Intangible Assets                                       | -                       | 0.57                    |
| <b>Total non-current assets pledged as security</b>       | <b>4,979.20</b>         | <b>4,017.97</b>         |
| <b>Total assets pledged as security</b>                   | <b>10,118.61</b>        | <b>10,801.80</b>        |

**Note 38- Dues to micro, small and medium enterprises**

The Group 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 Group. 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. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars                                                                                                                                                                                      | March 31, 2025 | March 31, 2024 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (i) Principal amount due to the suppliers registered under MSMED Act and remaining unpaid at the end of each accounting year                                                                     | 73.56          | 9.99           |
| (ii) Interest due to suppliers registered under MSMED Act and remaining unpaid as at the end of each accounting year                                                                             | 1.38           | 0.01           |
| (iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                                                               | 131.09         | 15.91          |
| (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                                              | 0.00           | 0.00           |
| (iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | 2.12           | 0.12           |
| (vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made                                                                                            | 0.72           | 0.00           |
| (vii) Further interest remaining due and payable for earlier years                                                                                                                               | 0.00           | 0.01           |

*(This space is intentionally left blank)*

## Notes to consolidated financial statements

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

## 39 Income tax expense

| Particulars                                     | March 31, 2025 | March 31, 2024 |
|-------------------------------------------------|----------------|----------------|
| <b>Current tax</b>                              |                |                |
| Current tax on profits of the year              | 148.88         | 115.13         |
| <b>Total current tax expense (A)</b>            | <b>148.88</b>  | <b>115.13</b>  |
| <b>Deferred tax</b>                             |                |                |
| Deferred tax expense for the year               | (65.48)        | (15.47)        |
| <b>Total deferred tax expense/(benefit) (B)</b> | <b>(65.48)</b> | <b>(15.47)</b> |
| <b>Income tax expense/ (benefit) (A+B)</b>      | <b>83.40</b>   | <b>99.66</b>   |

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

| Particulars                                                                               | March 31, 2025  | March 31, 2024 |
|-------------------------------------------------------------------------------------------|-----------------|----------------|
| <b>Tax expenses under general provision of income tax</b>                                 |                 |                |
| Profit from continuing operations before income tax expense                               | (940.79)        | (42.78)        |
| Tax rate                                                                                  | 27.82%          | 27.82%         |
| <b>Tax at the above rate</b>                                                              | <b>(261.73)</b> | <b>(11.90)</b> |
| Tax impact of permanent differences                                                       | 45.66           | 20.10          |
| Tax impact of income not chargeable to tax                                                | (34.25)         | 42.05          |
| Tax impact of entities in tax holidays                                                    | (74.45)         | (91.02)        |
| Tax impact of unabsorbed depreciation on which no deferred tax has been recognized        | -               | (0.87)         |
| Tax impact of business loss and other items on which no deferred tax has been recognized* | 278.76          | 194.95         |
| Tax impact due to differential tax rates applicable to subsidiaries                       | 121.15          | (40.03)        |
| Others                                                                                    | 8.26            | (13.62)        |
| <b>Total tax expense/(benefit)</b>                                                        | <b>83.40</b>    | <b>99.66</b>   |

\* The Group has recognised deferred tax asset on carried forward losses and unabsorbed tax losses during the year and previous years with respect to the Parent Company and Aerostructure Manufacturing India Private Limited and Aerostructures Assemblies India Private Limited 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 utilized by the respective entities. In respect of other entities, the Group has not recognised the deferred tax asset in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off.

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

|              | Year ended<br>March 31, 2025 | Expiry date | Year ended<br>March 31, 2024 | Expiry date |
|--------------|------------------------------|-------------|------------------------------|-------------|
| Expire       | 3,041.20                     | 2033-34     | 2,612.22                     | 2032-33     |
| Never expire | 2,545.41                     | -           | 1,357.64                     | -           |

## Deferred tax assets (net)

| Particulars                                         | March 31, 2025  | March 31, 2024  |
|-----------------------------------------------------|-----------------|-----------------|
| <b>Deferred tax liabilities</b>                     |                 |                 |
| Property, plant and equipment and Intangible assets | (40.32)         | (42.49)         |
| Right-of-use assets                                 | (142.10)        | (215.17)        |
|                                                     | <b>(182.42)</b> | <b>(257.66)</b> |
| <b>Deferred tax assets</b>                          |                 |                 |
| Tax losses carried forward                          | 72.68           | 122.32          |
| MAT credit entitlement                              | 37.26           | 95.83           |
| Lease liabilities                                   | 207.32          | 221.52          |
| Inventories                                         | 52.75           | 42.44           |
| Others                                              | 144.11          | 100.02          |
|                                                     | <b>514.12</b>   | <b>582.13</b>   |
| <b>Deferred tax assets (net)</b>                    | <b>331.70</b>   | <b>324.47</b>   |

