

B S R & Co. LLP

Chartered Accountants

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Private and Confidential

The Board of Directors

Aequs Limited

(formerly known as Aequs Private Limited)

Aequs Tower, No. 55, Whitefield Main Road

Mahadevapura Post

Bengaluru – 560 048, Karnataka, India

Date: 26 November 2025

Subject: Independent Auditors' Report on the utilisation of loan for the purpose for which it was availed as required by Clause 9(A)(2)(b) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") in relation to proposed initial public offering of equity shares of face value of INR 10 each (the "Equity Shares") by Aequs Limited (formerly known as Aequs Private Limited) (the "Company") comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain shareholders of the Company (hereinafter referred to as the "Proposed Offer")

Dear Sirs,

1. This letter is issued in accordance with the terms of our engagement letter dated 10 April 2025.
2. We, B S R & Co. LLP, Chartered Accountants, were appointed as the statutory auditors of the Company in its 24th annual general meeting held on 25 October 2024 for a period of five years to hold office from the conclusion of that annual general meeting until the conclusion of the 29th annual general meeting.
3. In connection with the aforesaid Proposed Offer, the Company is required to obtain a report from their statutory auditors, with regard to the utilisation of loans taken by the Company and its subsidiaries, AeroStructures Manufacturing India Private Limited ("ASMIPL"), Aequs Engineered Plastics Private Limited ("AEPPL") and Aequs Consumer Products Private Limited ("ACPPL") ("Subsidiaries"), for the purpose for which it was availed, as required by the SEBI ICDR Regulations.
4. The accompanying statement to this report contains the details of loans which are proposed to be repaid/prepaid by the Company and its Subsidiaries including names of the lender, nature of borrowings, date of latest sanction letter, sanctioned amount, applicable rate of interest, tenor of the loan, repayment schedule, prepayment penalties conditions, purpose for which loan was sanctioned as mentioned in the underlying agreement/document, and amount outstanding in the unaudited books of account of the Company and its Subsidiaries as at 31 October 2025, as given in Annexure 1 (the "Statement").

We have not examined, reviewed or audited any financial statements of the Company as of any date or for any period subsequent to 30 September 2025; although, we have conducted an audit as at and for the six months period ended 30 September 2025, the purpose (and therefore the scope) of the audit was to enable us to express an opinion on the financial statements as of 30 September 2025 and for the six months period then ended, but not on the financial statements for any interim period within that period. Therefore, we are unable to and do not express any opinion on the financial position, results of operations, or cash flows of the Company as of any date or for any period subsequent to 30 September 2025. As informed by the management, these loans are proposed to be repaid/prepaid by the Company and its Subsidiaries from the

proceeds of the fresh issue of equity shares of the Company and the Statement has been prepared by the Company in accordance with the requirements of the SEBI ICDR Regulations and initialed by us for identification purposes only.

Management's Responsibility for the Statement

5. The preparation of the accompanying Statement is the responsibility of the management including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
6. The management is also responsible for ensuring:
 - a. Identification of the loans proposed to be repaid/prepaid by the Company and its Subsidiaries from the proceeds of the fresh issue of Equity shares of the Company;
 - b. the utilisation of loans for the purpose for which it was availed;
 - c. completeness and accuracy of details provided in the accompanying Statement; and
 - d. compliance with the requirements of the SEBI ICDR Regulations.

Auditor's Responsibility

7. Pursuant to the requirements of Clause (9)(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, it is our responsibility to obtain limited assurance and conclude that nothing has come to our attention that causes us to believe that the details provided in the Statement are not in agreement with the unaudited books of accounts and other relevant records, of the Company and Subsidiaries.
8. We have audited the special purpose consolidated interim financial statements of the Company, its Aequus Stock Option Plan Trust, its subsidiaries and its joint ventures for the six months period ended 30 September 2025 and 30 September 2024 and consolidated financial statements of the Company, its Aequus Stock Option Plan Trust, its subsidiaries and its joint ventures for the years ended 31 March 2025 and 31 March 2024 on which we have issued an unmodified audit opinion vide our reports dated 14 November 2025, 14 November 2025, 30 August 2025 and 4 October 2024 respectively. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
9. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. We have performed the following procedures in relation to the Statement:
 - a. Obtained the Statement as prepared by management, outlining the details of loans, which are proposed to



be repaid/prepaid by the Company and its Subsidiaries from the proceeds of the fresh issue of Equity shares of the Company including names of the lender, nature of borrowings, date of latest sanction letter, sanctioned amount, applicable rate of interest, tenor of loan, repayment schedule, pre-payment penalties conditions, Purpose for which loan was sanctioned as mentioned in the underlying agreement/document, and amount outstanding in the unaudited books of account of the Company and its Subsidiaries as at 31 October 2025;

