B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of AeroStructures Manufacturing India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AeroStructures Manufacturing India Private Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other 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 under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Auditor's Responsibilities 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows 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 specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 29 to the financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 31(vi)(a) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 31(vi)(b) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

f. Based on our examination which included test checks, 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 the 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 where enabled, has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Chennai | Membership No.: 060573

Date: 26 May 2026 | ICAI UDIN:26060573PVDEWA8946

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026

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

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

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

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

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

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

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

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

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

Annexure A to the Independent Auditor’s Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

Quarter	Name of bank	Particulars	Amount as per books of account [INR millions]	Amount as reported in the quarterly return/ statement [INR millions]	Amount of difference [INR millions]	Whether return/ statement subsequently rectified
Jun'25		Inventories	2,508	2,544	(36)	No
		Trade receivables	1,235	905	330	No
Sep'25		Trade receivables	1,446	1,033	413	No
Dec'25	Axis Bank	Trade receivables	1,578	992	586	No
Mar'26		Inventories	3,090	2,926	164	No
		Trade receivables	2,029	1,415	614	No
Jun'25		Inventories	2,508	2,544	(36)	No
	HDFC Bank	Trade receivables	1,235	1,244	(9)	No
Mar'26		Inventories	3,090	2,926	164	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in companies during the year, except that an outstanding amount recoverable from a fellow subsidiary has been converted to equity investment. The Company has granted unsecured loans to Companies during the year in respect of which the requisite information is as below. The Company has also not granted any secured loans to companies, or made any investments, or granted loans, secured or unsecured, to any firms, limited liability partnerships or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided unsecured loans to other entity as below:

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

Particulars	Loans [INR Millions]
Aggregate amount during the year Others	600
Balance outstanding as at balance sheet date Others	600

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made in a fellow subsidiary through conversion of outstanding amount recoverable from it to equity investment, and the terms and conditions of the grant of loans during the year, prima facie, are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the schedule of repayment of principal and payment of interest has been stipulated, except for the loan of INR 104 million given to wholly-owned subsidiary and loan of INR 600 million given to fellow subsidiary which are repayable on demand. As informed to us, in case of loans repayable on demand, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. In respect of the other loan, the repayments and receipts have been regular except for the the following receipts of interest.

Name of the entity	Amount [INR Millions]	Due Date	Extent of delay	Remarks, if any
Aequs Consumer Products Private Limited	35	31 March 2026	1 day	None

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

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties, except that repayment of INR 35 million, being the interest due on loan granted to fellow subsidiary, have been extended. The aggregate amount of such dues extended is 6% of the total loans granted during the year. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its Related Party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related Party
Aggregate of loans - Repayable on demand	INR 600 million
Percentage of loans to the total loans	58%

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

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount [INR Million]	Period to which the amount relates	Forum where dispute is pending
		16	Assessment Year 2020-21	Commissioner

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

Name of the statute	Nature of the dues	Amount [INR Million]	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	21	Assessment Year 2021-22	of Income Tax-(Appeals)

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

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

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and 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) According to the information and explanations given to us and 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 as defined under the Act. Further, the Company does not have any associate or joint venture.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

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

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company.

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

Accordingly, clause 3(xii) of the Order is not applicable.

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

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

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

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

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

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Resterve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

Annexure A to the Independent Auditor's Report on the Financial Statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:26060573PVDEWA8946

Place: Chennai

Date: 26 May 2026

Annexure B to the Independent Auditor's Report on the financial statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of AeroStructures Manufacturing India Private Limited ("the Company") as of 31 March 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 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the financial statements of AeroStructures Manufacturing India Private Limited for the year ended 31 March 2026 *(Continued)*

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Place: Chennai

Date: 26 May 2026

Membership No.: 060573

ICAI UDIN:26060573PVDEWA8946

AeroStructures Manufacturing India Private Limited | **CIN: U29253KA2013PTC067763**

Balance Sheet

(All amounts are in INR millions, 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	5(i)	992	490
Right of use assets	5(ii)	708	1,043
Capital work in progress	5(iii)	-	90
Intangible assets	6(i)	29	42
Financial assets			
Investments	7(i)	755	755
Loans	7(ii)	1,032	-
Other financial assets	7(vi)	84	73
Contract assets	8	63	34
Deferred tax assets (net)	34	197	197
Other non-current assets	9	93	9
Total non-current assets		**3,953**	**2,733**
Current assets			
Inventories	10	3,090	2,451
Financial assets			
Trade receivables	7(iii)	2,029	1,267
Cash and cash equivalents	7(iv)	579	0
Bank balances other than above	7(v)	172	10
Loans	7(ii)	-	350
Other financial assets	7(vi)	14	5
Contract assets	8	18	9
Other current assets	9	129	134
Total current assets		**6,031**	**4,226**
Total assets		**9,984**	**6,959**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	566	487
Other equity	12	4,862	1,970
Total equity		**5,428**	**2,457**

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B S R & Co. LLP * Chartered Accountants *

Aerostructures Manufacturing India Pvt. Ltd. *

AeroStructures Manufacturing India Private Limited **CIN: U29253KA2013PTC067763**

Balance Sheet

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

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13(i)	666	121
Lease liabilities	5(ii)	579	675
Provision for employee benefits	15(i)	86	73
Total non current liabilities		**1,331**	**869**
Current liabilities			
Financial liabilities			
Borrowings	13(i)	1,108	1,715
Lease liabilities	5(ii)	156	374
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	13(ii)	6	49
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	13(ii)	1,653	1,316
Other financial liabilities	13(iii)	64	54
Provision for employee benefits	15(i)	44	32
Other current liabilities	14	14	13
Current tax liabilities (net)		179	78
Contract liabilities	8	1	1
Total current liabilities		**3,225**	**3,633**
Total liabilities		**4,556**	**4,502**
Total equity and liabilities		**9,984**	**6,959**

Summary of material accounting policies 2

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

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: May 26, 2026

for and on behalf of the Board of Directors of
AeroStructures Manufacturing India Private Limited
CIN: U29253KA2013PTC067763