## Notes to consolidated financial statements

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

## (a) Movement in deferred tax liabilities

| Particulars                      | Depreciation and amortisation | Right-of-use assets | Total         |
|----------------------------------|-------------------------------|---------------------|---------------|
| <b>Balance at April 1, 2023</b>  | <b>126.28</b>                 | <b>121.37</b>       | <b>247.65</b> |
| Recognised in profit or loss     | (83.79)                       | 93.80               | 10.01         |
| <b>Balance at March 31, 2024</b> | <b>42.49</b>                  | <b>215.17</b>       | <b>257.66</b> |
| <b>Balance at April 1, 2024</b>  | <b>42.49</b>                  | <b>215.17</b>       | <b>257.66</b> |
| Recognised in profit or loss     | (2.17)                        | (73.07)             | (75.24)       |
| <b>Balance at March 31, 2025</b> | <b>40.32</b>                  | <b>142.10</b>       | <b>182.42</b> |

## (b) Movement in deferred tax assets

| Particulars                      | Tax losses carried forward | MAT credit entitlement | Lease liabilities | Inventories  | Others        | Total         |
|----------------------------------|----------------------------|------------------------|-------------------|--------------|---------------|---------------|
| <b>Balance at April 1, 2023</b>  | <b>141.87</b>              | <b>95.83</b>           | <b>131.97</b>     | <b>20.40</b> | <b>166.58</b> | <b>556.65</b> |
| Recognised in profit or loss     | (19.55)                    | -                      | 89.55             | 22.04        | (66.56)       | 25.48         |
| Recognised in OCI                | -                          | -                      | -                 | -            | -             | -             |
| <b>Balance at March 31, 2024</b> | <b>122.32</b>              | <b>95.83</b>           | <b>221.52</b>     | <b>42.44</b> | <b>100.02</b> | <b>582.13</b> |
| <b>Balance at April 1, 2024</b>  | <b>122.32</b>              | <b>95.83</b>           | <b>221.52</b>     | <b>42.44</b> | <b>100.02</b> | <b>582.13</b> |
| Recognised in profit or loss     | (49.64)                    | -                      | (14.20)           | 10.31        | 44.09         | (9.44)        |
| Recognised in OCI                | -                          | -                      | -                 | -            | -             | -             |
| MAT credit utilisation           | -                          | (58.57)                | -                 | -            | -             | (58.57)       |
| <b>Balance at March 31, 2025</b> | <b>72.68</b>               | <b>37.26</b>           | <b>207.32</b>     | <b>52.75</b> | <b>144.11</b> | <b>514.12</b> |

## (a) Transfer pricing:

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

For the years ended March 31, 2025 and March 31, 2024, the Group had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the accountant has been obtained which does not envisage any tax liability.

The tax impact for the above purpose has been arrived at by applying tax rate of 27.82% (2024: 27.82%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

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## Notes to consolidated financial statements

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

## 40. Interest in other entities

## (a) Subsidiaries

The Group's subsidiaries are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of the entity                                          | Principal place of business and place of incorporation | Ownership interest held by the Group |                      | Ownership interest held by non-controlling interests |                      | Principal activities as at March 31, 2025 |
|-------------------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------|------------------------------------------------------|----------------------|-------------------------------------------|
|                                                             |                                                        | As at March 31, 2025                 | As at March 31, 2024 | As at March 31, 2025                                 | As at March 31, 2024 |                                           |
| <b>Indian Subsidiaries</b>                                  |                                                        |                                      |                      |                                                      |                      |                                           |
| AeroStructures Manufacturing India Private Limited (ASMIPL) | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aerospace Manufacturing Holdings Private Limited (AMHPL)    | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Investment holding                        |
| Aequs Force Consumer Products Pvt. Ltd. (AFCPPL)            | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aequs Force Technology Private Limited (India) (AFTPL)      | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Inactive company                          |
| Aequs Engineered Plastics Private Limited (AEPPL)           | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aequs Consumer Products Private Limited (ACPPL)             | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aequs Home Appliances Private Limited (AHAPL)               | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Inactive company                          |
| Aequs Toys Private Limited (ATPL)                           | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Koppal Toys Moulding COE Private Limited (KTMCPPL)          | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Koppal Toys Tooling COE Private Limited (KTTCPPL)           | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Inactive company                          |
| Aerostructures Assemblies India Private Limited (AAIPL)     | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aequs Rajas Extrusion Private Limited (AREPL)               | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Inactive company                          |
| Aequs Material Management Private Limited (AMMPL)           | India                                                  | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Inactive company                          |
| <b>Foreign Subsidiaries</b>                                 |                                                        |                                      |                      |                                                      |                      |                                           |
| Aequs Aerospace France SAS (AAF SAS)                        | France                                                 | 100.00%                              | 100.00%              | 100.00%                                              | 0.00%                | Contract manufacturing                    |
| Aequs Aerospace BV (AABV)                                   | Netherlands                                            | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Investment holding                        |
| Aequs Aerospace LLC (AALLC)                                 | USA                                                    | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Investment holding                        |
| Aequs Holdings France, SAS (AHF)                            | France                                                 | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Investment holding                        |
| Aequs Aero Machine Inc. (AAM)                               | USA                                                    | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Contract manufacturing                    |
| Aequs Oil and Gas LLC (AOGLLC)                              | USA                                                    | 95.00%                               | 95.00%               | 5.00%                                                | 5.00%                | Discontinued operations                   |
| Aequs Force Technology Company limited (AFTCL)              | Hong Kong                                              | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Liquidated                                |
| Aequs Toys Hong Kong Private Ltd.(ATHPL)                    | Hong Kong                                              | 100.00%                              | 100.00%              | 0.00%                                                | 0.00%                | Discontinued operations                   |

