

Financial statements

Of

**Aerostructures Assemblies India Private
Limited**

For the year ended

31st March 2026

Aerostructures Assemblies India Private Limited

CIN - U29253KA2013PTC067804

Registered Office	Aequs SEZ, No. 437/A, Hattargi Village, Hukkeri Taluk, Belgaum, Belgaum, Karnataka, India, 591243
Directors	Shirish Dundappa Ganamukhi (DIN: 09246883) . Harish Bang (DIN: 08383723) Ashok Kumar Baweja (DIN: 00098132) Durvigere Shivamurthy Mohan (DIN: 08440969) Arunkumar S Kalanji (DIN: 10725333)
Chief Financial Officer	Nagaraj Irappa Mallegoudr
Company Secretary	Chandana Patil
Statutory Auditors	K. G. Acharya & Co., Chartered Accountants, No. 14, Girls School Street, Kumarapark West, Seshadripuram, Bangalore-20 Karnataka, India

INDEPENDENT AUDITOR'S REPORT

To The Members of Aerostructures Assemblies India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Aerostructures Assemblies India Private Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended, and notes to the financial statement including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon. The Board's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's report along with annexure, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibilities of Management & Those Charged with Governance for the Financial Statements:

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatements in the financial statements.

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

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.

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 sub-section (11) of section 143 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. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g), of the Companies (Audit and Auditors) Rules, 2014, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS as specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Sec. 164(2) of the Act.
 - f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure - B'
 - g. According to the information and explanations provided to us, the Company has not paid any managerial remuneration during the year.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.



iv.

- a. The management has represented that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The management has represented, that, to the best of it's knowledge and belief, as disclosed in Notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid dividends during the year under review, and hence reporting on compliance with section 123 of the Companies Act, 2013 is not applicable.

vi. Based on our examination which included the test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail(edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

- not enabled for the period from 01 April 2025 to 15 December 2025 at database level to log any direct data changes: and
- not enabled for the period from 01 April 2025 to 09 October 2025 at the application level for certain fields/tables relating to all the significant financial processes.

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

Bangalore

25/05/2026

For M/s. K G Acharya & Co.,

Chartered Accountants

FRN 008019S



Chirag Aggarwal

Partner

M. No. 243971

UDIN: 26243971HSNATZ9145



'Annexure – A' to the Independent Auditor's Report of even date on the Financial Statements of Aerostructures Assemblies India Private Limited

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

i.

(a) (A) According to the information and explanation given to us, the company has maintained reasonable records showing full particulars including quantitative details and situation of Property, plant & Equipment.

(B) According to the information and explanation given to us, the company has maintained reasonable records showing full particulars of Intangible Assets.

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

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

(d) The company has not revalued its Property, Plant and Equipment and intangible assets during the year and therefore Paragraph 3(i)(d) of the order is not applicable.

(e) Based on our audit procedures, we report that no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

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

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate during the year from banks on the basis of security of current assets. The quarterly returns / statements filed by the company with such banks and financial institutions are in agreement with the books of account of the company.



iii.

During the year, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, and therefore Paragraph 3(iii) of the order is not applicable to the company.

iv.

The company has not given any loans / investments / guarantees to which the provisions of section 185 and section 186 of the Act apply.

v.

The company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of the order is not applicable to the company.

vi.

The central government has not prescribed maintenance of cost records u/s 148(1) of the Act for any of the products / services of the company. Thus paragraph 3(vi) of the order is not applicable to the company

vii.

- (a) Undisputed statutory dues including Goods and Services Tax, PF, ESI, income-tax, sales-tax, service tax, duty of custom, duty of excise, VAT, Cess have been regularly deposited with the appropriate authorities.

Also, refer note 28(ii) to the financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) There are no statutory dues referred to in (a) above which have not been deposited on account of any dispute except the following

<i>Name of Statute</i>	<i>Nature of the dues</i>	<i>Amount (Rs.in lakhs)</i>	<i>Period to which the amt relates</i>	<i>Forum where dispute is pending</i>
Income Tax Act, 1961	Income Tax	164	Assessment Year 21-22	Income tax Appellate Tribunal

viii.

Based on our audit procedures, there were no instances of transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix.

- (a) We are of the opinion that the company has not defaulted in repayment of loans or other borrowings and in payment of interest thereon to any lender.
- (b) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.



- (c) The company has not availed any term loans and therefore paragraph 3(ix)(c) of the order is not applicable to the company.
- (d) On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) On an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans any during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore paragraph 3(ix)(f) of the order is not applicable to the company.

x.

- (a) The Company has not raised money by way of Initial Public Offer or Further Public Offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or Convertible Debentures during the year and therefore Paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

- (a) Based upon the audit procedures performed, we report that no fraud by the company or no fraud on the Company has been noticed or reported during the course of our audit and therefore Paragraph 3(xi)(a) of the Order is not applicable to the Company.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) The Company is not required to have Whistle Blower Mechanism under applicable rules and regulation. Further, as represented to us by the management, the Company has voluntarily established Whistle Blower Mechanism and there are no whistle blower complaints received by the company during the year.

xii.

The company is not a Nidhi Co. and therefore Paragraph 3(xii) of CARO is not applicable to the company.

xiii.

All the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Section 188 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Indian Accounting standard 24 "Related party disclosures". Further, in our opinion, the provisions of S. 177 of the Act are not Applicable to the Company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.

xiv.

In our opinion and based on our examination, the company does not have an internal audit system as it is not required to have an internal audit system as per provisions of the Companies Act 2013.



xv.

The Company has not entered into any non-cash transactions with directors or persons connected with him as stipulated u/s. 192 of the Act. Paragraph 3(xv) of the Order is therefore not applicable to the Company.

xvi.

- (a) The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. Paragraph 3(xvi)(a) of the Order is therefore not applicable to the Company.
- (b) The company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the Company.
- (c) Based on our audit procedures, we are of the opinion that company is a not core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Paragraph 3(xvi) (c) and (d) of the Order is therefore not applicable to the Company.

xvii.

The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year. Hence, paragraph 3 (xvii) of CARO is not applicable to the company.

xviii.

There was no resignation of the statutory auditors during the year under Audit. Hence, paragraph 3(xviii) of CARO is not applicable to the company.

xix.

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



XX.

- (a) According to the information and explanations given to us, in respect of other than ongoing projects, the company has transferred the required amount to an eligible implementing agency (a registered trust) undertaking CSR activities in compliance with the provisions of Section 135(5) of the Companies Act, 2013. Hence, the provisions relating to transfer to a Fund specified in Schedule VII are not applicable.
- (b) There were no ongoing projects during the year under review. Accordingly, the provisions of Section 135(6) of the Companies Act, 2013 relating to transfer of unspent amount to a special account are not applicable.

Date 25/05/2026
Place: Bangalore

For M/s. K G Acharya & Co.,
Chartered Accountants

FRN 008019S



Chirag Aggarwal
Partner
M. No. 243971

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Aerostructures Assemblies India Private Limited ("THE COMPANY") AS AT 31ST MARCH, 2026.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the Internal Financial Controls over financial reporting of **Aerostructures Assemblies India Private Limited** ("the Company") as of March 31, 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate Internal Financial Controls with reference to financial Statements and such Internal Financial Controls were operating effectively as at March 31, 2026, based on the internal financial control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 of ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Over Financial Reporting was 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 Controls Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls Over Financial Reporting, 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements.

A company's Internal Financial Controls with reference to Financial Statements is a process designed to 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 control over financial reporting includes those policies and procedures that –

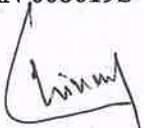
- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Bangalore
25/05/2026

For M/s. K G Acharya & Co.,
Chartered Accountants
FRN 008019S


Chirag Aggarwal
Partner
M. No 243971



Notes forming part of the financial statements for the year ended March 31, 2026

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

Note: 1**Background**

Aerostructures Assemblies India Private Limited (the 'Company') is incorporated on February 8, 2013. The Company was formed pursuant to an agreement between Aerospace Manufacturing Holdings Private Limited, Aequs Limited (Formerly known as Aequs Private Limited), Aequs Inc. and Saab AB (publ). The Company has its registered office in Aequs SEZ, Hattargi Village, Taluka Hukkeri, Belgaum, Karnataka and engaged in the business of manufacture & assembly of aerostructure parts

On April 05, 2019, the Company obtained approval from Assistant Commissioner, LVO Belgaum, Government of India to carry on the operations relating to manufacture & assembly of aerostructure parts from its new unit ('Honaga Unit') located 30/1, Honaga Industrial Area, Belagavi.

During the year ended March 31, 2022, pursuant to share purchase agreement dated July 14, 2021, Aequs Limited (Formerly known as Aequs Private Limited) had purchased shares of the Company held by SAAB AB (Publ). Further, pursuant to agreement dated November 24, 2021, Aequs Limited (Formerly known as Aequs Private Limited) had purchased shares of the Company held by Aerospace Manufacturing Holdings Private Limited. Consequently, the Company had become a wholly owned subsidiary of Aequs Limited (Formerly known as Aequs Private Limited).