Dinesh Iyer
Director
DIN: 09515485

Place: Belagavi
Date: May 26, 2026

Nagesh Hassan Rangaswamy
Whole Time Director
DIN: 07889411

Place: Belagavi
Date: May 26, 2026

Harish Bang
Chief Financial Officer

Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary
M. No.: A20823

Place: Belagavi
Date: May 26, 2026

AeroStructures Manufacturing India Private Limited | **CIN:U29253KA2013PTC067763**

Statement of Profit and Loss

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

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	16	6,612	5,082
Other income	17	235	47
Total income (A)		**6,847**	**5,129**
Expenses			
Cost of materials consumed	18	2,808	2,246
Changes in inventories of finished goods and work in progress	19	(96)	(194)
Employee benefit expense	20	588	503
Impairment (reversals) / losses on financial assets		(12)	19
Other expenses	22	1,700	1,497
Total expenses (B)		**4,988**	**4,071**
Earnings before finance cost, depreciation and amortisation, exceptional items and tax (A-B)		**1,859**	**1,058**
Finance cost	23	508	290
Depreciation and amortisation expense	21	391	390
Profit before exceptional items and tax		**960**	**378**
Exceptional items	24	22	-
Profit before tax		**938**	**378**
Income tax expense			
- Current tax	34	328	130
- Deferred tax	34	3	(86)
Total tax expense		**331**	**44**
Profit for the year		**607**	**334**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		11	(3)
- Income tax relating to these items		-	-
Other comprehensive income / (loss) for the year, net of tax		**11**	**(3)**
Total comprehensive income for the year		**618**	**331**
Earnings per equity share:			
(Basic and Dilutive - in INR) [Nominal value per share: ₹10 (2025: ₹10)]	35	12.25	6.87

Summary of material accounting policies 2

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AeroStructures Manufacturing India Private Limited **CIN: U29253KA2013PTC067763**

Statement of Changes in Equity

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

A. Equity share capital (refer note 11)

	Amount
Balance as at April 1, 2024	**487**
Changes during the year	-
Balance as at March 31, 2025	**487**
Changes during the year	80
Balance as at March 31, 2026	**566**

B. Other equity (refer note 12)

	Other equity				
	Reserves and Surplus				Total other equity
	Retained earnings	Securities premium	Share options outstanding account	Other reserves	
Balance as at April 1, 2024	**192**	**1,222**	**5**	**196**	**1,615**
Profit for the year	334	-	-	-	334
Other comprehensive loss for the year	(3)	-	-	-	(3)
Total comprehensive income for the year	**331**	**-**	**-**	**-**	**331**
Transactions with owners of the Company					
Employee stock option expenses	-	-	3	-	3
Total contributions and distributions	**-**	**-**	**3**	**-**	**3**
Financial guarantee received during the year	-	-	-	21	21
Sub Total	**-**	**-**	**-**	**21**	**21**
Balance as at March 31, 2025	**523**	**1,222**	**8**	**217**	**1,970**
Profit for the year	607	-	-	-	607
Other comprehensive income for the year	11	-	-	-	11
Total comprehensive income for the year	**618**	**-**	**-**	**-**	**618**
Transactions with owners of the Company					
Premium on shares issued during the year	-	2,227	-	-	2,227
Employee stock option expenses	-	-	9	-	9
Total contributions and distributions	**-**	**2,227**	**9**	**-**	**2,236**
Financial guarantee received during the year	-	-	-	38	38
Sub Total	**-**	**-**	**-**	**38**	**38**
Balance as at March 31, 2026	**1,141**	**3,449**	**17**	**255**	**4,862**

Summary of material accounting policies (Note 2)
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

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

Sampad Guha Thakurta
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Membership No: 060573

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Company Secretary
M. No.: A20823

Place: Belagavi
Date: May 26, 2026

AeroStructures Manufacturing India Private Limited **CIN: U29253KA2013PTC067763**

Statement of Cash Flows

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Cash flow from operating activities		
Profit before income tax	938	378
Adjustments for:		
Depreciation and amortisation expense	391	390
Unrealized exchange (gain)/loss	(96)	(13)
Equity-settled share-based payment transactions	9	3
Interest income from financial asset at amortised cost	(67)	(27)
Liabilities no longer required written back	(2)	(6)
Impairment (reversals) / losses on financial assets	(12)	19
Provision for slow moving inventory	(3)	12
Interest expense on borrowings & lease	219	186
Interest expense others	19	-
Finance guarantee expense	41	31
Unwinding of discount on security deposit	(4)	(4)
Realised (gain)/loss on lease payments	87	29
	582	**620**
Working capital adjustments		
- (Increase) in trade receivables	(655)	(209)
- (Increase) in inventories	(636)	(591)
- (Increase)/decrease in other financial assets	(16)	4
- Decrease/(increase) in other assets	5	(79)
- (Increase) in contract assets	(38)	(28)
- Increase in trade payables	273	308
- Increase in provision for employee benefit	37	33
- Increase in other financial liabilities	6	17
- Increase in other current liabilities	1	5
- (Decrease) in contract liabilities	-	(4)
Cash generated from operations	497	455
Income taxes paid (net of refund)	(226)	(78)
Net cash generated from operating activities (A)	**271**	**376**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(531)	(329)
Interest received	18	29
Proceeds from maturity of bank deposits	895	56
Investment in bank deposits	(1,052)	(62)
Loan given to related parties	(600)	-
Net cash used in from investing activities (B)	**(1,270)**	**(306)**

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B S R & Co. LLP * Chartered Accountants *

Aerostructures Manufacturing India Pvt. Ltd. *

AeroStructures Manufacturing India Private Limited **CIN: U29253KA2013PTC067763**
Statement of Cash Flows
(All amounts are in INR millions, except share data, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C. Cash flows from financing activities		
Repayment of long term borrowings	(341)	(160)
Proceeds from long-term borrowings	1,073	174
Principal payments of lease liability	(410)	(269)
Proceeds from / (repayment of) from short-term borrowings (net)	(832)	367
Proceeds from issue of equity shares	2,306	-
Finance cost paid	(218)	(183)
Net cash generated from / (used in) financing activities (C)	**1,578**	**(71)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**579**	**(1)**
Cash and cash equivalents at the beginning of the year	0	1
Cash and cash equivalents at end of the year	**579**	**(0)**
Cash and cash equivalents comprise the following:		
Balances with banks:		
- in current accounts	120	0
- Deposits with original maturity of 3 months or less	459	-
Cash on hand	0	0
	579	**0**

Summary of material accounting policies (Note 2)
The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

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Sampad Guha Thakurta
Partner
Membership No : 060573

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Date: May 26, 2026

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Company Secretary
M. No.: A20823

Place: Belagavi
Date: May 26, 2026

1. Background

AeroStructures Manufacturing India Private Limited ('the Company') was incorporated on February 7, 2013 under the Companies Act 1956, in India. The Company is a wholly owned subsidiary of Aequs Limited (formerly known as Aequs Private Limited) (AL).