## (b) Non-controlling interests (NCI)

The non controlling interest pertaining to Aequs Oil and Gas LLC of INR (1.34) (March 31,2024 INR (1.00) is not disclosed as the same is pertaining to discontinued operations.

## (c) Interests in joint ventures

Set out below are the joint ventures of the Group as at March 31, 2025 which, in opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely to equity shares, which are held directly by the Group. The country of incorporation or registration is also their financial place of business, and the proportion of ownership interests is the same as the proportion of voting rights held.

| Name of the entity                               | Place of business | % of ownership interest | Relationship  | Accounting method | Carrying amount |                |
|--------------------------------------------------|-------------------|-------------------------|---------------|-------------------|-----------------|----------------|
|                                                  |                   |                         |               |                   | March 31, 2025  | March 31, 2024 |
| SQuAD Forging India Private Limited (SQuAD)      | India             | 50.00%                  | Joint Venture | Equity Method     | 497.15          | 443.58         |
| Aerospace Processing India Private Limited (API) | India             | 50.00%                  | Joint Venture | Equity Method     | 238.96          | 178.03         |
| Aequs Cookware Private Limited (ACPL)            | India             | 50.00%                  | Joint Venture | Equity Method     | 32.01           | -              |
| <b>Total</b>                                     |                   |                         |               |                   | <b>768.12</b>   | <b>621.61</b>  |

All the above mentioned entities are unlisted and hence, no quoted prices are available.

## ii) Commitments in respect of joint ventures

| Particulars                        | API            |                | SQuAD          |                | ACPL           |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                    | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| Commitments of JVs and Associates. | 4.92           | 111.12         | 37.66          | 2.33           | 130.15         | NA             |

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## Notes to consolidated financial statements

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

## iii) Summarized financial information of joint ventures

The table below provides summarized financial information for those joint ventures that are material to the Group. The information disclosed reflects the amount presented in the financial statements of the relevant joint ventures.

| Summarised balance sheet                         | API            |                | SQuAD           |                | ACPL           |                |
|--------------------------------------------------|----------------|----------------|-----------------|----------------|----------------|----------------|
|                                                  | March 31, 2025 | March 31, 2024 | March 31, 2025  | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| <b>Current assets</b>                            |                |                |                 |                |                |                |
| Cash and cash equivalents                        | 31.34          | 44.94          | 14.18           | 40.53          | 41.36          |                |
| Trade receivables                                | 185.15         | 137.78         | 115.94          | 101.24         | 43.91          |                |
| Other financial assets                           | -              | -              | 25.48           | 0.26           | 21.29          |                |
| Other assets(including inventories)              | 62.42          | 74.33          | 440.30          | 334.29         | 169.05         |                |
| <b>Total current assets</b>                      | <b>278.91</b>  | <b>257.05</b>  | <b>595.90</b>   | <b>476.31</b>  | <b>275.61</b>  |                |
| <b>Total non-current assets</b>                  | <b>721.28</b>  | <b>364.19</b>  | <b>792.59</b>   | <b>796.24</b>  | <b>481.00</b>  |                |
| <b>Current liabilities</b>                       |                |                |                 |                |                |                |
| Trade payables                                   | 47.29          | 30.84          | 139.97          | 89.77          | 59.35          |                |
| Financial liabilities (excluding trade payables) | 98.44          | 83.44          | 130.78          | 136.91         | 81.31          |                |
| Other liabilities                                | 11.08          | 19.30          | 9.67            | 5.96           | 64.44          |                |
| <b>Total current liabilities</b>                 | <b>156.81</b>  | <b>133.58</b>  | <b>280.42</b>   | <b>232.64</b>  | <b>205.10</b>  |                |
| <b>Total non-current liabilities</b>             | <b>406.60</b>  | <b>172.16</b>  | <b>21.53</b>    | <b>61.44</b>   | <b>502.24</b>  |                |
| Financial liabilities (excluding trade payables) | 375.89         | 139.96         | 13.67           | 53.17          | 499.26         |                |
| Other liabilities                                | 30.71          | 32.20          | 7.86            | 8.27           | 2.98           |                |
| <b>Total non current liabilities</b>             | <b>406.60</b>  | <b>172.16</b>  | <b>21.53</b>    | <b>61.44</b>   | <b>502.24</b>  |                |
| <b>Net assets</b>                                | <b>436.78</b>  | <b>315.50</b>  | <b>1,086.54</b> | <b>978.47</b>  | <b>49.27</b>   |                |