Note: 2**Summary of Material accounting policies**

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

2.1 Going Concern Assumption

The Company has made net profit of INR 530 (March 31, 2025: INR 528) for the period March 31, 2026. The Company's accumulated profit/(loss) and net worth are 336 (March 31, 2025: (197)) and 3418 (March 31, 2025: 2858) respectively as of March 31, 2026. The financial statements have been prepared on the basis that the Company will continue to operate as a going concern.

2.2 Basis of preparation**(i) Compliance with Ind AS**

The said financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- share-based payments; and
- defined benefit obligations

(iii) New and amended standards adopted by the Company:

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards issued but not effective:

- Amendment to IND AS 1 - Amendments made to provide guidance on classification of liabilities as current or non-current. A liability is classified as non-current only if the entity has the right to defer its settlement for at least twelve months after the reporting period. This right must have substance and exist at the end of the reporting period. If a right to defer settlement is subject to the entity complying with specified conditions (covenants), then those covenants are required to be complied on or before the reporting date to continue non-current liability classification.
- Amendment to IND AS 7 and 107 - Additional disclosure requirements introduced for Supplier Finance Arrangements.
- Amendment to IND AS 12 - A mandatory temporary exception is introduced, where an entity shall neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

- Amendment to IND AS 21 - Amendments made to introduce a framework for handling the "Lack of Exchangeability" between currencies. A currency is exchangeable if it can be obtained within a normal administrative delay through a mechanism creating enforceable rights and obligations. It is deemed non-exchangeable if only an "insignificant amount" is obtainable for a specified purpose. When exchangeability is lacking, entities must estimate a spot exchange rate that reflects an orderly transaction between market participants and disclose the nature and financial impact of the non-exchangeability, the estimation process used, and the associated risks.

The amendments listed above did not have any significant impact on the amounts recognised in current and prior periods and are not expected to significantly affect any future periods.



Notes forming part of the financial statements for the year ended March 31, 2026

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

(v) Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Company's Chief Operating Decision Maker (CODM) is identified to be Executive Chairman and Chief Executive Officer of the Group, who plans the allocation of resources and assess the performance of the segments. The Company has only one reportable segment 'Contract Manufacturing' to be reported in its financial statements. Refer Note 30 for segment information presented.

(c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs.

All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

(d) Revenue recognition

Revenue from sale of goods (measured at the amount of transaction price, net of variable consideration) is recognised when the product is delivered as per the International Commercial Terms (INCO terms) mentioned in the customer purchase order.

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

Revenue from assembly services is recognized at a point in time, when control of the assembled goods is transferred to the customer, which coincides with the dispatch of goods as per the contract terms.

The Company collects GST on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

As a practical expedient the Company has opted not to disclose the information in respect of performance obligations that are part of the contracts that has an original expected duration of one year or less.

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

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

(e) Other income

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

(f) Income tax

The income tax expense or credit for the period 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

(f) Income Tax (Continued.)

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.

Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(g) Leases

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 Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

- Fixed payments (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 Company under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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, which is generally the case for leases in the company, as in the case of lease of buildings, the Company's incremental borrowing rate is used, being the rate that the individual lessee Company 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.

Payment associated with short-term lease 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.

(h) Impairment of assets

The Company does not have goodwill or any other intangible assets with indefinite useful life. Other assets are amortised over estimated useful life and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(i) Cash and cash equivalents

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

(j) Provisions

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

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.



Notes forming part of the financial statements for the year ended March 31, 2026

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

(k) Trade receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised (at transaction price) initially at the amount of consideration that is unconditional unless they contain significant financial components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(l) Inventories

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

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

Costs are assigned to individual items on weighted average cost basis. Net realisable 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.

(m) Other financial assets**(i) Classification**

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

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

(ii) Initial Recognition

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

(iii) Measurement

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

(a) Amortised 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 amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

(b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (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 derecognised, 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.

(iv) Impairment of financial asset

The Company 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 26 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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 derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest income from financial assets at amortized cost is calculated using the effective interest method and is recognised in the statement of profit and loss using the effective interest rate method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).



Notes forming part of the financial statements for the year ended March 31, 2026

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

(n) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives: 10 year

The estimated useful lives of assets are as follows:

Asset	Useful life (in years)	Schedule II useful life (in years)
Plant and machinery	2-10 years	8-15 years
Computer equipment	3 years	3-6 years
Furniture and fittings	2-5 years	10 years
Office equipment	2-5 years	5 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined based on technical evaluation done by the management which are equal to or lower 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 and freehold land are not depreciated.

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 gains/losses. 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.

(o) Intangible assets

Intangible assets include Computer software.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
 - management intends to complete the software and use or sell it
 - there is an ability to use or sell the software
 - it can be demonstrated how the software will generate probable future economic benefits
 - adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
 - the expenditure attributable to the software during its development can be reliably measured.
- Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The Company amortises intangible assets with finite useful life using the straight-line method over a period of 10 years.

(p) Accounting policy on EBITDA

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

(q) Trade and other payables

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

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at 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 Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(s) Borrowing costs

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

(t) Employee benefits**(i) 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.

(ii) Other long-term employee benefit obligations

The liabilities recognised in the balance sheet in respect of leave obligations is the present value of the obligation at the end of the reporting period. The liability is calculated annually by actuaries using the projected unit credit method. 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.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

(a) Gratuity obligations

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

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

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

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

(b) Defined Contribution Plans:

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

(iv) Share-based payments

Share-based compensation benefits ("Option") are provided to employees through the Aequs Stock Option Plan ("plan"). This plan is assessed, managed and administered by Aequs Limited (Formerly known as Aequs Private Limited).

The fair value of the options granted under the Plan given to the employees of the Company are recognised under employee benefits expense with a corresponding credit to share option outstanding reserve. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

(u) Bonus

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

(v) Financial Guarantee contracts

Financial guarantees provided for no compensation by the joint venturers/holding company to banks on behalf of the company against the credit facilities availed are recognised at fair value akin to a prepaid asset when such guarantees are issued to the bank, with a corresponding increase in equity. The asset is amortized in the statement of profit and loss, within finance costs, over the term of the underlying credit facility starting from the date when amounts from such facility are first drawn. The unamortised balance of the asset at the end of the financial year is set off against the respective outstanding credit facilities.

(w) Contributed equity

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

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) 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.

(y) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded to nearest lakhs as per the requirement of Schedule III of Companies Act, 2013, unless otherwise stated.

Note 3:

Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line in the financial statements.

The areas involving critical estimates are as below :

- Estimation of defined benefit obligation - Note 12
- Estimation of expected credit loss - Note 6(i)
- Estimation of inventory obsolescence - Note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. There are no critical estimates / judgements, other than disclosed above, made by the Management while preparing these financial statements that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities including estimated useful life of intangibles, estimation of loss allowance on trade receivables and deferred tax asset assessment within the next financial year.



Balance Sheet

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

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4(i)	238	228
Right-of-use assets	4(ii)	232	287
Intangible assets	5	34	41
Income tax asset	7	-	-
Financial assets			
Other financial assets	6 (iv)	96	85
Other non-current assets	8	164	185
Total non-current assets		764	825
Current assets			
Inventories	9	3,774	2,395
Financial assets			
Trade receivables	6 (i)	2,930	1,331
Cash and cash equivalents	6 (ii)	207	571
Bank balances other than cash and cash equivalents	6 (iii)	16	1
Other financial assets	6 (iv)	0	0
Other current assets	8	103	293
Total current assets		7,031	4,590
Total assets		7,795	5,415
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	2,886	2,886
Other Equity			
Reserves and surplus	11 (i)	398	(136)
Other reserves	11 (ii)	134	107
Total equity		3,418	2,857
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	4 (iii)	226	337
Employee benefit obligations	12	56	46
Total non current liabilities		282	383
Current liabilities			
Financial liabilities			
Borrowings	13 (i)	1,176	718
Lease liabilities	4 (iii)	143	107
Trade payables	13 (ii)		
(a) total outstanding dues of micro and small enterprises		1	6
(b) total outstanding dues other than (a) above		2,506	1,268
Other financial liabilities	13 (iii)	40	42
Current tax liabilities	15	203	-
Employee benefit obligations	12	25	28
Other current liabilities	14	1	7
Total current liabilities		4,095	2,174
Total liabilities		4,377	2,557
Total equity and liabilities		7,795	5,415

The accompanying notes are an integral part of these financial statements.

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

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S


Chirag Aggarwal
Partner

Membership No.: 243971
Place: Bengaluru

Date: 25-05-2026



For and on behalf of the Board of Directors
Aerostructures Assemblies India Private Limited


Harish Bang
Director

DIN: 08383723
Place: Belagavi

Date: 25-05-2026


Arun Kumar S Kalanji
Whole Time Director

DIN: 10725333

Place: Belagavi

Date: 25-05-2026


Chandana Patil
Company Secretary

M.No: A34129

Place: Bengaluru

Date: 25-05-2026


Nagaraj Mallekudr
Chief Financial Officer

Place: Belagavi

Date: 25-05-2026

Statement of Profit and Loss

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

	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	16	9,034	8,787
Other income	17 (a)	14	21
Other gains/(losses) - net	17 (b)	147	36
Total income (A)		9,194	8,844
Expenses			
Cost of materials consumed	19	7,211	6,802
Changes in inventories of work-in-progress and finished goods	20	(535)	77
Employee benefit expense	21	519	506
Other expenses	23	892	586
Total direct cost (B)		8,088	7,971
Earnings before interest, tax, depreciation and amortisation (A-B)		1,106	873
Depreciation and amortisation expense	22	195	188
Finance income	18	(6)	(22)
Finance costs	24	171	141
Total		359	306
Profit before tax		747	567
Income tax expense			
- Current tax	15	195	176
- Short provision for earlier year tax	15	-	12
- Deferred tax	15	(12)	(149)
- MAT Credit	15	34	
Total tax expense		217	39
Profit for the year		530	528
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	12	3	3
Other comprehensive income for the year		3	3
Total comprehensive income for the year		533	531
Earnings per equity share: - Basic and Diluted	32	1.84	1.83
[Nominal value per share: INR 10 (March 31, 2025: INR 10)]			

The accompanying notes are an integral part of these financial statements.