The Company is engaged in the business of machining and manufacturing of aerostructures components.

2. Summary of material accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) 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

(iii) Operating cycle

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

(iv) Recent pronouncements

Ind AS 1, Presentation of Financial Statements – For accounting periods beginning on or after April 1, 2026, when an entity breaches any covenant 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, it classifies the liability as current, even 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. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 1, 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Policies, Changes in accounting estimates and Errors.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The Company's CODM is identified to be the Executive Chairman and Chief Executive Officer of the Company who plans the allocation of resources and assesses the performance of the segments. Refer Note 32 for segment information presented.

(c) Foreign currency translation

(i) Functional and presentation currency

The Financial Statements of the Company is presented in Indian Rupees (INR / ₹), which is the functional currency and the presentation currency.

(ii) Transactions and balances

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

(d) Revenue recognition

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

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

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

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

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

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

(e) Other income

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

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

(f) Government grants

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

B S R & Co. LLP Chartered Accountants

India Pvt. Ltd. Aerostructures Manufacturing

2. Summary of material accounting policies (Continued)

(g) Income tax

The income tax expense or credit for the period/year is the tax payable on the current period's taxable income based on the applicable income tax rate 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

(h) Leases

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

As a lessee

Leases are recognised as 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 entity under residual value guarantees
- The exercise price of a purchase option if the entity is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

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

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

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

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

Right of use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability
- Any lease payments made on or before the commencement date less any lease incentives received
- Any initial direct cost
- Restoration cost

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. Where the Company is reasonably certain to exercise the purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payment associated with short-term lease of equipment and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

(i) Impairment of assets

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

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

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

B S R & Co. LLP Chartered Accountants

Aerostructures Manufacturing India Pvt. Ltd.

2. Summary of material accounting policies (Continued)

(j) Cash and cash equivalents

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

(k) Provisions and onerous contracts

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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

(l) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(m) Inventories

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

Cost of work-in- progress and finished goods comprises direct materials, direct labour and an appropriate proportion 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 basis which is calculated on the basis of total cost of raw materials divided by the quantities purchased. 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.

(n) Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Recognition

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

(iii) Measurement

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

(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 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.

(c) Investments in equity instruments of subsidiaries and associates

The Company measures its investments in equity instruments of subsidiaries, joint ventures and associates at cost in accordance with Ind AS 27.

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

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

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

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

(iii) Impairment of financial assets

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

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

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Aerostructures Manufacturing India Pvt. Ltd. *

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

2. Summary of material accounting policies (Continued)

(n) Investments and other financial assets (Continued)

(iv) 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.

(v) Dividend income

Dividend income is recognised in the statement of profit and loss on the date on which Company's right to receive payment is established.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(o) Property, plant and equipment:

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

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

Depreciation methods, estimated useful lives and residual value

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

The estimated useful lives of assets are as follows:

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

The useful lives have been determined based on technical evaluation done by the management which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets in the course of development or construction are not depreciated.

(p) Investment property

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

(q) Intangible assets

Intangible assets include Computer software and Technical knowhow. Costs associated with maintaining software programs are recognised as an expense as incurred. Technical knowhow comprises of capitalised product development costs being an internally generated intangible assets.

The Company amortises intangible assets with finite useful life using the straight-line method over the following estimated useful lives :

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

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

As permitted by the Guidance Note on Division II - Ind AS Schedule III to the Companies Act 2013, the company has elected to present 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 amoritization expense, finance costs, exceptional items gain/ (loss) and income tax expenses.

(s) 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.

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Aerostructures Manufacturing India Pvt. Ltd.

2. Summary of material accounting policies (Continued)

(t) 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.

(u) 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.

(v) 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

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 Employees' State Insurance (ESI)

(a) Defined benefit plans:

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

(i) Gratuity obligation

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

(i) Share-based payments

Share-based compensation benefits are provided to employees through the Aequs Stock Option Plan introduced by Aequs Limited (formerly known as Aequs Private Limited) (AL). The cross charge of these expenses are recognised as a part of Employee benefit expenses.

(w) Financial Guarantee contracts

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

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

(x) Contributed equity

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

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Aerostructures Manufacturing India Pvt. Ltd.

2. Summary of material accounting policies (Continued)

(y) 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.

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

(z) Exceptional items

Exceptional items are material items of income or expenses that are disclosed separately due to the significance of their nature or amount, to provide further understanding of the financial performance of the Company.

(aa) Rounding of amounts

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

3. Use of judgements and estimates

The preparation of financial statements in conformity with Ind AS requires estimates and judgements that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the financial statements and accompanying notes. Estimates are used for, but not limited to useful lives of property, plant and equipment, accounting for right-ofuse assets, impairment of goodwill and investments in subsidiary and associates, and estimation of and recoverability of deferred tax balances. Actual results could differ materially from these estimates.

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

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

(i) Judgements

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

Note 5(ii): lease term: whether the Company is reasonably certain to exercise extension options.

(ii) Assumption and estimation uncertainites

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

Note 15(i): measeurement of defined benefit obligations: key acturial assumptions

Note 34: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised

Note 29: uncertain tax treament

Note 10 & 29: recognition and measurement of provisions and contingencies: key assumptions about the likehood and magnitude of an outflow of resources.

Note 7(iii): measurement of ECL allowance for trade receivables; key assumptions in determining the weighted average loss rate.

4. Changes in material accounting policies

Deferred tax related to assets and liabilities arising from a single transaction:

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

The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-to-use assets as at April 1, 2021 and thereafter. However, there was no impact on the balance sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at April 1, 2021 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised in Note 34.