NA

## Summarised statement of profit and loss

|                                          | API                |                | SQuAD              |                | ACPL               |                |
|------------------------------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
|                                          | For the year ended |                | For the year ended |                | For the year ended |                |
|                                          | March 31, 2025     | March 31, 2024 | March 31, 2025     | March 31, 2024 | March 31, 2025     | March 31, 2024 |
| Revenue                                  | 653.65             | 517.70         | 850.33             | 619.50         | 160.05             |                |
| Interest income /Other income            | 8.18               | 27.65          | 12.49              | 7.73           | 33.69              |                |
| Operating expenses                       | (422.02)           | (379.96)       | (693.03)           | (506.88)       | (187.73)           |                |
| Depreciation and amortisation            | (55.83)            | (53.01)        | (45.00)            | (53.01)        | (27.66)            |                |
| Finance cost                             | (12.10)            | (21.01)        | (20.88)            | (28.28)        | (33.20)            |                |
| Income tax expense                       | (50.43)            | (26.51)        | -                  | -              | -                  |                |
| <b>Profit/(loss) for the year</b>        | <b>121.45</b>      | <b>64.86</b>   | <b>103.91</b>      | <b>39.06</b>   | <b>(54.84)</b>     |                |
| Other comprehensive income/(loss)        | (0.16)             | 0.16           | 0.34               | (1.04)         | (0.22)             |                |
| <b>Total comprehensive income/(loss)</b> | <b>121.29</b>      | <b>65.02</b>   | <b>104.25</b>      | <b>38.02</b>   | <b>(55.06)</b>     |                |

NA

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## Notes to consolidated financial statements