- b. Obtained from management, last approved/renewed loan agreements and sanction letters for each loan as mentioned in the Statement and verified the details as mentioned in the Statement from the last approved/renewed loan agreements and sanction letters. The management has represented to us that there are no amendments or supplementary agreements/arrangements/letters thereof other than those provided to us;
 - c. Obtained the bank statements from banks and ledger accounts of the Company and its Subsidiaries from lending parties for loans specified in the Statement, containing the details of the transactions for the period 20 October 2023 to 31 October 2025 and traced the loan amounts and other loan details as included in the Statement, to the extent possible;
 - d. Verified the details of each of the aforesaid loan accounts as referred in 11(c) and traced the same with the books of account and records maintained including bank reconciliation statement prepared by the Company and its Subsidiaries and other relevant supporting records and documents;
 - e. Obtained the details of utilisation of the loans as mentioned in the Statement, as prepared by the management, and reviewed the same by referring to the unaudited books of account and records maintained by the Company, sanction letters, loan agreements and other relevant supporting records and documents;
 - f. Obtained details of loan balance as per the unaudited books of accounts as at 31 October 2025 and compared the same to the Statement and to the bank confirmation / confirmation from the lenders provided to us by the management;
 - g. With respect to utilization of working capital facilities and outstanding balance as at 31 October 2025 as mentioned in the Statement, considering the fact that cash flows from working capital facilities and other operating cash flows are kept in the same accounts and are considered to be fungible by the Company and its subsidiaries, we have obtained the details of cash flows on an overall basis to assess utilization of the working capital facilities as it is impracticable to establish one to one correlation of utilization of working capital facilities; and
 - h. Performed necessary inquiries with the management and obtained necessary representations from the management.
12. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Conclusion

13. Based on our examination and procedures performed as stated in paragraph 11 above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the details provided in the Statement are not in agreement with the unaudited books of accounts and other relevant records of the Company and its Subsidiaries.



Restrictions of use

14. This report has been provided by us, at the request of the Company and solely for the information of JM Financial Limited, Kotak Mahindra Capital Company Limited, and IIFL Capital Services Limited (formerly known as IIFL Securities Limited) (collectively, the “Book Running Lead Managers” or “BRLMs”) to assist them in conducting their due-diligence and documenting their investigations of the affairs of the Company in connection with the Proposed Offer.
15. This report is not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior consent in writing, other than for the purpose stated above. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior written consent. We, however, hereby give consent for inclusion of this information in the Red Herring Prospectus and Prospectus, proposed to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), the stock exchanges and the Registrar of Companies, Karnataka, situated at Bengaluru (“RoC”) where the Equity Shares of the Company are proposed to be listed (the “Stock Exchanges”) and submission of this report to SEBI or Stock Exchanges or RoC in connection with this Proposed Offer, as the case may be.

for B S R & Co. LLP

Chartered Accountants

ICAI firm registration number:101248W/W-100022



Sampad Guha Thakurta

Partner

Membership No.: 060573

Place: Bengaluru

Date: 26 November 2025

ICAI UDIN: 25060573BMOKHS4903

Cc:

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400 025
Maharashtra, India

**IIFL Capital Services Limited
(formerly known as IIFL Securities Limited)**

24th Floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (W)
Mumbai – 400 013
Maharashtra, India

Kotak Mahindra Capital Company Limited

27BKC, 1st Floor
Plot No. C-27, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Maharashtra, India

Statement of loans to be repaid/prepaid out of the proposed offer outstanding as on 31 October 2025