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Aerostructures Manufacturing India Pvt. Ltd. *

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

5(i) Property, plant and equipments

	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals	Transfer from Right of Use asset	As at March 31, 2026	As at April 01, 2025	Charge for the year	Disposals	Transfer from Right of Use asset	As at March 31, 2026	
Leasehold improvements	21	2	-	-	23	14	2	-	-	16	7
Plant and machinery	1,363	524	2	133	2,022	894	169	2	-	1,061	961
Computer equipments	43	11	-	-	54	33	5	-	-	38	16
Office equipments	19	3	-	-	22	15	2	-	-	17	5
Furniture and fittings	-	1	-	-	1	-	0	-	-	0	1
Vehicles	-	2	-	-	2	-	0	-	-	0	2
Total	**1,446**	**543**	**2**	**133**	**2,124**	**956**	**178**	**2**	**-**	**1,132**	**992**

	Gross carrying amount					Accumulated depreciation					Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	Transfer from Right of Use asset	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals	Transfer from Right of Use asset	As at March 31, 2025	
Leasehold improvements	20	1	-	-	21	13	1	-	-	14	6
Plant and machinery	1,061	223	(0)	79	1,363	776	118	-	-	894	469
Computer equipments	36	7	-	-	43	29	4	-	-	33	10
Office equipments	17	2	-	-	19	14	1	-	-	15	4
Total	**1,134**	**233**	**(0)**	**79**	**1,446**	**832**	**124**	**-**	**-**	**956**	**490**

a. Refer to Note 13(i)(B) for information on property, plant and equipment pledged as security.

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

5(ii) Leases

Right of use assets

The Company has entered into agreements with lessor for building (factory premises) and plant and machinery. The lease term ranges from 8-10 years and incremental borrowing rate ranges from 9%-12% p.a.

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals / Transfer to PPE	As at March 31, 2026	As at April 01, 2025	For the year	Disposals / Transfer to PPE	As at March 31, 2026	
Plant and machinery	1,563	-	(620)	943	844	123	(479)	488	455
Buildings	656	-	-	656	332	71	-	403	253
Total	**2,219**	**-**	**(620)**	**1,599**	**1,176**	**194**	**(479)**	**891**	**708**

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals / Transfer to PPE	As at March 31, 2025	As at April 01, 2024	For the year	Disposals / Transfer to PPE	As at March 31, 2025	
Plant and machinery	1,846	73	(356)	1,563	948	171	(275)	844	719
Buildings	657	-	(1)	656	264	68	-	332	324
Total	**2,503**	**73**	**(357)**	**2,219**	**1,212**	**239**	**(275)**	**1,176**	**1,043**

(a) Lease liabilities

Paticulars	As at March 31, 2026	As at March 31, 2025
Current	156	374
Non-current	579	675
Total	**735**	**1,049**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	198	428
Between one and five years	553	626
After five years	112	171
Total minimum lease payments	**863**	**1,225**
Less: imputed interest	128	176
Present value of lease payments	**735**	**1,049**

(c) The following are the other amounts recognized in respect of leases:

Paticulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on lease liabilities	55	67
Expense relating to leases of low-value assets (included in other expenses)	4	5
Cash outflow for leases (principle and interest)	465	335

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5(iii) Capital work-in-progress

	As at April 1, 2024	Additions	Capitalised during the year	As at March 31, 2025	As at April 1, 2025	Additions	Capitalised during the year	As at March 31, 2026
Capital work in progress	-	90	-	90	90	-	(90)	-

Aging of capital work-in-progress as at

	March 31, 2026					March 31, 2025				
	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total As at March 31, 2026	Less than one year	1-2 Years	2-3 Years	More than 3 years	Total As at March 31, 2024
Projects in progress	-	-	-	-	-	90	-	-	-	90
Total	**-**	**-**	**-**	**-**	**-**	**90**	**-**	**-**	**-**	**90**

6(i) Intangible assets

	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2026
	As at April 01, 2025	Additions	Disposals	As at March 31, 2026	As at April 01, 2025	Charge for the year	Disposals	As at March 31, 2026	
Computer software	85	6	-	91	63	5	-	68	23
Technical know-how	114	-	-	114	94	14	-	108	6
Total	**199**	**6**	**-**	**205**	**157**	**19**	**-**	**176**	**29**

	Gross carrying amount				Accumulated amortisation				Net carrying amount as at March 31, 2025
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	Charge for the year	Disposals	As at March 31, 2025	
Computer software	75	10	-	85	57	5	-	63	22
Technical know-how	114	0	-	114	72	22	-	94	20
Total	**189**	**10**	**-**	**199**	**129**	**27**	**-**	**157**	**42**

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Aerostructures Manufacturing India Pvt. Ltd. *

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

	As at March 31, 2026	As at March 31, 2025
7(i) Non-current investments		
(A) Investment in equity instruments, unquoted, fully paid-up		
Investment in subsidiary at cost		
100% (March 31, 2025 : 100%) shares in common stock of Aequs Aerospace LLC	887	887
Others		
4,339,022 (March 31, 2025 : 2,910,000) equity shares (face value 1 Euro) of Aequs Aerospace BV	358	203
Aggregate amount of unquoted investments	**1,245**	**1,090**
Aggregate amount of impairment in the value of investments	(490)	(335)
Total non-current investments	**755**	**755**

Note: Investment in equity shares of Aequs Aerospace BV includes the amount of notional investment recognized towards fair value of financial guarantee given ₹ 45 (March 31, 2025: ₹ 45)

	As at March 31, 2026	As at March 31, 2025
7(ii) Loans		
Non -current		
Loans to related parties (refer note 27)	1,032	-
	1,032	**-**
Current (unsecured, considered good)		
Loans to related parties (refer note 27)	-	350
	-	**350**
Break-up of security details		
Loans considered good - secured	-	-
Loans considered good - unsecured	1,032	350
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total loans	**1,032**	**350**
Aggregate of loans/advances in nature of loan repayable on demand	-	350
Aggregate of loans/advances in nature of loan where agreement specify any terms or period of repayment	1,032	-
Percentage of loans/advances in nature of loan to total loans	100%	100%

	As at March 31, 2026	As at March 31, 2025
7(iii) Trade receivables		
(Unsecured)		
Trade receivables from other than related parties (considered good)	1,473	1,003
Receivables from related parties (considered good) (refer note 27)	560	283
Less: Loss allowance (refer note 26)	(4)	(19)
Total trade receivables	**2,029**	**1,267**

Note:
1. For lien/charge against trade receivables refer note 13(i)(B).