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

## Note 41 - Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III

|                                                                                |          | As at March 31, 2025 |                   | As at March 31, 2024 |                   | For the year ended March 31, 2025 |                           | For the year ended March 31, 2024 |                           | For the year ended March 31, 2025 |                             | For the year ended March 31, 2024 |                             | For the year ended March 31, 2025 |                                 | For the year ended March 31, 2024 |                                 |
|--------------------------------------------------------------------------------|----------|----------------------|-------------------|----------------------|-------------------|-----------------------------------|---------------------------|-----------------------------------|---------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|                                                                                |          | Net Assets As %      | Net Assets Amount | Net Assets As %      | Net Assets Amount | Share in TCI (TCL) As %           | Share in TCI (TCL) Amount | Share in TCI /(TCL) As %          | Share in TCI/(TCL) Amount | Share in OCI / (OCL) As %         | Share in OCI / (OCL) Amount | Share in OCI / (OCL) - As %       | Share in OCI / (OCL) Amount | Share in profit / (loss) - As %   | Share in profit / (loss) Amount | Share in profit / (loss) - As %   | Share in profit / (loss) Amount |
|                                                                                |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| <b>Parent Company</b>                                                          |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| Aequs Limited (formerly known as Aequs Private Limited)                        | APL      | 139.47%              | 9,928.75          | 120.08%              | 9,793.18          | -8.55%                            | 97.61                     | 714.78%                           | (1,303.90)                | -4%                               | 5.02                        | 4.72%                             | (1.87)                      | -9%                               | 92.59                           | 911.11%                           | (1,302.03)                      |
| <b>Indian subsidiaries</b>                                                     |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| AeroStructures Manufacturing India Private Limited (ASMIPL)                    | ASMIPL   | 34.58%               | 2,461.58          | 25.77%               | 2,101.73          | -28.99%                           | 331.05                    | 285.76%                           | 521.29                    | 3%                                | (3.34)                      | 1.60%                             | (0.63)                      | -33%                              | 334.39                          | -365.22%                          | 521.92                          |
| Aerospace Manufacturing Holdings Private Limited(AMHPL)                        | AMHPL    | -0.03%               | (1.86)            | -0.02%               | (1.27)            | -0.20%                            | 2.27                      | 18.01%                            | (32.85)                   | 0%                                | -                           | 0.00%                             | -                           | 0%                                | 2.27                            | 22.99%                            | (32.85)                         |
| Aequs Force Consumer Products Pvt. Ltd. (AFCPPL)                               | AFCPPL   | 3.72%                | 264.80            | 5.10%                | 416.00            | 18.66%                            | (213.08)                  | 138.33%                           | (252.34)                  | -1%                               | 0.67                        | -0.32%                            | 0.13                        | 21%                               | (213.75)                        | 176.66%                           | (252.47)                        |
| Aequs Force Technology Private limited (India) (AFTPL)                         | AFTPL    | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| Aequs Engineered Plastics Private Limited (AEPPL)                              | AEPPL    | 0.15%                | 10.69             | 3.63%                | 296.09            | 24.88%                            | (284.07)                  | 52.77%                            | (96.26)                   | -1%                               | 1.18                        | -1.44%                            | 0.57                        | 28%                               | (285.25)                        | 67.76%                            | (96.83)                         |
| Aequs Consumer Products Private Limited (ACPPL)                                | ACPPL    | 42.44%               | 3,021.34          | 23.01%               | 1,876.90          | 11.02%                            | (125.79)                  | 142.97%                           | (260.80)                  | 0%                                | (0.43)                      | 1.27%                             | (0.50)                      | 12%                               | (125.36)                        | 182.15%                           | (260.30)                        |
| Aequs Home Appliances Private Limited (AHAPL)                                  | AHAPL    | 0.00%                | -                 | 0.49%                | 40.03             | 3.83%                             | (43.78)                   | 2.12%                             | (3.87)                    | 0%                                | -                           | 0.00%                             | -                           | 4%                                | (43.78)                         | 2.71%                             | (3.87)                          |
| Aequs Toys Private Limited (ATPL)                                              | ATPL     | 8.01%                | 569.91            | 9.17%                | 748.13            | 27.03%                            | (308.61)                  | 216.82%                           | (395.53)                  | -1%                               | 0.73                        | -2.32%                            | 0.92                        | 30%                               | (309.34)                        | 277.41%                           | (396.45)                        |
| Koppal Toys Moulding COE Private Limited (KTMCPPL)                             | KTMCPPL  | 4.03%                | 287.08            | 4.03%                | 328.74            | 8.04%                             | (91.78)                   | 81.84%                            | (149.28)                  | 0%                                | 0.41                        | 0.30%                             | (0.12)                      | 9%                                | (91.78)                         | 104.38%                           | (149.16)                        |
| Koppal Toys Tooling COE Private Limited (KTTCPPL)                              | KTTCPPL  | 0.00%                | -                 | 0.43%                | 34.89             | 0.00%                             | -                         | 1.13%                             | (2.06)                    | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 1.44%                             | (2.06)                          |
| Aerostructures Assemblies India Private Limited (AAI)                          | AAI      | 4.01%                | 285.45            | 2.81%                | 229.28            | -4.63%                            | 52.90                     | -61.76%                           | 112.67                    | 0%                                | 0.29                        | -0.40%                            | 0.16                        | -5%                               | 52.61                           | -78.73%                           | 112.51                          |
| Aequs Material Management Private Limited (AMMPL)                              | AMMPL    | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| Aequs Rajas Extrusion Private Limited (AREPL)                                  | AREPL    | -0.09%               | (6.11)            | -0.05%               | (4.38)            | 0.15%                             | (1.73)                    | 1.00%                             | (1.83)                    | 0%                                | -                           | 0.00%                             | -                           | 0%                                | (1.73)                          | 1.28%                             | (1.83)                          |
| <b>Foreign subsidiaries</b>                                                    |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| Aequs Aerospace France SAS, France (AAF Corp)                                  | AAF corp | -1.08%               | (76.85)           | -1.16%               | (94.25)           | -1.17%                            | 13.38                     | -32.59%                           | 59.45                     | 15%                               | (18.34)                     | -45.06%                           | 17.81                       | -3%                               | 31.72                           | -29.14%                           | 41.64                           |
| Aequs Aerospace BV (AABV)                                                      | AABV     | -25.77%              | (1,834.40)        | -1.28%               | (104.13)          | 155.70%                           | (1,777.90)                | 66.14%                            | (120.66)                  | 68%                               | (81.41)                     | 25.45%                            | (10.06)                     | 166%                              | (1,696.49)                      | 77.40%                            | (110.60)                        |