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

For M/s K G Acharya & Co.,

Chartered Accountants

Firm Registration Number: 008019S



Chirag Aggarwal

Partner

Membership No.: 243971

Place: Bengaluru

Date : 25-05-2026



For and on behalf of the Board of Directors

Aerostructures Assemblies India Private Limited



Harish Bang

Director

DIN: 08383723

Place: Belagavi

Date : 25-05-2026



Anurag S Kalanji

Whole Time Director

DIN: 10725333

Place: Belagavi

Date : 25-05-2026



Chandana Patil

Company Secretary

M.No: A34129

Place: Bengaluru

Date : 25-05-2026



Nagaraj Mallikoudr

Chief Financial Officer

Place: Belagavi

Date : 25-05-2026

Statement of Cash Flows

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities		
Profit before tax	747	567
<u>Adjustments for:</u>		
Depreciation and amortisation expense	195	188
Impairment losses on financial assets	-	(29)
Provision for slow moving inventory	32	42
Employee stock option scheme expense	0	6
Finance income	(6)	(22)
Finance costs	146	141
Unrealized foreign exchange (gain)/loss - net	(85)	23
Change in operating assets and liabilities		
(Increase)/decrease in		
- trade receivables	(1,473)	(148)
- inventories	(1,411)	(428)
- other financial assets	(0)	2
- other non-current assets	16	(55)
- other current assets	190	(196)
Increase/(decrease) in		
- trade payables	1,191	(853)
- employee benefit obligations	11	15
- other current financial liabilities	(2)	6
- other current liabilities	(6)	(4)
- Current Tax liability	(13)	(169)
Cash generated from operations	(469)	(913)
Income taxes paid (net of refunds received)	-	-
Net cash inflow from/(used) operating activities (A)	(469)	(913)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(145)	(114)
Interest received	1	18
Net cash outflow from investing activities (B)	(143)	(96)
Cash flows from financing activities:		
Principal repayment of lease liabilities (including interest)	(75)	(88)
Interest paid on lease liability	(50)	(57)
Proceeds / (repayment) from short-term borrowings (net)	458	607
Interest paid	(69)	(54)
Net cash outflow from financing activities (C)	265	409



Statement of Cash Flows

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(347)	(600)
Cash and cash equivalents at the beginning of the financial year	571	1,171
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	224	571
Note :		
Acquisition of right of use assets	-	-
<i>Reconciliation of cash and cash equivalents as per the statement of cash flows</i>		
Cash and cash equivalents as per above comprise of the following:		
Cash and Bank Balances - Refer Note 6(ii) & (iii)		
Balances with banks:		
- in current accounts	-	-
- in EEFC accounts	207	570
Deposit with maturity of more than three months and less than twelve months	16	1
Cash on hand	0	0
Balances per statement of cash flows	224	571

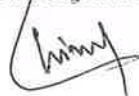
The accompanying notes are an integral part of these financial statements.

This is statement of cash flows referred to in our report of even date.

For M/s K G Acharya & Co.,

Chartered Accountants

Firm Registration Number: 0080195


Chirag Aggarwal
Partner

Membership No.: 243971

Place: Bengaluru

Date: 25-05-2026



For and on behalf of the Board of Directors

Aerostructures Assemblies India Private Limited


Harish Bang
Director

DIN: 08383723

Place: Belagavi

Date: 25-05-2026


Arunkumar S Kalanji
Whole Time Director

DIN: 10725333

Place: Belagavi

Date: 25-05-2026


Chandana Paul
Company Secretary

M.No: A34129

Place: Bengaluru

Date: 25-05-2026


Nagaraj Mallesgadri
Chief Financial Officer

Place: Belagavi

Date: 25-05-2026

Statement of Changes in Equity

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

A. Equity share capital

	Note	Amount
Balance as at April 01, 2024		2,886
Changes during the year	10	-
Balance at March 31, 2025		2,886
Changes during the year	10	-
Balance at March 31, 2026		2,886

B. Other equity

Particulars	Reserves and Surplus			Other reserves	Total other equity
	Retained earnings	Securities premium	Share option outstanding account		
Balance as at April 01, 2024	(728)	44	12	80	(592)
Profit for the year	528	-	-	-	528
Other comprehensive income for the year	3	-	-	-	3
Total comprehensive income for the year	531	-	-	-	531
Financial guarantee adjustment	-	-	-	27	27
Employee stock option expense	-	-	6	-	6
Balance as at March 31, 2025	(197)	44	18	107	(29)
Profit for the year	530	-	-	-	530
Other comprehensive income for the year	3	-	-	-	3
Total comprehensive income for the year	533	-	-	-	533
Financial guarantee adjustment	-	-	-	27	27
Employee stock option expense	-	-	0	-	0
Balance at March 31, 2026	336	44	18	134	532

The accompanying notes are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to our report of even date.

For M/s K G Acharya & Co.,

Chartered Accountants

Firm Registration Number: 008019S



Chirag Aggarwal

Partner

Membership No.: 243971

Place: Bengaluru

Date: 25-05-2026



For and on behalf of the Board of Directors

Aerostructures Assemblies India Private Limited



Harish Bang

Director

DIN: 08383723

Place: Belagavi

Date: 25-05-2026



Arunkumar S Kalanji

Whole Time Director

DIN: 10725333

Place: Belagavi

Date: 25-05-2026



Chandana Patil

Company Secretary

M.No: A34129

Place: Bengaluru

Date: 25-05-2026



Nagaraj Mallegoudar

Chief Financial Officer

Place: Belagavi

Date: 25-05-2026

4(i) Property, Plant and Equipment

	Leasehold improvements	Plant and machinery	Computer equipment	Office equipment	Furniture and fittings	Total
Year ended March 31, 2025						
Gross carrying amount						
As at April 01, 2024	19	642	10	13	10	694
Additions	5	99	6	-	3	113
Deletions	-	(4)	-	-	-	(4)
Exchange differences	-	-	-	-	-	-
Closing gross carrying amount	24	737	16	13	13	803
Accumulated depreciation						
Opening accumulated depreciation	10	453	5	10	8	486
Depreciation charge during the year	4	83	4	1	1	93
Deletions	-	(4)	(0)	-	-	(4)
Closing accumulated depreciation	14	532	8	11	10	575
Net carrying amount	10	205	8	2	4	228
Year ended March 31, 2026						
Gross carrying amount						
As at April 01, 2025	24	737	16	13	13	803
Additions	3	91	1	2	0	97
Deletions	(0)	(6)	(0)	(0)	(0)	(7)
Closing gross carrying amount	27	822	17	14	13	893
Accumulated depreciation						
Opening accumulated depreciation	14	532	8	11	10	575
Depreciation charge during the year	4	77	2	1	1	85
Deletions	-	(5)	0	(0)	0	(5)
Closing accumulated depreciation	18	604	10	12	11	655
Net carrying amount	9	218	7	3	3	238

- a. Refer to Note 13 (i) (c) for information on property, plant and equipment (excluding leasehold improvements) pledged as security.
b. Refer to Note 29 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
c. The Company did not have any capital-work-in-progress as at March 31, 2026 and March 31, 2025.

4(ii) Leases

Right of use assets

Particulars	Buildings
Year ended March 31, 2025	
Gross carrying amount	
As at April 01, 2024	800
Additions	-
Deletion	-
Closing gross carrying amount	800
Accumulated depreciation	
As at April 01, 2024	428
Depreciation charge during the year	85
Deletions	-
Closing accumulated depreciation	514
Net carrying amount	287
Year ended March 31, 2026	
Gross carrying amount	
As at April 01, 2025	800
Additions/Deletions	45
Closing gross carrying amount	845
Accumulated depreciation	
As at April 01, 2025	514
Depreciation charge during the year	100
Additions/Deletions	-
Closing accumulated depreciation	614
Net carrying amount	232



4 (iii) Leases

(i) Amounts recognised in Balance Sheet

	As at March 31, 2026	As at March 31, 2025
Right-of-use assets		
Buildings	232	287
Total	232	287
	As at March 31, 2026	As at March 31, 2025
Lease liabilities		
Current	143	107
Non-current	226	337
Total	369	443

Note:

The above lease liabilities are recognised for the lease rentals payable on the buildings that the Company has taken on lease from Aequs SEZ Private Limited & Rahul

Packers. The term of the lease with Aequs SEZ Private Limited is 10 years which is non-cancellable. The DTA Honaga Building leased for 3 years from Rahul Packers.