Ageing of trade receivables as on March 31, 2026

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	1,408	550	6	56	13	-	2,033
Disputed trade receivables	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	(3)	(1)	-	(4)
Total trade receivables	**1,408**	**550**	**6**	**53**	**12**	**-**	**2,029**

Ageing of trade receivables as on March 31,2025

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
Considered good	990	261	15	20	0	0	1,286
Disputed trade receivables	-	-	-	-	-	-	-
Less: Loss allowance	-	-	-	(19)	(0)	(0)	(19)
Total trade receivables	**990**	**261**	**15**	**1**	**0**	**0**	**1267**

	As at March 31, 2026	As at March 31, 2025
7(iv) Cash and cash equivalents		
Balances with banks:		
- in current accounts	120	0
- Deposits with original maturity of 3 months or less	459	0
Cash on hand	0	0
	579	**0**
7(v) Bank balances other than above		
Margin money deposits	120	-
Other deposits with maturity of more than 3 months but less than 12 months.	52	10
	172	**10**

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

	As at March 31, 2026	As at March 31, 2025
7(vi) Other financial assets (unsecured, considered good unless otherwise specified)		
Non current		
Security deposits	84	73
	84	**73**
Current		
Recoverable from related parties (refer note 27)	14	124
Less: Expected credit loss	-	(119)
	14	**5**
8 Contract assets and contract liabilities		
Non current		
Contract assets	63	34
	63	**34**
Current		
Contract assets	18	9
	18	**9**
Contract liability		
Advance from customers	1	1
	1	**1**
9 Other assets		
Non current		
Capital advances	83	3
Prepaid expenses	10	6
	93	**9**
Current		
Advance to suppliers	102	110
Advances to employees	1	1
Prepaid expenses	22	20
Unamortized financial guarantee expense	4	3
	129	**134**
10 Inventories		
Raw materials (includes Goods in transit :₹ 430 (March 31,2025: ₹ 185))	1,880	1,358
Work-in-progress	686	514
Finished goods	581	655
Stores and spares, including packing materials (Goods in transit: ₹ 2 (March 31, 2025: ₹ 7)	71	55
	3,218	**2,582**
Less: Provision for slow moving inventory	(128)	(131)
	3,090	**2,451**

Note:

(a) Write-down of inventories to net realizable value amounted to ₹ 140 (March 31, 2025: ₹ 118). These were recognized as an expense during the year and included in 'changes in inventories of work-in-progress and finished goods in statement of profit and loss.

(b) For lien/charge against inventory refer note no. 13(i)(B)

(c) An amount of ₹ 1 (March 31, 2025: ₹ 6) was written off during the year on account of differences identified on physical verification of inventories. During the year an amount of ₹ 0 (March 31, 2025: ₹ 0) was written off on account of obsolete inventory.

(d) Provision for slow moving inventory includes provision in respect of:

Raw materials	(63)	(65)
Work-in-progress	(20)	(17)
Finished goods	(30)	(32)
Stores and spares	(15)	(17)
	(128)	**(131)**

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

	As at March 31, 2026		As at March 31, 2025	
11 Equity share capital	**Nos. of shares**	**Amount**	**Nos. of shares**	**Amount**
Authorised				
Equity shares of ₹10 each	57,650,000	577	48,650,000	487
Issued, subscribed and fully paid up				
Equity shares of ₹10 each	56,632,188	566	48,642,438	487

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

	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	48,650,000	487	48,650,000	487
Increase during the year	9,000,000	90	-	-
Outstanding at the end of the year	**57,650,000**	**577**	**48,650,000**	**487**

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

	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	48,642,438	487	48,642,438	487
Increase during the year	7,989,750	80	-	-
Outstanding at the end of the year	**56,632,188**	**566**	**48,642,438**	**487**

(iii)Terms & rights attached to equity shares

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

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Nos. of shares	Amount	Nos. of shares	Amount
Aequs Limited (formerly known as Aequs Private Limited)	56,632,188	566	48,642,438	487

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Nos. of shares	% holding	Nos. of shares	% holding
Aequs Limited (formerly known as Aequs Private Limited)	56,632,188	100%	48,642,438	100%
	56,632,188	100%	48,642,438	100%

Note: 1 share is held by Rajeev Kaul on behalf of Aequs Limited (formerly known as Aequs Private Limited).

(vi) Details of shareholding of Promoters

	As at March 31, 2026			As at March 31, 2025		
	No. of shares	% of total number of shares	% of change during the year	No. of shares	% of total number of shares	% of change during the year
Aequs Limited (formerly known as Aequs Private Limited)	56,632,188	100%	16%	48,642,438	100%	-

(vii) There are no shares issued for consideration other than cash during the current year and 5 years prior to current year.

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

(ix) There are no bonus shares issued during the period of five years immediately preceding the year end.

	As at March 31, 2026	As at March 31, 2025
12 Other equity		
Reserves and surplus		
Retained earnings	1,141	523
Securities premium reserve	3,449	1,222
Share options outstanding account	17	8
Other reserves	255	217
	4,862	**1,970**

Nature and purpose of reserves

(a) Retained earnings

Retained earnings comprises of prior and current year's undistributed earnings after tax.

(b) Securities premium

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

(c) Share options outstanding account

The share options outstanding account is used to recognise the cost of employee stock option expenses incurred by the ultimate holding company Aequs Limited (formerly known as Aequs Private limited). Cost associated with the outstanding share option is valued based on the fair value as on the grant date. Charge related to employee stock option plans are not material, hence details disclosure as required under Ind AS 102 - Share Based Payments, are not included in these financial statements.

(d) Other reserves

Other reserves comprises of the recognition of fair value of financial guarantee received from Aequs Limited (formerly known as Aequs Private limited), the holding company, Aequs SEZ Private Limited and MFRE Private Trust which is other related party.