| Aequs Aerospace LLC (AALLC)                                                    | AALLC    | 12.64%               | 899.65            | 10.91%               | 889.37            | 1.42%                             | (16.16)                   | -0.61%                            | 1.11                      | 4%                                | (4.32)                      | 7.81%                             | (3.08)                      | 1%                                | (11.84)                         | -2.94%                            | 4.19                            |
| Aequs Holdings France, SAS (AHF)                                               | AHF      | -0.09%               | (6.20)            | -17.77%              | (1,449.21)        | -126.05%                          | 1,439.43                  | 40.29%                            | (73.50)                   | 13%                               | (14.91)                     | 27.95%                            | (11.05)                     | -142%                             | 1,454.34                        | 43.70%                            | (62.45)                         |
| Aequs Aero Machine Inc. (AAM)                                                  | AAM      | 4.96%                | 353.02            | 4.42%                | 360.48            | 0.88%                             | (10.10)                   | -18.59%                           | 33.92                     | -6%                               | 6.71                        | -2.32%                            | 0.92                        | 2%                                | (16.81)                         | -23.09%                           | 33.00                           |
| Aequs Oil and Gas LLC (AOGLLC)                                                 | AOGLLC   | -1.62%               | (115.33)          | -1.39%               | (113.30)          | 2.35%                             | (26.82)                   | 8.87%                             | (16.18)                   | 23%                               | (27.62)                     | 41.13%                            | (16.25)                     | 0%                                | 0.80                            | -0.05%                            | 0.07                            |
| Bernar SAS (Bernar)                                                            | Bernar   | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | -29.72%                           | 54.22                     | 0%                                | -                           | -137.20%                          | 54.22                       | 0%                                | -                               | 0.00%                             | -                               |
| SCI Du Champ De Pivoines (SCI Du)                                              | SCI Du   | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 2.73%                             | (4.97)                    | 0%                                | -                           | 12.58%                            | (4.97)                      | 0%                                | -                               | 0.00%                             | -                               |
| Aequs Force Technology Company Limited (AFTCL)                                 | AFTCL    | 0.00%                | -                 | 0.01%                | 0.59              | -0.06%                            | 0.70                      | 0.11%                             | (0.20)                    | -1%                               | 0.70                        | -0.59%                            | 0.23                        | 0%                                | -                               | 0.30%                             | (0.43)                          |
| Aequs Toys Hongkong Private Limited (ATHPL)                                    | ATHPL    | 0.00%                | (0.25)            | 0.01%                | 0.70              | 0.00%                             | -                         | 0.21%                             | (0.38)                    | 0%                                | -                           | 0.15%                             | (0.06)                      | 0%                                | -                               | 0.23%                             | (0.32)                          |
| <b>Minority interests</b>                                                      |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| Aequs Oil and Gas LLC (AOGLLC)                                                 |          | -0.08%               | (5.77)            | 0.01%                | 1.11              | 0.12%                             | (1.34)                    | 0.44%                             | (0.81)                    | 1%                                | (1.38)                      | 2.06%                             | (0.81)                      | 0%                                | 0.04                            | 0.00%                             | 0.00                            |
| Aequs Force Consumer Products Pvt. Ltd. (AFCPPL)                               |          | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| Aequs Force Technology Private limited (India)                                 |          | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| Aequs Force Technology Company limited (AFTCL)                                 |          | 0.00%                | -                 | 0.00%                | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| <b>Joint ventures</b>                                                          |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| <b>(Investment accounted as per the equity method)</b>                         |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| <b>Indian</b>                                                                  |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| SQuAD Forging India Private Limited (SQuAD)                                    |          | 6.98%                | 497.15            | 5.44%                | 443.58            | -4.56%                            | 52.12                     | -10.25%                           | 18.69                     | 0%                                | 0.17                        | 1.32%                             | (0.52)                      | -5%                               | 51.95                           | -13.45%                           | 19.21                           |
| Aerospace Processing India Private Limited (API)                               |          | 3.36%                | 238.96            | 2.18%                | 178.03            | -5.31%                            | 60.65                     | -18.89%                           | 34.45                     | 0%                                | (0.08)                      | -0.20%                            | 0.08                        | -6%                               | 60.73                           | -24.05%                           | 34.37                           |
| Aequs Cookware Private Limited (ACPL)                                          |          | 0.45%                | 32.01             | -                    | -                 | 2.41%                             | (27.53)                   | 0.00%                             | -                         | 0%                                | (0.11)                      | 0.00%                             | -                           | 3%                                | (27.42)                         | 0.00%                             | -                               |
| <b>Associates (Investments as per the equity method)</b>                       |          |                      |                   |                      |                   |                                   |                           |                                   |                           |                                   |                             |                                   |                             |                                   |                                 |                                   |                                 |
| Aequs Foundation                                                               |          | -                    | -                 | -                    | -                 | 0.00%                             | -                         | 0.00%                             | -                         | 0%                                | -                           | 0.00%                             | -                           | 0%                                | -                               | 0.00%                             | -                               |
| Add/ (Less): Effect of intercompany and consolidation adjustments/eliminations | Adj      |                      | (8,881.49)        |                      | (7,816.09)        |                                   | (198.11)                  |                                   | 1,698.16                  |                                   | 82.83                       |                                   | (64.14)                     |                                   | (281.35)                        |                                   | 1,762.30                        |
| <b>Consolidated</b>                                                            | Consol   | 100%                 | 7,159.78          | 100%                 | 8,156.20          | 100%                              | (1,076.69)                | 100%                              | (181.46)                  | 100%                              | (53.23)                     | 100%                              | (39.02)                     | 100%                              | (1,023.46)                      | 100%                              | (142.44)                        |