(ii) Amounts recognised in the Statement of Profit and Loss

	Year ended March 31, 2026	Year ended March 31, 2025
Buildings	100	85
Total	100	85

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense (included in finance costs)	24	50	57
Expense relating to short-term leases (included in other expenses)	23		
Expense relating to leases of low-value assets that are not shown above as short- term leases (included in other expenses)	23	1	2
Expense relating to variable lease payments not included in lease liabilities (included in other expenses)			

Note:

a. The total cash outflow for leases during the period ended March 31, 2026 was INR 169 (March 31, 2025: INR 145).



Notes forming part of the financial statements for the year ended March 31, 2026

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

5 Intangible Assets

	Intangible Assets
Particulars	Computer Software
Year ended March 31, 2025	
Gross carrying amount	
As at April 01, 2024	99
Additions	0
Deletions	-
Closing gross carrying amount	99
Accumulated amortisation	
Opening accumulated amortisation	49
Amortisation charge during the year	9
Deletions	-
Closing accumulated amortisation	58
Net carrying amount as on 31/03/2025	41
Year ended March 31, 2026	
Gross carrying amount	
As at April 01, 2025	99
Additions	3
Deletions	-
Closing gross carrying amount	101
Accumulated amortisation	
Opening accumulated amortisation	58
Amortisation charge during the year	10
Deletions	-
Closing accumulated amortisation	68
Net carrying amount as on 31/03/2026	34

Note:

There were no intangible assets under development during the current and previous year.



Notes forming part of the financial statements for the year ended March 31, 2026

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

6 Financial Assets

(i) Trade receivables

	As at March 31, 2026	As at March 31, 2025
Trade receivables from contracts with customers - others	2,738	1,258
Trade receivables from contracts with customers – related parties (refer Note 31)	192	72
Less: Loss allowance	-	-
Total receivables	2,930	1,331
Break up of security details		
Trade receivables considered good - unsecured	2,930	1,331
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	2,930	1,331
Less: Loss allowance	-	-
Total trade receivables	2,930	1,331

Note:

1. For lien/charge against trade receivables refer Note 13 (i)(c)

Aging of Trade receivables: March 31, 2026

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	2,097	828	2	0	1	2	2,930
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
considered good	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	2,097	828	2	0	1	2	2,930
Less: Loss allowance	-	-	-	-	-	-	-
Total trade receivables	2,097	828	2	0	1	2	2,930

Aging of Trade receivables: 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	1,225	103	0	1	1	1	1,331
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	1,225	103	0	1	1	1	1,331
Less: Loss allowance	-	-	-	-	-	-	-
Total trade receivables	1,225	103	0	1	1	1	1,331

Note: There are no unbilled trade receivables as at March 31, 2026 and March 31, 2025.

(ii) Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
- in EEFC accounts	207	570
Cash on hand	0	0
Total cash and cash equivalents	207	571

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

6 Financial Assets(Contd.)

	As at March 31, 2026	As at March 31, 2025
--	-------------------------	-------------------------

(iii) Bank balances other than cash and cash equivalents

Deposit with maturity of more than three months and less than twelve months

Margin money deposits

Total bank balances other than cash and cash equivalents

1	1
16	-
16	1

(iv) Other financial assets

Non Current

Security Deposit [refer note (a) below]

Total other non current financial assets

96	85
96	85

Note: (a). Security deposit includes below deposits given to Aequs SEZ Private Limited

Electrical Deposit of INR 10 (March 31, 2025: INR 10).

KERC/OHC Deposit of INR 5 (March 31, 2025: INR 5)

Water Deposit of INR 4 (March 31, 2025: INR 4)

Current

Interest accrued on deposit with bank

Total other current financial assets

0	0
0	0

7 Income tax asset

Advance Tax

Total income tax asset

-	-
-	-

8 Other assets

Non Current

Capital advances

Prepaid expenses

Deferred tax asset/ (liability)

Minimum Alternative Tax

Total other non current assets

1	2
2	-
161	149
-	34
164	185

Current

Advance to suppliers

Advances to employees

Prepaid expenses

Balances with statutory authorities

Total other current assets

71	254
0	-
15	12
16	27
103	293

9 Inventories

Raw materials [includes goods in transit INR 582 (March 31, 2025 : INR 384)]

Work-in-progress

Finished goods

Stores and spares

Less: Provision for slow moving stock [refer note (b) below]

Total Inventories

2,949	2,125
212	161
570	86
234	182
3,965	2,555
(191)	(159)
3,774	2,395

a. For lien/charge against inventories refer Note 13 (i) (c)

b. Provisions for slow moving stock includes raw material INR 49 (31 March 25 : INR 35),

Stores and spares INR 114 (31 March 25 : INR 94) and Finished and Semi Finished Goods

INR 28 (31 March 25:INR 31)



Notes forming part of the financial statements for the year ended March 31, 2026

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

10 Equity share capital

(i) Authorised equity share capital

As at April 01, 2024

Increase during the year

As at March 31, 2025

Increase during the year

As at March 31, 2026

Number of shares

2,88,61,000

2,88,61,000

2,88,61,000

March 31, 2026

March 31, 2025

(ii) Issued, subscribed and fully paid up share capital

Balance as at the beginning of the year

28,860,802 (March 31, 2025: 28,860,802) equity shares of INR 10/- each

Increase during the year

Total issued, subscribed and fully paid-up share capital

2,886

2,886

2,886

2,886

(iii) Movement in Equity share capital

As at April 01, 2024

Issue of shares during the year

As at March 31, 2025

Issue of shares during the year

As at March 31, 2026

Number of Shares

2,88,60,802

2,88,60,802

2,88,60,802

(iv) Rights, preferences and restrictions attached to shares

The company has single class of equity shares. Accordingly, all the shares rank equally with regards to dividend and share in the Company's residual assets on winding up. The dividend proposed if any, by the Board of Directors is subject to approval of the shareholders in the ensuring Annual General Meeting except in case of interim dividend. The voting rights are in proportion to its share in paid up equity share capital of the Company. Voting rights cannot be exercised in respect of the shares on which any call or any other sums presently payable has not been paid. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company in proportion to their shareholding

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

	Number of equity shares	% holding
As at April 01, 2024		
Aequs Limited(Formerly known as Aequs Private Limited)*	2,88,60,802	100%
As at March 31, 2025		
Aequs Limited(Formerly known as Aequs Private Limited)*	2,88,60,802	100%
As at March 31, 2026		
Aequs Limited(Formerly known as Aequs Private Limited)*	2,88,60,802	100%

*Includes 1 equity share (March 31,2025: 1 equity share) held by Ravi Hugar as nominee shareholder.

(vi) Details of Promoters' shareholding:

As on March 31, 2026

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Limited (Formerly known as Aequs Private Limited)	2,88,60,802	100%	0%

As on March 31, 2025

Name of the Promoter	Number of shares	Percentage of total number of shares	Percentage of change during the year
Aequs Limited (Formerly known as Aequs Private Limited)	2,88,60,802	100%	0%

(vii) There are no shares issued for consideration other than cash during the current year and prior year.

(viii) There are no shares reserved for issue under options, contracts or commitments.

(ix) There are no bonus shares issued during the current year and prior year.

(x) There are no shares bought back and forfeited during the current year and prior year.



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

As at March 31, 2026	As at March 31, 2025
336	(197)
44	44
18	18
398	(136)

(197)	(728)
530	528
3	3
336	(197)

	44	44
-	-	-
-	-	-
	<u>44</u>	<u>44</u>

18	12
0	6
18	18

107	80
27	27
134	107

Notes forming part of the financial statements for the year ended March 31, 2026

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

12 Employee benefit obligations

Non-current

Gratuity obligations

Current

Gratuity obligations

Leave obligations

	As at March 31, 2026	As at March 31, 2025
Gratuity obligations	56	46
	56	46
Gratuity obligations	-	2
Leave obligations	25	26
	25	28

(i) Leave obligations

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

The amount of the provision of INR 25 (March 31, 2025: INR 26) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Leave obligation not expected to settled within next 12 months

	As at March 31, 2026	As at March 31, 2025
	24	20

(ii) Defined contribution plans

The Company has certain defined contribution plans in the form of provident fund and ESI for qualifying employees. The contributions are made to provident fund in India and to ESI scheme as per regulations. The contributions are made to registered provident fund and ESI administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is as follows:

Provident fund
Employees State Insurance (ESI)

	As at March 31, 2026	As at March 31, 2025
Provident fund	21	21
Employees State Insurance (ESI)	1	1
	23	22

(iii) Post employment obligations

Gratuity

The Company provides for gratuity for employees in India as per Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is funded.