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

		As at March 31, 2026	As at March 31, 2025
13	**Financial liabilities**		
13(i)	**Borrowings**		
	Non current:		
	Term loans (secured)	715	283
	Loans from related parties (unsecured)	309	-
	Total non-current borrowings	**1,024**	**283**
	Less: Interest accrued but not due on borrowings	(5)	(4)
	Less: Current maturities of term loans (secured)	(353)	(158)
		666	**121**
	Current:		
	Working capital facilities from banks (secured)	746	1,553
	Interest accrued but not due on borrowings	9	4
	Current maturities of term loans (secured)	353	158
		1,108	**1,715**

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

	As at March 31, 2026	As at March 31, 2025
i) Term loans from banks: HDFC Bank - Loan 1 Security: - Hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets - Collateral security includes, parcel of land owned by Aequs SEZ Private Limited ('ASEZ')and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company - Personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the parent Company Rate of interest: 3 MT BILL+2.2% p.a. Repayment terms: 60 equal monthly instalments.	19	27
ii) Term loans from banks: HDFC Bank - Loan 2 Security: - hypothecation of plant & machinery - collateral security over parcel of land & building owned by M/s. MFRE Private Trust - the personal guarantee of Mr. Aravind Melligeri, Executive Chairman and Chief Executive Officer of the parent Company - corporate guarantee given by parent company (restricted to the extent of ₹600) and & M/s. MFRE Private Trust to the extent of value of the property which is provided as collateral Rate of interest: 1YRS MCLR + 1.35% p.a Repayment terms: 60 equal monthly instalments.	-	3
iii) Term loans from banks: HDFC Bank - Loan 3 Security: -Secured by extension of second charge over primary and secondary securities including mortgage created in favour of bank. Loan is 100% guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC) (Ministry of Finance, Government of India). Rate of interest: 1YRS MCLR + 1.35% p.a. Repayment terms: 60 equal monthly instalments.	-	42
iv) Term loans from banks: Axis Bank - Loan 1 Security: -Hypothecation on entire plant and machinery purchased out of term loan of the borrower, both present and future Rate of interest:REPO+3.40% p.a. Repayment terms: 60 equal monthly instalments.	-	145
v) Term loans from banks: Axis Bank - Loan 2 Security: -Secured by hypothecation of plant & machinery, collateral security over parcel of land owned by Aequs SEZ Pvt. Ltd. (restricted to the value of the land), loan is 100% guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC) (Ministry of Finance, Government of India). Rate of interest:REPO+4.85% p.a. (capped at 9.25% p.a.) Repayment terms: 48 equal monthly instalments.	-	21
vi) Term loans from banks: Axis Bank - Loan 3 Security: -hypothecation on entire current assets of the borrower both present and future, loan is 100% guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC) (Ministry of Finance, Government of India). Rate of interest:REPO+4.85% p.a. (capped at 9.25% p.a.) Repayment terms: 48 equal monthly instalments.	7	46

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

13(i) Borrowings (continued)

(A) Details of security and terms of repayment for the non-current borrowings (continued):

	As at March 31, 2026	As at March 31, 2025
vii) Term loans from Oxyzo Financial Services Limited Security: - Hypothecation on entire plant and machinery of Aequs Toys Private Limited, both present and future. Security cheques with lien for an amount of INR 50 in favour of OXYZO Financial Services Limited. Rate of interest:Floating @12.4% p.a. ((14.8% (OBLR) -2.4% p.a.(Discount)) Repayment terms: 5 quaterly instalments	203	-
viii) Term loans from Vivriti Capital Limited Security: - A second ranking pari passu and continuing charge by way of hypothecation over all current assets of the Company (whether present or future) - A first ranking exclusive and continuing charge by way of hypothecation over entire plant and machinery of Borrower 2 (Koppal Toys Molding COE Private Limited) and Borrower 3 (Aequs Force Consumer Products Private Limited) (whether present or future) - A first ranking exclusive charge on cash collateral of 20% of the facility amount (in proportion to the drawdown amount) in the form of an interest free security deposit with a lien and set off marked in favour of the lender and placed with the lender. Rate of interest:11.80% p.a. Repayment terms: 45 monthly instalments	487	-
Unamortized transaction cost of term loan	(6)	(1)
Accrued interest on term loans	5	-
Total term loan from banks	**715**	**283**
ix) Working capital loan 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) Security: Hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the parent Company Corporate guarantee given by Aequs Limited (formerly known as Aequs Private limited), Aequs SEZ Private Limited and MFRE Private Trust. Rate of Interest: CC:3 month repo+2.70% p.a. PCFC:SOFR+200bps p.a.	468	750
x) Working capital loan with Axis 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) Security: Hypothecation of raw material, semi-finished goods, finished goods, existing and future receivables (excluding receivables from related parties) and other current assets. Collateral security includes, parcel of land owned by Aequs SEZ Private Limited and hypothecation charges on unencumbered plant and machineries and other fixed assets of the Company. Personal guarantee given by Mr. Aravind S Melligeri, Executive Chairman and Chief Executive Officer of the parent Company Corporate guarantee given by Aequs Limited (formerly known as Aequs Private limited), Aequs SEZ Private Limited and MFRE Private Trust. Rate of Interest: CC:3 month repo+2.70% p.a. PCFC:SOFR+200bps p.a.	265	817
Unrealised forex gain/(loss)	13	(13)
Total working capital facilities from banks	**746**	**1,553**
xi) Loans from related parties Unsecured Rate of Interest:12% p.a. Repayment terms: within 3 years from loan agreement date or on demand	309	-
Total loan from related parties	**309**	

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

13(i) Borrowings (continued)

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

	As at March 31, 2026	As at March 31, 2025
Current		
A. Financial assets:		
- Trade receivables	2,029	1,267
- Other current assets	14	5
B. Non financial assets:		
- Inventories	3,090	2,451
- Other current assets	147	143
Total current assets pledged as security	**5,280**	**3,866**
Non current		
A. Non financial assets:		
- Property, plant and equipment	985	484
Total non-current assets pledged as security	**985**	**484**
Total assets pledged as security	**6,265**	**4,349**

(C) Details of quarterly statements of current assets filed by the Company with bank and reconciliation with the books of account for the year ended March 31, 2026:

Axis Bank

Quarter	Particulars	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-25	Inventories	2,508	2,544	(36)	Refer note b
	Trade receivables	1,235	905	330	Refer note a & c
Sep-25	Trade receivables	1,446	1,033	413	Refer note a & c
Dec-25	Trade receivables	1,578	992	586	Refer note a & c
Mar-26	Inventories	3,090	2,926	164	Refer note b
	Trade receivables	2,029	1,415	614	Refer note a & c

HDFC Bank

Quarter	Particulars	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-25	Inventories	2,508	2,544	(36)	Refer note b
	Trade receivables	1,235	1,244	(9)	Refer note a
Mar-26	Inventories	3,090	2,926	164	Refer note b

Notes:

(a) Reclass and true up of trade receivables balances after submitting stock statement

(b) Inventory true up after submitting stock statement.