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**Notes to consolidated financial statements**

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

**Note 42 - Discontinued operations**

Refer accounting policy in Note 2aa

**(a) Description**

The Group announced its intention to liquidate its step-down subsidiaries Aequus Toys Hongkong Private Limited (ATHPL) and Aequus Force Technology Company Limited (AFTCL). The associated loss on business are therefore shown separately as discontinuing operations in statement of profit and loss and balance sheet are presented as held for sale in financial statements for the year ended March 31, 2024. Both Aequus Toys Hongkong Private Limited (ATHPL) and Aequus Force Technology Company Limited (AFTCL), got deregistered in the current financial year and hence has been taken out from the discontinuing operations list.

On March 31, 2021, the Group announced its intention to liquidate its subsidiary Aequus Oil and Gas LLC (AOGLLC). The associated loss on business are therefore shown separately as discontinuing operations in statement of profit and loss and balance sheet are presented as held for sale in consolidated financial statements for the years ended March 31, 2025 and March 31, 2024.

Aequus Home Appliances Private Limited (AHAPL) has filed application for strike-off on April 23, 2025.

**(b) Financial performance and cash flow information**

The financial performance and cash flow information of discontinuing operations presented as follows:

|                                                                       | For the year ended March 31,2025 |       |       |       |       | For the year ended March 31,2024 |         |       |         |
|-----------------------------------------------------------------------|----------------------------------|-------|-------|-------|-------|----------------------------------|---------|-------|---------|
|                                                                       | AOGLLC                           | ATHPL | AFTCL | AHAPL | Total | AOGLLC                           | ATHPL   | AFTCL | Total   |
| Revenue                                                               | -                                | -     | NA    | -     | -     | -                                | 18.61   | -     | 18.61   |
| Other income                                                          | 0.73                             | -     |       | -     | 0.73  | -                                | 0.25    | -     | 0.25    |
| Expenses                                                              | -                                | -     |       | -     | -     | (0.07)                           | (39.76) | -     | (39.83) |
| Profit/(loss) before income tax during the year                       | 0.73                             | -     |       | -     | 0.73  | (0.07)                           | (20.90) | -     | (20.97) |
| Income tax expense                                                    | -                                | -     |       | -     | -     | -                                | -       | -     | -       |
| Profit/(loss) after income tax during the year                        | 0.73                             | -     | -     | -     | 0.73  | (0.07)                           | (20.90) | -     | (20.97) |
| Cash flows                                                            |                                  |       |       |       |       |                                  |         |       |         |
| Net cash inflow/(outflow) from operating activities                   | 0.73                             | -     | NA    | -     | 0.73  | 0.01                             | 0.08    | 0.97  | 1.06    |
| Net cash inflow/(outflow) from investing activities                   | -                                | -     |       | -     | -     | -                                | -       | -     | -       |
| Net cash inflow/(outflow) from financing activities                   | -                                | -     |       | -     | -     | (0.04)                           | -       | -     | (0.04)  |
| Net increase/(decrease) in cash generated from discontinued operation | 0.73                             | -     |       | -     | 0.73  | (0.03)                           | 0.08    | 0.97  | 1.02    |

**(C) Assets and liabilities of disposal group classified as held for sale**

|                                                                          | For the year ended March 31,2025 |               |          |          |               | For the year ended March 31,2024 |               |             |               |
|--------------------------------------------------------------------------|----------------------------------|---------------|----------|----------|---------------|----------------------------------|---------------|-------------|---------------|
|                                                                          | AOGLLC                           | ATHPL         | AFTCL    | AHAPL    | Total         | AOGLLC                           | ATHPL         | AFTCL       | Total         |
| <b>Assets classified as held for sale:</b>                               |                                  |               |          |          |               |                                  |               |             |               |
| Other current assets                                                     | 0.09                             | 0.05          | -        | -        | 0.14          | 1.01                             | 1.02          | 1.67        | 3.70          |
| <b>Total assets of disposal group held for sale</b>                      | <b>0.09</b>                      | <b>0.05</b>   | <b>-</b> | <b>-</b> | <b>0.14</b>   | <b>1.01</b>                      | <b>1.02</b>   | <b>1.67</b> | <b>3.70</b>   |
| Liabilities directly associated with assets classified as held for sale: |                                  |               |          |          |               |                                  |               |             |               |
| Borrowings                                                               | -                                | -             | -        | -        | -             | (0.00)                           | -             | -           | (0.00)        |
| Trade Payables                                                           | -                                | (0.29)        | -        | -        | (0.29)        | -                                | (0.32)        | -           | (0.32)        |
| Other current liabilities                                                | -                                | -             | -        | -        | -             | (0.16)                           | -             | -           | (0.16)        |
| <b>Total liabilities of disposal group held for sale</b>                 | <b>-</b>                         | <b>(0.29)</b> | <b>-</b> | <b>-</b> | <b>(0.29)</b> | <b>(0.16)</b>                    | <b>(0.32)</b> | <b>-</b>    | <b>(0.48)</b> |
| <b>Net assets</b>                                                        | <b>0.09</b>                      | <b>(0.24)</b> | <b>-</b> | <b>-</b> | <b>(0.15)</b> | <b>0.85</b>                      | <b>0.70</b>   | <b>1.67</b> | <b>3.22</b>   |