The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2026	As at March 31, 2025
Present value of unfunded defined benefit obligation	56	48
Defined benefit obligation recognised in balance sheet	56	48

(a) Total expenses recognised in the statement of profit and loss account (Note 21)	March 31, 2026	March 31, 2025
Current service cost	12	11
Interest cost	4	3
Past service cost	12	-
Total amount recognised in statement of profit or loss	27	14
(b) Amounts recognised in Other comprehensive Income		
(Gains)/losses arising from changes in		
- demographic assumptions	2	0
- financial assumptions	(4)	2
- Actual return on plan assets less interest on plan assets	0	-
- experience adjustments	(1)	(5)
Total amount recognised in other comprehensive income	(3)	(3)
Total amount	24	11



Notes forming part of the financial statements for the year ended March 31, 2026

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

	March 31, 2026	March 31, 2025
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	48	38
Current service cost	12	11
Interest cost	4	3
Past service cost	12	-
Benefits paid	(2)	(4)
Liabilities assumed / (settled)	(9)	3
Acquisition / divestiture		-
Remeasurement (gains)/ losses		
- arising from changes in demographic assumptions.	2	0
- arising from changes in financial assumptions.	(4)	2
- arising from changes in experience adjustments.	(1)	(5)
Defined benefit obligation as of current year end	61	48
(d) Changes in plan assets during the year		
Fair value of plan assets at the beginning	-	-
Employer contributions	7	4
Interest on plan assets	0	-
Remeasurements (due to Actual return on plan assets less interest on plan assets)	(0)	-
Benefits paid	(2)	(4)
Closing fair value of plan assets	5	-
Recognized under employee benefit obligations:		
Current	-	2
Non-current	56	46
Total	56	48
(e) Actuarial Assumptions:	March 31, 2026	March 31, 2025
Discount rate per annum	7.35%	6.95%
Rate of increase in compensation levels	10.00%	10.00%
Attrition rate	11% at younger ages and reducing to 1% at older ages according to graduated scale.	11% at younger ages and reducing to 1% at older ages according to graduated scale.
Normal retirement age	58 years	58 years
Mortality table	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Sensitivity Analysis

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

Changes in assumption	March 31, 2026	March 31, 2025
Discount Rate		
a. Discount rate - 50 basis points	66	51
a. Discount rate - 50 basis points impact (%)	7.61%	7.09%
b. Discount rate + 50 basis points	57	45
b. Discount rate +50 basis points impact (%)	-6.95%	-6.47%
Salary increase rate		
a. Rate - 50 basis points	58	45
a. Rate - 50 basis points impact (%)	-5.52%	-6.33%
b. Rate + 50 basis points	65	51
b. Rate + 50 basis points impact (%)	5.99%	6.63%

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes. The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed. There is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

Maturity profile of the defined benefit obligations.

b. Expected future cashflows (in Rs.) [Undiscounted]	March 31, 2026	March 31, 2025
Year 1	2	2
Year 2	2	1
Year 3	2	6
Year 4	2	2
Year 5	2	1
Year 6	2	1
Year 7	1	1
Year 8	1	1
Year 9	1	1
Year 10 and above	192	127
Weighted average duration of the defined benefit obligation in years	14.54 years	13.55 years

Risk Exposure

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

(i) Market Risk (Discount Rate)

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

(ii) Longevity Risk

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

(iii) Annual Risk**Salary Increase Assumption**

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

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.



13 Financial Liabilities

(i) Borrowings

Current:

Secured

Working capital loan from banks

Unamortised Finance Guarantee

Total current borrowings

	As at March 31, 2026	As at March 31, 2025
	1,194	736
	(18)	(18)
	<u>1,176</u>	<u>718</u>

a) Details of security and terms of repayment for the non-current borrowings:

	1,176	718
Working Capital With HDFC Bank		
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 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: Aequus Limited		
Rate of Interest:		
CC: 3 month repo + 2.50% PA		
PCFC: SOFR + 200bps		

b) Net debt reconciliation:

Particulars

Cash and cash equivalents

Lease liabilities

Current borrowings

Net debt

	As at March 31, 2026	As at March 31, 2025
	207	571
	(369)	(443)
	(1,176)	(718)
	<u>(1,337)</u>	<u>(591)</u>

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Lease liabilities	Current borrowings	
Net debt as at April 1, 2024	569	(531)	(108)	(70)
Cash flows	2	-	(606)	(605)
Repayments	-	88	-	88
Non-cash adjustments	-	-	(4)	(4)
Interest expense	-	(57)	(54)	(111)
Interest paid	-	57	54	111
Net debt as at March 31, 2025	571	(443)	(718)	(591)
Cash flows	(363)	-	(458)	(821)
Repayments	-	75	-	75
Non-cash adjustments	-	-	(0)	(0)
Interest expense	-	(50)	(69)	(119)
Interest paid	-	50	69	119
Charged/(written back) to profit and loss	207	(369)	(1,176)	(1,337)

c) Assets pledged as security

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

Particulars	March 31, 2026	March 31, 2025
Current		
A. Financial assets:		
- Trade receivables	2,930	1,331
B. Non financial assets:		
- Inventories	3,774	2,395
Total current assets pledged as security	6,704	3,726
Non current		
A. Financial assets:		
- Property, plant and equipment	230	218
Total non-current assets pledged as security	230	218
Total assets pledged as security	6,934	3,944



Notes forming part of the financial statements for the year ended March 31, 2026

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

d) Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-06-2025	HDFC Bank	Inventories	2,560	2,560	-	Nil
30-09-2025	HDFC Bank	Inventories	3,200	3,200	-	Nil
31-12-2025	HDFC Bank	Inventories	3,533	3,533	-	Nil
31-03-2026	HDFC Bank	Inventories	3,965	3,965	-	Nil

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-Jun-24	HDFC Bank	Inventories	1,984	1,980	4	Refer Note 1
30-Sep-24	HDFC Bank	Inventories	2,602	2,600	2	Refer Note 1
31-Dec-24	HDFC Bank	Inventories	2,260	2,410	(150)	Refer Note 1
31-Mar-25	HDFC Bank	Inventories	2,555	2,061	494	Refer Note 1

Notes:

1 This is due to a change in the inventorisation of overheads, which resulted in a revision of the inventory value after submission.

e) Trade Receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-06-2025	HDFC Bank	Trade Receivables	1,302	1,302	-	Nil
30-09-2025	HDFC Bank	Trade Receivables	1,773	1,773	-	Nil
31-12-2025	HDFC Bank	Trade Receivables	2,406	2,406	-	Nil
31-03-2026	HDFC Bank	Trade Receivables	2,930	2,930	-	Nil

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
30-Jun-24	HDFC Bank	Trade Receivables	1,724	1,700	24	Refer Note 2
30-Sep-24	HDFC Bank	Trade Receivables	1,217	1,210	7	Refer Note 2
31-Dec-24	HDFC Bank	Trade Receivables	1,451	1,290	161	Refer Note 1
31-Mar-25	HDFC Bank	Trade Receivables	1,331	1,350	(19)	Refer Note 3

Notes:

1 Represents adjustments made post submission of information to the bank

2 The discrepancies are attributable solely to the conversion of figures from lakhs to millions during the statement submission process, compounded by the absence of decimal precision in the application

3 Represents difference arising from revenue reversal, as goods were in transit and had not yet been delivered to the customer as of the reporting date.



13 Financial Liabilities (Contd.)

(ii) Trade Payables

Current:

Trade payables

- Dues to micro and small enterprises (MSME) (Refer Note)

- Other trade payables

Payable to related parties (Refer Note 31)

Total trade payables

	As at March 31, 2026	As at March 31, 2025
	1	6
	2,375	1,237
	130	31
	<u>2,507</u>	<u>1,273</u>

Aging of Trade payables

March 31, 2026	Outstanding for following period from the due date						
Particulars	Unbilled / Accrued	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed trade payables							
MSME	-	-	1	-	-	-	1
Others	586	937	863	72	47	1	2,506
Disputed trade payables	-	-	-	-	-	-	-
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	586	937	863	72	47	1	2,507

March 31, 2025	Outstanding for following period from the due date						
Particulars	Unbilled / Accrued	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed trade payables							
MSME	-	5	0	-	-	-	6
Others	713	454	64	36	0	1	1,268
Disputed trade payables	-	-	-	-	-	-	-
MSME	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	713	460	64	36	0	1	1,273

Dues to micro and small enterprises

The identification of the micro, small and medium enterprise suppliers are defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006" is based on management's knowledge of their status. The Company has following dues to suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

Particulars	March 31, 2026	March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year/period end	1	6
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year/period end	0	0
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	13	6
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0	0
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year	0	0
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-



(iii) Other financial liabilities

Current:

Employees related liability
Payable to related parties (Refer Note 31)
Total other current financial liabilities

As at March 31, 2026	As at March 31, 2025
40	41
0	1
40	42

(iv) Leased liabilities

Non Current - Leased liabilities
Current - Leased liabilities
Total

226	337
143	107
369	443

Company's lease liabilities, by maturity, are as follows:

Particulars	March 31, 2026	March 31, 2025
Less than one year	177	152
Between one and five years	243	384
After five years	-	-
Total minimum lease payments	420	536
Less: imputed interest	51	93
Present value of lease payments	369	443

14 Other Liabilities

Current:

Statutory dues payable
Total other current liabilities

1	7
1	7



15 Deferred Tax Assets (Net)

A. Income tax expense

Current tax (A)

Current tax

195

176

Short provision of earlier year tax

-

12

MAT Credit

34

-

Current tax expense

229

188

Deferred tax (B)

Decrease/(increase) in deferred tax asset

(12)

(149)

(Decrease)/increase in deferred tax liability

-

-

Total deferred tax expense/(benefit)

(12)

(149)

Income tax expense/ (income) (A+B)

217

39

B. Deferred tax recognition

Deferred tax asset on timing differences and on unabsorbed depreciation and business loss carried forward has not been recognised in these accounts in the absence of reasonable certainty supported by convincing evidence that sufficient future taxable income will be available for set-off. However, this position will be reassessed at every year end and the deferred tax asset will be accounted for, if appropriate. Deferred tax asset as at March 31, 2026 has been arrived at as follows:

Deferred Tax :

Movement in the deferred tax assets / (liabilities)

	As at April 1, 2024	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2025	Charge/(credit) to the statement of profit and loss	Charge/(credit) to other comprehensive income	As at March 31, 2026
Deferred Tax Asset/(Liabilities) :							
Property, plant & equipment	30	3	-	33	0	-	33
Intangible Asset							
Right of use assets (net of lease liabilities)	44	(1)	-	44	(6)	-	38
Employment Benefit Obligation - Gratuity	11	3	-	13	2	-	16
Employee Benefit Obligation - Leave Encashment	6	1	-	7	(0)	-	7
Bonus	8	4	-	11	(0)	-	11
Unabsorbed Depreciation	12	(12)	-	-	-	-	-
Loss carried forward	-	-	-	-	-	-	-
Other Items	43	(2)	-	40	16	-	56
Net Deferred Tax Asset	154	(5)	-	149	12	-	161
Deferred tax (Credit)/Charge for the year	-	-	-	149	-	-	12

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 detailed Transfer Pricing 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. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

For the year ended March 31, 2025, the Company had undertaken a study to comply with the said transfer pricing regulations for which the prescribed certificate of the Accountant has been obtained and this did not envisage any tax liability.