(c) Inter company balances and receivables more than 120 days are not included in stock statement

Details of quarterly statements of current assets filed by the Company with bank and reconciliation with the books of account for the year ended March 31, 2025:

Axis Bank

Quarter	Particulars	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Jun-24	Trade receivables	1,058	850	208	Refer note a
Sep-24	Trade receivables	1,061	780	281	Refer note a
Dec-24	Trade receivables	1,059	760	299	Refer note b
Mar-25	Inventories	2,451	2,481	(30)	Refer note c
	Trade receivables	1,267	984	283	Refer note b

HDFC Bank

Quarter	Particulars	Amount as per books of account (net of provision)	Amount as reported in the quarterly return/ statements	Amount of difference	Reason for discrepancies
Mar-25	Inventories	2,451	2,481	(30)	Refer note c
	Trade receivables	1,267	1,277	(10)	Refer note b

Notes:

(a) Excludes trade receivable from related party, unearned revenue, unrealised forex gain/loss and provision for doubtful debts.

(b) Excludes trade receivable from related party, provision for doubtful debts and audit adjustments if any.

(c) Inventory true up after submitting of stock statement during audit.

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

13(i) Borrowings (continued)

(D) Net debt reconciliation:

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents	579	0
Bank balances other than above	172	10
Current borrowings	(746)	(1,552)
Non-current borrowings	(1,024)	(282)
Lease liabilities	(735)	(1,049)
Net debt	**(1,754)**	**(2,873)**

	Cash and cash equivalents and other bank balances	Liabilities from financing activities			Total
		Lease obligations	Non-current borrowings	Current borrowings	
Net debt as on April 01, 2024	**5**	**(1,242)**	**(270)**	**(1,205)**	**(2,712)**
Cashflows (net)	5	-	-	-	5
New lease / New borrowings	-	(58)	(174)	(367)	(599)
Foreign exchange adjustments	-	(20)	-	20	(0)
Repayments	-	269	160	-	429
Interest expense	-	(67)	(24)	(91)	(182)
Interest paid	-	67	25	91	183
Other non-cash adjustment	-	2	1	-	3
Net debt as on March 31, 2025	**10**	**(1,049)**	**(282)**	**(1,552)**	**(2,873)**
Cashflows (net)	741	-	-	-	741
New lease / New borrowings	-	-	(1,073)	-	(1,073)
Foreign exchange adjustments	-	(96)	-	(27)	(123)
Repayments	-	410	341	832	1,583
Interest expense	-	(55)	(69)	(95)	(219)
Interest paid	-	55	49	95	199
Other non-cash adjustment	-	-	10	1	11
Net debt as on March 31, 2026	**751**	**(735)**	**(1,024)**	**(746)**	**(1,754)**

13(ii) Trade payables

Current:		
Dues to micro enterprise and small enterprises	6	49
	6	**49**
Dues to other than micro enterprise and small enterprises		
- Other trade payables	1,215	1,045
- Payable to related parties (refer note 27)	438	271
	1,653	**1,316**
	1,659	**1,365**

(A) Ageing of trade payables: March 31, 2026

Particulars	Not due	Outstanding for the following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	5	1	-	-	-	**6**
(ii) Undisputed dues -Others	394	409	2	1	1	**807**
Unbilled	846	-	-	-	-	**846**
Total	**1,245**	**410**	**2**	**1**	**1**	**1,659**

Ageing of trade payables: March 31, 2025

Particulars	Not due	Outstanding for the following periods from due date				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues -MSME	16	33	-	-	-	**49**
(ii) Undisputed dues -Others	-	559	23	1	0	**583**
Unbilled	733	-	-	-	-	**733**
Total	**733**	**592**	**23**	**1**	**0**	**1,365**

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13(ii) Trade payables (continued)

(B) Dues to micro and small enterprises

The information as required under MSMED Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at March 31, 2026	As at March 31, 2025
(i)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	6	57
(ii)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0	1
(iii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	1	2
(iv)	The 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, 2006	-	0
(v)	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	37	88
(vi)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(vii)	The 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, 2006 Further due and remaining for the earlier years.	-	-

13(iii) Other financial liabilities

Current:		
Capital creditors	15	11
Employees related liability	49	43
	64	**54**

14 Other liabilities

Current:		
Statutory dues payable	14	13
	14	**13**

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	As at March 31, 2026	As at March 31, 2025
15(i) Provision for employee benefits		
Non-current		
Provision for gratuity	86	73
	86	**73**
Current		
Provision for gratuity	8	3
Provision for leave obligation	36	29
	44	**32**

(i) Leave obligations

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

The amount of provision of ₹ 36 (March 31, 2025: ₹ 29) 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.

	As at March 31, 2026	As at March 31, 2025
Leave obligation not expected to settled within next 12 months	33	24

(ii) Defined contribution plans

The Company has defined contribution plan in the form of Provident fund and Employees' State Insurance (ESI) for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of wages as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 25 (March 31, 2025: ₹ 20)

(iii) Post employment obligations

Gratuity

The Company provides for gratuity for employees in India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn wages per month computed proportionately for 15 days multiplied for the number of years of service.