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**Notes to consolidated financial statements***(All amounts are in INR Millions, except share data, unless otherwise stated)***Note 43 - Additional regulatory information required by Schedule III**

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

(ii) Wilful defaulter: The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies: The Group has entered into below transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year ended March 31, 2025:

| <b>Name of the struck off company</b>       | <b>Nature of transaction with struck off company</b> | <b>Balance outstanding as at March 31, 2025</b> | <b>Relationship with the struck off company, if any, to be disclosed</b> | <b>Balance outstanding as at March 31, 2024</b> | <b>Relationship with the struck off company, if any, to be disclosed.</b> |
|---------------------------------------------|------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------|
| Matrix Plus Private Limited                 | Trade Payable                                        | -                                               | Third party                                                              | 3.75                                            | Third party                                                               |
| Shakun and Company Services Private Limited | Trade Payable                                        | -                                               | Third party                                                              | -                                               | Third party                                                               |

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

(v) Compliance with approved scheme(s) of arrangements: The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi)(a) During the year ended March 31, 2025 and March 31, 2024, the Group 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) During the year ended March 31, 2025 and March 31, 2024, the Group has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) of the company shall:

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

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

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

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

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

(x) The Group does not own any immovable properties in India.

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

(xii) The borrowings obtained by the Group from bank have been applied for the purposes for which such loans were taken.

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

(xiv) The Group does not have any Core Investment Group (CIC) as defined in the regulations made by the Reserve Bank of India.

(xv) The Group has borrowings from banks and financial institutions on the basis of security of current assets. Refer note 15(i) for details of quarterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

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## Notes to consolidated financial statements

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

## Note 44 - Subsequent events

1. On May 2, 2025, the Company has issued 17,173,024 Equity Shares having a face value of Rs 10 per share on a rights basis to the existing Equity Shareholder(s) of the Company, at a premium of Rs 64.64 per Equity Share.
2. On May 7, 2025, the Company received necessary approvals from the Registrar of Companies and Regional Director, Karnataka and has accordingly converted from Private Limited to Public Limited.
3. The Company has adopted the 'Aequs Employee Stock Option Plan 2025' ('ESOP Plan 2025') pursuant to the resolution passed by Board on May 10, 2025, and the resolution passed by the Shareholders on May 13, 2025.
4. Pursuant to a resolution passed in the Extra-ordinary General Meeting of the shareholders of the Company held on May 13, 2025, the Company amended Clause V of the Memorandum of Association to reflect the reclassification of the authorised share capital from ₹ 10,146,299,340 divided into 605,729,934 Equity Shares of ₹ 10 each and 408,900,000 preference shares of ₹ 10 each to ₹ 10,146,299,340 divided into 1,014,629,934 Equity Shares of ₹ 10 each.
5. On May 30, 2025, the Company identified Aravind S Melligeri and The Melligeri Foundation as Promoters, in addition to the existing promoters — Aequs Manufacturing Investments Private Limited and Melligeri Private Family Foundation. Aravind S Melligeri held 500,000 equity shares of the Company as at March 31, 2024 and 1,000,000 equity shares of the Company as at March 31, 2025. The Melligeri Foundation did not hold any equity shares in the Company as at March 31, 2024 and March 31, 2025.
6. The pre-filed draft red herring prospectus of the Company, dated May 31, 2025 ("PDRHP") was filed by the Company with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange Limited ("Stock Exchanges"). The offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").
7. As part of the overall group restructuring plan, the management of Aequs Home appliances Private Limited has filed an application to the registrar for its name to be struck off from the register of Companies. The Company received the approval from the registrar and the Company got struck off w.e.f June 27, 2025.

As per our report of even date attached.

for B S R &amp; Co LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors

Aequs Limited (formerly known as Aequs Private Limited)

CIN: U80302KA2000PLC026760

Sampad Guha Thakurta

Partner

Membership No: 060573

Place: Chennai

Date: 30/8/2025

Rajeev Kaul

Managing Director

DIN-01468590

Place: Hubballi

Date: August 12, 2025

Aravind S Melligeri

Executive Chairman and Chief Executive Officer

DIN-00787735

Place: Hubballi

Date: August 12, 2025

Dinesh Iyer

Chief Financial Officer

Place: Hubballi

Date: August 12, 2025

Ravi Mallikarjun Hugar

Company Secretary and Compliance Officer

M. No. - A20823

Place: Hubballi

Date: August 12, 2025