For the period ended March 31, 2026, the Company is in the process of carrying out a similar study to comply with the said transfer pricing regulations. However, based on the analysis of margins and considering that the terms of agreement with associated enterprises has not changed during the year, the Company is of the view that for the period ended March 31, 2026, the transactions with the said enterprises are on an arm's length basis.

Unutilised MAT credit expire within as below:

Particulars	March 31, 2026	March 31, 2025
Within five years	-	-
Later than five years but less than ten years	-	-
Later than 10 years	-	34



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

Particulars	March 31, 2026	March 31, 2025
Profit before income tax expense	747	567
Tax at the rate of 27.82% (March 31, 2025: 27.82%)	208	158
Effects of:		
Expenses not allowed as deduction in computation of current tax	10	(11)
Financial guarantee	8	8
Income not chargeable to tax	(1)	6
Recognition of Deferred Tax Asset	-	(149)
Expenses on which DT not recognised in the current year	-	-
Reversal of Excess credit of earlier years	-	12
Utilization of MAT Credit	-	22
Loss Carry Forward (Utilization of Loss against Income from Business)	(7)	(6)
Total tax expense/(income)	217	39

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

Out of the deferred tax asset on account of carry forward unabsorbed depreciation and business loss as disclosed in (A), deferred tax from business losses will reverse in the absence of the future taxable income, in future years, as mentioned below:

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

	March 31, 2026	March 31, 2025
Within five years	-	-
Later than five years but less than ten years	-	-
No expiry	-	34



Aerostructures Assemblies India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2026

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

	Period ended March 31, 2026	Year ended March 31, 2025
16 Revenue from operations		
Revenue from contracts with customers		
- Sale of products	9,034	8,787
- Sale of services	-	-
	9,034	8,787
<u>Reconciliation of revenue recognised with contract price:</u>		
Contract Price	9,034	8,942
Adjustments for:		
Less: Deduction towards source inspection and other adjustments (rework)	-	(155)
Total revenue from operations	9,034	8,787
Note:		
(a) There are no unsatisfied performance obligations resulting from contracts with customers as at the reporting date.		
(b) As per the requirements of Ind AS 115, the Company disaggregates revenue based on geography and revenue from contracts with major customers (as given in Note 30) and between goods and services as given above.		
17 Other gains/(losses) - net		
(a) Other income		
Net gain on disposal of property, plant and equipment	-	0
Other gains	-	9
Liability no longer required written back	14	12
Total other income	14	21
(b) Other gains/(losses) - net		
Net foreign exchange differences	147	36
	147	36
18 Finance income		
Interest income on demand deposits	1	18
Unwinding of discount on security deposit	5	4
Interest on Electricity Deposits	0	-
Total finance income	6	22
19 Cost of materials consumed		
Raw material consumed		
Opening stock	2,125	1,646
Add: Purchases during the year	8,035	7,281
	10,160	8,927
Less: Closing stock	2,949	2,125
Total cost of raw materials consumed*	7,211	6,802

*Includes provision for FG slow moving Inventory of INR 8 (March 31, 2025: INR 37)



Aerostructures Assemblies India Private Limited
Notes forming part of the financial statements for the year ended March 31, 2026

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

	Period ended March 31, 2026	Year ended March 31, 2025
20 Change in inventories of work in progress and finished goods		
Inventory at the end of the year (a)		
Finished goods*	570	86
Work-in-progress*	212	161
	<u>783</u>	<u>247</u>
Inventory at the beginning of the year (b)		
Finished goods	86	192
Work-in-progress	161	133
	<u>247</u>	<u>325</u>
Change in inventories of work-in-progress and finished goods (b-a)	<u>(535)</u>	<u>77</u>
21 Employee benefit expense		
Salaries, wages and bonus	452	439
Contribution to provident and other funds [Refer Note 12 (ii)]	23	22
Employee stock option scheme [Refer Note 11(i) (c)]	0	6
Leave compensation	1	6
Gratuity (Refer Note 12)	27	14
Staff welfare expenses	17	20
Total employee benefit expense	<u>519</u>	<u>506</u>
22 Depreciation and amortisation expense		
Depreciation of property, plant and equipment [Refer note 4(i)]	85	93
Depreciation on right-of-use assets	100	85
Amortisation of intangible assets (Refer note 5)	10	9
Total depreciation and amortisation expense	<u>195</u>	<u>188</u>
23 Other expenses		
Consumption of stores and spares [refer note (ii) below]	191	202
Subcontracting expenses	282	80
Insurance	9	21
Power and fuel	37	31
Repairs and maintenance:		
Plant and machinery	144	48
Buildings	38	31
Others	26	23
Legal and Professional fees	23	22
Payment to auditors [refer note (i) below]	10	4
Rent [refer note 4(iii)]	1	2
Printing and stationery	3	2
Freight & forwarding	92	102
Rates and taxes	4	5
Travelling and conveyance	3	16
Communication	6	6
Bank charges	9	7
Advertising and sales promotion	3	2
Provision for doubtful debts (Refer Note 26)		(29)
Bad debts written off	0	0
Miscellaneous expenses		0
CSR Expenditure	12	10
Total other expenses	<u>892</u>	<u>586</u>



Aerostructures Assemblies India Private Limited**Notes forming part of the financial statements for the year ended March 31, 2026**

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

	Year ended March 31, 2026	Year ended March 31, 2025
(i) Payments to Auditors -		
As auditor:		
- Audit fee	4	4
- Other Services	7	-
	<u>10</u>	<u>4</u>
(ii) Consumables		
Opening stock	182	156
Add: Purchases during the year	243	228
	<u>426</u>	<u>384</u>
Less: Closing stock	234	182
Cost of raw materials consumed*	<u>191</u>	<u>202</u>
24 Finance costs		
Interest expense on short-term borrowings	69	54
Interest on lease liabilities	50	57
Interest on MSME due payments	0	-
Finance guarantee expense	27	30
Interest on Statutory Dues	25	-
Total finance costs	<u>171</u>	<u>141</u>



25 Fair value measurement

Financial instruments by category

Particulars	Category	March 31, 2026	March 31, 2025
Financial assets			
Trade receivables	Amortised cost	2,930	1,331
Cash and cash equivalents	Amortised cost	207	571
Bank balances other than cash and cash equivalents	Amortised cost	16	1
Other financial assets	Amortised cost	96	85
Total financial assets		3,251	1,987
Financial liabilities			
Borrowings	Amortised cost	1,176	718
Trade payables	Amortised cost	2,507	1,273
Lease liabilities	Amortised cost	369	443
Other financial liabilities	Amortised cost	40	42
Total financial liabilities		4,091	2,476

There are no financial instruments which are measured at FVOCI.

(i) Fair value hierarchy

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

(a) recognised and measured at fair value.

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

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

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

Particulars	Notes	March 31, 2026	March 31, 2025
		Level 3	Level 3
Financial assets			
Trade receivables	6 (i)	2,930	1,331
Cash and cash equivalents	6 (ii)	207	571
Bank balances other than cash and cash equivalents	6 (iii)	16	1
Other financial assets	6 (iv)	96	85
Total financial assets		3,251	1,987
Financial liabilities			
Borrowings	13 (i)	1,176	718
Trade payables	13 (ii)	2,507	1,273
Other financial liabilities	13 (iii)	40	42
Lease liabilities	4 (iii)	369	443
Total financial liabilities		4,091	2,476

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.
There are no transfers of financial instruments between Level 1, Level 2 and Level 3 during the year.

(ii) Valuation process

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

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

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

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

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

(iv) Significant estimates

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



26 Financial risk management

The Company's business activities exposes it to a variety of financial risks such as liquidity risk, credit risk and market risk. The Company's senior management under the supervision of the Board of Directors has the overall responsibility for establishing and governing the Company's risk management and have established policies to identify and analyse the risks faced by the Company. They help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assesses for the impact on the financial performance. The below table broadly summarises the sources of financial risk to which the entity is exposed to and how the entity manages the risk.