Details of the borrowings of the Company - Aequs Limited

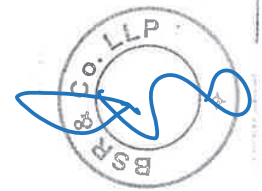
		(INR in Million)				
S.no	Name of the lender	Nature of borrowings	Date of latest sanction letter	Sanctioned amount	Amount outstanding as on 31 October 2025	Purpose for which loan was sanctioned as mentioned in the underlying agreement/document
Aequs Limited						
1	HDFC Bank	Cash credit	18-Sep-25	250.00	102.69	1 Year
		Pre-shipment finance			142.83	180 days
						Nil
						To meet the working capital requirements
	Total (A)			250.00	245.52	

Details of the borrowings of three of wholly-owned Subsidiaries, Aerostructures Manufacturing India Private Limited (ASMPL), Aequs Consumer Products Private Limited (ACPPL) and Aequs Engineered Plastics Private Limited (AEPPL) of Aequs Limited

		(INR in Million)				
S.no	Name of the lender	Nature of borrowings	Date of latest sanction letter	Sanctioned amount	Amount outstanding as on 31 October 2025	Purpose for which loan was sanctioned as mentioned in the underlying agreement/document
ASMPL						
1	HDFC Bank	Cash credit	09-June-25	950.00	45.41	Repayable on demand
		Export Credit (EPC/PCFC)			781.54	Upto 180 days (Pre-shipment & post shipment tenor not to exceed 270 days)
						Nil
						To meet the working capital requirements

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T: + 91 080 61348000
Corporate Office: Aequs SEZ, No. 4377/A, Hattargi Village, Hukkeri Taluk, Belagavi - 591243, Karnataka, India
www.aequs.com

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2	Axis Bank	Cash credit	12-May-25	1,000.00	22.14	Repo + 3.50%	12 months	Prepayment within 12 months - 4% Prepayment within 24 months but after 12 months - 3% Prepayment after 24 months - 2%	To meet the working capital requirements
		Running packing credit (RPC)/pre shipment credit in foreign currency (PCFC)			899.15	1Y SOFR + 190 BPS	12 months/ usance upto 270 days		
	Sub-Total (B)			1,950.00	1,748.24				

ACCPPL

3	HDFC Bank	Rupee term loan (RTL)	20-Oct-23	2,000.00	1,547.38	3 Months T-bill +2%	RTL shall be repaid in (21) consecutive quarterly installments commencing from March 2025 and ending in March 2030.	2%	Towards part financing development of Project/ towards part financing estimated Project cost Project means - Advanced Technology Plant (ATP) at Hubballi, Karnataka (ATP Project) for contract manufacturing of: 1) Laptop bottom base (Flash) with capacity of 10,000 units/day 2) Smartwatch enclosures (Hulk) with capacity of 4,000 units/day
4	Karnataka Bank	Term loan	22-Nov-23	983.74	764.21	6 Months treasury Bill + 0.77% (Credit Risk Premium/Spread) + 2% (Fixed Spread)	Repayable in 21 staggered quarterly installments after initial holiday period of 18 months commencing from March 2025 and ending in March 2030	2%	For the purpose of setting up a new manufacturing unit for producing laptop bottom base units and smartwatch enclosures.
	Sub-Total (C)			2,983.74	2,311.59				



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AEPL

5	Axis Bank	Cash credit	20-Feb-25	150.00	65.75	Repo +3.90%	12 months	2%	To meet the working capital requirements
		Export credit facilities (EPC/RPC/PCFC/RPFC)							
Sub-Total (D)				150.00	96.32				
Total of all three wholly owned subsidiaries (E=B+C+D)				5,083.74	4,156.15				
Total (A+E)				5,333.74	4,401.67				

* - Details are populated as at 31 October 2025.

* - All the PCFC loan above are USD loans. The conversion rate as of 31 October 2025 (USD/INR- 88.64) is considered.

* - SOFR- Secured overnight financing rate

* - EPC- Export packing credit

* - RPCFC- Running pre shipment credit in foreign currency

For and On behalf of

Aequs Limited

(formerly known as Aequs Private Limited)

Rajeev Kaul



Rajeev Kaul

Managing Director

Place: Bangalore

Date: 26 November 2025

Aequs Limited (formerly known as Aequs Private Limited)

Corporate Identity Number: U80302KA2000PLC026760

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