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

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

A Credit Risk

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

(I) Credit risk management

Credit risk is managed and assessed on an ongoing basis. Only high rated banks/financial institutions are accepted for banking transactions and placement of deposits. For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function assess and maintain an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A : High-quality assets, negligible credit risk
B : Low quality assets, high credit risk
C : Doubtful assets, credit-impaired

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

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

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

The company continuously monitors the credit worthiness of the customers and reassesses the credit limits on an ongoing basis.



26 Financial risk management (contd.)

(ii) Provision for expected credit losses

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

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

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

1) Security Deposits :

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

2) Deposits with bank :

They are considered to be having negligible risk or nil risk, as they are maintained with high rated banks and the period of such deposits is maximum one year. No expected credit loss provision has been created for against security deposits, since the Company considers the life time credit risk of these financial assets to be very low.

3) Expected credit loss for trade receivables under simplified approach

Year ended March 31, 2026

	Not Due	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount – trade receivables	2,097	688	141	2	3	2,930
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss (loss allowance provision)– trade receivables						
Carrying amount of trade receivables (net of impairment)	2,097	688	141	2	3	2,930

Year ended March 31, 2025

	Not Due	0-90 days	91-180 days	181-365 days	> 365 days	Total
Gross carrying amount – trade receivables	1,225	95	7	0	3	1,331
Expected loss rate	0%	0%	0%	0%	0%	
Expected credit loss (loss allowance provision)– trade receivables						
Expected credit loss (loss allowance provision)– contract assets						
Carrying amount of trade receivables (net of impairment)	1,225	95	7	0	3	1,331

Note: The Company did not have any contract assets as at March 31, 2026 and March 31, 2025.



26 Financial risk management (contd.)

Year ended March 31, 2026

Reconciliation of loss allowance provision

	Trade Receivables	Contract Assets	Total
As at April 01, 2024	29	-	29
Utilised during the year	-	-	-
Charged/(written back) to profit and loss	(29)	-	(29)
As at March 31, 2025	-	-	-
Utilised during the year	-	-	-
Charged/(written back) to profit and loss	-	-	-
As at March 31, 2026	-	-	-

During the year, the Company made no write-offs of trade receivables. It does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

B Liquidity Risk

Liquidity risk is a risk where an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

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

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2026	March 31, 2025
A. Expiring within one year	306	764
B. Expiring beyond one year (bank loans)	-	-
	306	764

(ii) Maturities of financial Liabilities

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

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2026			
Borrowings	1,176	-	1,176
Trade payables	2,507	-	2,507
Lease liabilities	143	226	369
Other financial liabilities	40	-	40
Total non derivative liabilities	3,865	226	4,091

Contractual maturities of financial liabilities	Less than 12 months	More than 12 months	Total
As at March 31, 2025			
Borrowings	718	-	718
Trade payables	1,273	-	1,273
Lease liabilities	107	337	443
Other financial liabilities	42	-	42
Total non derivative liabilities	2,140	337	2,476

C Market Risk

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

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through sensitivity analysis of probable movement in exchange rate as at the reporting period.

The Company primarily imports materials which are denominated in foreign currency which exposes it to foreign currency risk. The Company has a natural hedge in terms of payables and receivables being in the same foreign currency, USD.



26 Financial risk management (contd.)

(a) Foreign currency risk exposure

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

	March 31, 2026		
	GBP	USD	EUR
Financial assets			
Trade receivables	-	2,813	-
Bank balance in EEFC accounts	-	207	-
Advance to suppliers	-	-	-
Net exposure to foreign currency risk	-	3,020	-
Financial liabilities			
Trade payables	0	1,750	12
Advance from customer	-	-	-
Net exposure to foreign currency risk	0	1,750	12

	March 31, 2025		
	GBP	USD	EUR
Financial assets			
Trade receivables	-	1,325	-
Bank balance in EEFC accounts	-	570	-
Advance to suppliers	-	-	-
Net exposure to foreign currency risk	-	1,895	-
Financial liabilities			
Trade payables	-	1,274	-
Net exposure to foreign currency risk	-	1,274	-

(b) Sensitivity

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

Particulars	Impact on profit after tax	
	March 31, 2026	March 31, 2025
USD Sensitivity		
INR/USD - Increase by 5%	46	22
INR/USD - decrease by 5%	(46)	(22)
GBP Sensitivity		
INR/GBP - Increase by 5%	(0)	-
INR/GBP - decrease by 5%	0	-
EUR Sensitivity		
INR/EUR - Increase by 5%	(0)	-
INR/EUR - decrease by 5%	0	-

(ii) Interest rate risk

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

	March 31, 2026	March 31, 2025
Variable rate borrowings	1,176	718
Total borrowings	1,176	718

Variable rate borrowings	1,194	736
Less: Adjustments for unamortised financial guarantee expense	(18)	(18)
Net variable rate borrowings (refer note 13)	1,176	718

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

	Impact on profit after tax	
	March 31, 2026	March 31, 2025
Interest rates - increase by 50 basis points	(4)	(3)
Interest rates - decrease by 50 basis points	4	3

(iii) Price risk

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



Notes forming part of the financial statements for the year ended March 31, 2026

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

27 Capital management**Risk Management**

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

The Company's objectives when managing capital are to:

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

The Company monitors capital using gearing ratio and is measured by Net debt (total borrowings excluding bank overdraft)

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

Particulars	March 31, 2026	March 31, 2025
Net Debt (Refer Note 13 (i) (b))	1,337	591
Total equity	3,418	2,858
Net debt to equity ratio	39.11%	20.68%

The Net debt to equity ratio for the current year has increased to 39.11% from 20.68% on account of increase in Net Debt.

28 Contingent liabilities

	March 31, 2026	March 31, 2025
Transfer Pricing addition	164	164

(i) Contingent liabilities does not include performance bank guarantees given to customers.

(ii) The Company has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-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.

(iii) The Company has received an assessment order under Section 144C of the Income Tax Act, 1961 for Assessment Year (AY) 2021-22, wherein a demand of 164 Lacs has been raised. The demand primarily relates to:

- Transfer pricing adjustment pertaining to the manufacturing segment amounting to 404 Lacs
- Adjustment on account of interest on delayed receivables of 9.5 Lacs, out of which partial relief of 8 Lacs was granted by the Dispute Resolution Panel (DRP), resulting in a revised addition of 1.5 Lacs

The DRP directions were received on 6th September 2024 and the final assessment order was passed by the Assessing Officer on 29th October 2024. The Company has filed an appeal before the Income Tax Appellate Tribunal (ITAT) on 26th December 2024, which is currently being adjudicated.

Based on the assessment of management, the Company believes it has a valid case and expects a favourable outcome. However, the matter being under litigation, the above demand has been disclosed as a contingent liability in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.



29 Commitments**(a) Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:**

Particulars	March 31, 2026	March 31, 2025
Property, plant and equipment	-	-
	-	-

(b) Operating Lease: Company as lessee

The Company has non cancellable operating lease for factory buildings for 15 years. These leases can be renewed on mutual agreement between the lessor and lessee at the end of the lease term and It also has a operating lease for factory buildings taken for 3 years. The lease rent would be increased by 5% every year. There are no sub leases.

From 1 April 2019, the Company has recognised right-of-use assets for these leases, except for short term leases.

	March 31, 2026	March 31, 2025
Rental expenses relating to Low lease value assets.	1	2



30 Segment Information

(a) Description of segments and principal activities.

The Company is primarily engaged in the business of contract manufacturing. The Company's Chief Operating Decision Maker (CODM) is identified to be Managing Director and Chief Operating Officer of the holding company, who plans the allocation of resources and assess the performance of the segments. The Company's CODM reviews the financial information by considering the entity as a whole, hence the operating segment being the Company as one single segment - 'Contract Manufacturing'.

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

Particulars	March 31, 2026	March 31, 2025
<u>Net revenue</u>		
Asia	1,565	117
North America	278	148
Europe	7,191	8,523
	9,034	8,788

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

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

	March 31, 2026	March 31, 2025
EBITDA	1,106	873

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

Revenues from major customers is as follows:

Customer	March 31, 2026		March 31, 2025		Geographical location
	Revenue	% of total revenue	Revenue	% of total revenue	
Customer 1	7,191	80%	8,523	97%	Outside India
Customer 2	1,468	16%	148	2%	India

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



31 Related Party Disclosures

Name of Related parties where control exist irrespective of whether transactions have occurred or not

Relationship	Name of the related party
Ultimate Holding Company	: Aequs Inc., Cayman Islands(100% Benifically owned and controlled by the Melligeri Foudation) (upto December 10, 2025)
Intermediary Holding Company	: Aequs Manufacturing Investments Private Limited, Mauritius (AMIPL) (upto December 10, 2025)
Holding Company	: Aequs Limited (Formerly known as Aequs Private Limited)

Name of other related parties with whom transactions have taken place during the current and previous year:

Relationship	Name of the related party
Enterprises on which, Holding company exercise joint control	: Aerospace Processing India Private Limited ('API') : SQuAD Forging India Private Limited, ('Squad')* : Aequs Cookware Private Limited ('cookware')* : Ajna Aerospace & Defence Private Limited, India*
Fellow Subsidiaries	: AeroStructures Manufacturing India Private Limited ('ASMIPL') : Aerospace Manufacturing Holdings Private Limited ('AMHPL')* : Aequs Force Consumer Products Private Limited ('AFCPPL')* : Aequs Consumer Products Private Limited ('ACPPL') : Aequs Aero Machine ('AAM'), United States of America : Aequs Engineered Plastics Private Limited ('AEPPL') : Aequs Toys Private Limited ('ATPL') : Aequs Oil & Gas LLC, USA ('AOGL')* : Aequs Aerospace BV, Netherlands* : Aequs Aerospace LLC, USA* : Aequs Holdings France SAS* : Aequs Aerospace France SAS* : Aequs Toys Hong Kong Private Limited* : Koppal Toys Molding COE Private Limited* : Aequs Rajas Extrusion Private Limited* : Aequs Home Appliances Private Limited*(struck off w.e.f. June 27, 2025)
Enterprises in which individuals owning interest in the Company, or their relatives have control	: Aequs SEZ Private Limited ('Aequs SEZ') : Industrial Knowledge Centre Private Limited ('IKCPL')
Associate of Holding Company	: Aequs Foundation, India*

Names of other related parties with whom transactions have not taken place during the current and previous year:

Relationship	Name of the related party
Key Management Personnel	: Mr. Dinesh Iyer, Director (Resigned w.e.f. 21st July 2025) : Mr. Harish Bang, Director (w.e.f. 22nd July 2025) : Mr. Shirish Ganamukhi, Director : Mr. Arunkumar S Kalanji, Whole Time Director : Mr. Mohan DS, Director (w.e.f. 01st March 2025) : Mr. Ashok Kumar Baweja (w.e.f. 22nd July 2025) : Ms. Chandana Patil, Company Secretary : Mr. Nagaraj Mallegoudr, Chief Financial Officer (w.e.f. 12.02.2026)

* There were no transactions during the current period and previous year.



Notes forming part of the financial statements for the year ended March 31, 2026

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

A. Transactions with related parties

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Aequis SEZ		
Expenses incurred on behalf of the Company	76	49
Maintenance charges	-	33
Rent (**including lease + Non Lease)	153	147
Security deposit	1	-
Lease liability	107	88
Interest on Lease liability	45	57
AL		
Expenses incurred on behalf of the Company	6	-
Expenses incurred by Related Party	2	0
Fair value of financial guarantee exps	27	30
Fair value of financial guarantee received	27	27
Sale of service (Subcon)	12	21
Sale of manufactured goods	-	0
Employee stock option expense	0	6
Expenses incurred on behalf of the Related Party	-	3
ASMIPL		
Expenses incurred on behalf of the Company	8	1
Cost of raw materials consumed	182	130
SubCon Expenses	11	-
Sale of manufactured goods	-	38
Sale of service (Subcon)	86	58
Expenses incurred on behalf of the Related Party	0	0
API		
Services received	-	5
SubCon Expenses	9	-
Expenses incurred on behalf of the Company	-	0
ACPPL		
Expenses incurred on behalf of the Company	0	1
AEPPL		
Expenses incurred on behalf of the Company	-	0
AAM		
Purchase of goods	5	18
Sale of manufactured goods	260	148
ATPL		
Expenses incurred on behalf on RP	-	0
IKCPL		
Sale of Services	-	0
Managerial remuneration paid		
Mr.Nagaraj Irappa Mallegoudr	10	-



Notes forming part of the financial statements for the year ended March 31, 2026

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

B. Balance at the year end

Particulars	As at March 31, 2026 ₹	As at March 31, 2025 ₹
Aequs SEZ		
Trade payables	7	6
Security deposit given	104	103
Lease liability	382	467
Interest on Lease Liability	47	93
Aequs Limited (Formerly known as Aequs Private Limited)		
Dues to related parties	(0)	-
Dues from related parties	5	0
Trade receivables	0	4
Fair Grantee	18	18
Employee stock option expense	18	18
ASMIPL		
Trade payables	122	14
Dues to related parties	-	1
Trade receivables	3	34
API		
Trade payables	2	2
ACPPL		
Dues to related parties	0	-
AEPPL		
Dues from related parties	-	0
AAM		
Trade receivables	194	33
Trade payables	3	10
ATPL		
Recoverable from related parties	-	0

Note:

- All transactions were made on normal commercial terms and conditions and are at arm's length price.
- There is no loss allowance for receivables in relation to any outstanding balances, and no loss allowance has been recognised during the year in respect of receivables due from related parties.
- Refer to Note 11(ii) for the corporate guarantees extended to the Company by the related parties against the borrowings taken by the Company.
- All outstanding balances are unsecured and repayable in cash.



Notes forming part of the financial statements for the year ended March 31, 2026
(All amounts are in INR Lakhs, except share data, unless otherwise stated)

32 Earnings per Share

	As at March 31, 2026	As at March 31, 2025
(a) Nominal value of Equity Share (INR)	10	10
(b) Weighted average number of equity shares outstanding of INR 10 each	2,88,60,802	2,88,60,802
(c) Profit attributable to the equity share holders used in calculating basic earnings per share	530	528
(d) Earnings per share - Basic	1.84	1.83

Diluted earning per share - There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

33 Financial Ratios

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for Variance
Current Ratio	Current Asset	Current Liabilities	1.72	2.11	-18.66%	Not applicable
Debt-Equity Ratio	Borrowings including lease liabilities	Equity	0.45	0.41	11.16%	Not applicable
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.57	3.14	-82.00%	Note 1
Return on Equity Ratio (%)	Profit after tax	Average Shareholders' Equity	16.90%	20.50%	-17.54%	Not applicable
Inventory Turnover Ratio	Revenue from operations	Average Inventory	2.93	3.99	-26.59%	Note 2
Trade Receivables Turnover Ratio	Revenue from operations	Average receivables	4.24	7.02	-39.57%	Note 3
Trade Payable Turnover Ratio	Purchase of goods & consumables	Average Trade payables	4.35	4.42	-1.56%	Not applicable
Net Capital Turnover Ratio	Revenue from operations	Working Capital	3.38	4.04	-16.44%	Not applicable
Net Profit Ratio (%)	Profit after tax	Sales	5.07%	6.01%	-2.20%	Not applicable
Return on Capital Employed (%)	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	18.63%	17.79%	4.69%	Not applicable

Notes:

1. Debt service coverage ratio has decreased due to reduction in earnings available for debt service and increase in principal repayment during the period.
2. Inventory Turnover Ratio has reduced due to increase in average inventory holding.
3. Trade Receivables Turnover Ratio has reduced due to increase in average trade receivable.



34 Additional regulatory information :**(i) Title deeds of Immovable properties not held in name of the company.**

The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee)

(ii) Fair value of Investment property

The company does not own any investment property

(iii) Revaluation of PPE or intangible assets

The company has not revalued its Property, plant and equipment (including Right of use asset) or intangible assets during the current or previous year. Further there is no Capital work in progress (CWIP) and intangible asset under development (IAUD)

(iv) Loans to Promoters / Directors / KMPs and Related Parties

The Company has not granted any Loans or Advances in the nature of loans to Promoters / Directors / KMPs and Related Parties during the year therefore disclosure under this heading is not applicable.

(v) Details of benami property held:

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

(vi) Borrowings obtained

The Company has borrowings from banks and financial institutions on the basis of security of current assets. Refer Note 13 (i)(d) for details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2026.

(vii) Willful defaulter:

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(viii) Relationship with struck off companies:

The company has no transactions with the companies struck off under companies Act, 2013 or Companies Act, 1956.

(ix) Charges with ROC

There are no charges or satisfaction which are yet to be registered with the registrar of companies beyond the statutory period.

(x) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) Ratios

It has been separately reported under Note-33

(xii) Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

(xiii) Utilisation of borrowed funds and share premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to 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 Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.



(xiv) Income surrendered or disclosed

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.

(xv) Crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xvi) Any material foreseeable losses on long-term contracts, any derivative contracts

The company was not required to recognise any provision as at March 31, 2026 & March 31, 2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The company did not have any derivative contracts as at March 31, 2026 & March 31, 2025.

(xvii) Core Investment Company (CIC)

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

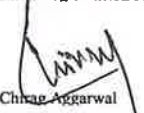
(xviii) Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are applicable to the Company for the financial year 2025-26. As at March 31, 2026, the Company has incurred CSR expenditure of ₹ 12 lakhs. The said amount has been spent within the prescribed timeline, i.e., on or before March 31, 2026, in compliance with the provisions of the Act.

35 Previous year's figures have been reclassified/regrouped wherever necessary to confirm to current year presentation.

36 The financial statements were approved for issue by the Board of Directors on 25/05/2026

For M/s K G Acharya & Co.,
Chartered Accountants
Firm Registration Number: 008019S


Chirag Aggarwal
Partner
Membership No.: 243971
Place: Bengaluru
Date: 25/05/26



For and on behalf of the Board of Directors
Aerostructures Assemblies India Private Limited


Harish Bang
Director
DIN: 08383723
Place: Belagavi
Date: 25/05/26


Arunkumar S Kalani
Whole Time Director
DIN: 10725333
Place: Belagavi
Date: 25/05/26


Chandana Patil
Company Secretary
M.No: AS4129
Place: Bengaluru
Date: 25/05/26


Nagaraj Mallegoudr
Chief Financial Officer
Place: Belagavi
Date: 25/05/26