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

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	As at March 31, 2026	As at March 31, 2025
The amount recognised in the balance sheet and movements in net defined benefit obligation over the years are as follows:		
(a) Total amount recognised in statement of profit and loss account		
Current service cost	14	10
Past service cost (refer note 24)	22	-
Interest cost	5	4
Total amount recognised in statement of profit or loss (A)	**41**	**14**
(b) Total amount recognised in other comprehensive income		
Actuarial (gains)/losses arising from changes in :		
- demographic assumptions	0	2
- financial assumptions	(5)	2
- experience adjustments	(6)	(1)
- Actual return on plan assets less interest on plan assets	0	-
Total amount recognised in other comprehensive income (B)	**(11)**	**3**
Total amount recognised in statement of profit and loss and other comprehensive income (A+B)	**30**	**17**
(c) Changes in the defined benefit obligation during the year		
Obligations at the beginning of the year	75	53
Current service cost	14	10
Past service cost	22	-
Interest cost	5	4
Benefits paid	(3)	(3)
Liabilities (settled)/assumed	(1)	8
Remeasurement (gains)/ losses due to:		
- arising from changes in demographic assumptions.	0	2
- arising from changes in financial assumptions.	(5)	2
- arising from changes in experience adjustments.	(6)	(1)
Defined benefit obligation as at the end of the year	**101**	**75**
(d) Change in fair value of planed assets		
Fair value of plan assets at the beginning of the period	-	-
Contributions	11	3
Interest on plan assets	0	-
Remeasurement due to:		
- Actual return on plan assets less interest on plan assets	(0)	-
Benefits paid	(3)	(3)
Fair value of plan assets at the end of the period	**8**	**-**
(e) Net (assets) / liability		
Present value of unfunded defined benefit obligation	-	76
Present value of funded defined benefit obligation	102	-
Fair value of plan assets	(8)	-
Net defined benefit obligation recognized in balance sheet	**94**	**76**
(f) Classification		
Current	8	3
Non current	86	73
	94	**76**

(g) Actuarial assumptions

	March 31, 2026	March 31, 2025
Discount rate per annum	7.4%	7%
Salary escalation rate per annum	10%	10%
Other actuarial assumptions		
Attrition rate	8% at 21-30 years of age and reducing to 0% at older ages according to graduated scale.	11% at younger ages and reducing to 0% at older ages according to graduated scale.
Retirement age	58	58

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Sensitivity analysis

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

Changes in assumption	March 31, 2026	March 31, 2025
Discount rate		
Defined benefit obligation (DBO) on increase in 50 bps	96	71
Discount rate +50 basis points impact (%)	-6.17%	-6.50%
Defined benefit obligation (DBO) on decrease in 50 bps	109	81
Discount rate -50 basis points impact (%)	6.75%	7.13%
Salary increase rate		
Defined benefit obligation (DBO) on increase in 50 bps	107	80
Impact of increase in 50 bps on DBO	5.50%	6.34%
Defined benefit obligation (DBO) on decrease in 50 bps	96	70
Impact of decrease in 50 bps on DBO	-5.29%	-5.92%

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

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

Maturity profile of the defined benefit obligations

Expected future cashflows (in million) [Undiscounted]	March 31, 2026	March 31, 2025
Less than 1 year	7	3
Between 1 and 5 years	17	13
After 5 years	297	216
Total	**321**	**232**
Weighted average duration of the defined benefit obligation in years	12.90 years	13.60 years

Risk exposure

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

(i) Market risk (discount rate)

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

(ii) Longevity risk

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

(iii) Annual risk

Salary increase assumption

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

Attrition/withdrawal assumption

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

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Aerostructures Manufacturing India Pvt. Ltd. *

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

		Year ended March 31, 2026	Year ended March 31, 2025
16	**Revenue from operations**		
	Revenue from contracts with customers		
	Sale of manufactured goods	6,325	4,864
		6,325	**4,864**
	Other operating revenue		
	Scrap sales	287	218
		287	**218**
	Total revenue from operations	**6,612**	**5,082**
	(i) Aggregate amount of transaction price allocated towards performance obligations unfulfilled as at reporting date.	227	37
	(ii) Refer note 32 for geographical disaggregation of revenue		
	(iii) Trade receivables are non-interest bearing and generally carry credit period of 0 to 60 days.		
17	**Other income**		
	Liabilities no longer required written back	2	6
	Miscellaneous income	1	-
	Exchange difference (other than on borrowings)	161	10
	Interest income	67	27
	Unwinding of discount on security deposit	4	4
		235	**47**
18	**Cost of materials consumed**		
	Opening stock	1,358	988
	Less: Provision for slow moving inventory	(66)	(63)
	Add: Purchases during the year	3,333	2,613
	Less: Closing stock	1,880	1,358
	Less: Provision for slow moving inventory	(63)	(66)
	Cost of raw materials consumed	**2,808**	**2,246**
19	**Changes in inventories of work in progress and finished goods**		
	Inventory at the end of the year (a)		
	Work-in-progress	686	514
	Finished goods	581	655
		1,267	1,169
	Inventory at the beginning of the year (b)		
	Work-in-progress	514	514
	Finished goods	655	446
		1,169	960
	Less: Movement in provision for slow moving inventory (c)	(2)	(15)
	Change in inventories of work in progress and finished goods (b-a-c)	**(96)**	**(194)**
20	**Employee benefit expenses**		
	Salaries, wages and bonus	512	435
	Contribution to provident and other funds	25	21
	Employee stock option expense	9	3
	Gratuity (refer note 15(iii))	19	14
	Staff welfare expenses	14	18
	Leave compensation	9	12
		588	**503**
21	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment [Refer note 5(i)]	178	124
	Amortisation of intangible assets [Refer note 6(i)]	19	27
	Depreciation on Right-of-use assets [Refer note 5(ii)]	194	239
		391	**390**

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

		Year ended March 31, 2026	Year ended March 31, 2025
22	**Other expenses**		
	Consumption of stores and spares	289	261
	Subcontracting expenses	755	662
	Freight and forwarding	101	92
	Power and fuel	90	96
	Repairs and maintenance		
	Machinery	55	46
	Building	12	6
	Others	57	48
	Legal and professional fees	65	43
	Payment to auditors [refer note (i) below]	2	2
	Expenditure on corporate social responsibility (refer note (ii) below)	6	3
	Rental charges	4	5
	Printing and stationery	2	2
	Insurance	19	23
	Rates and taxes	9	4
	Travelling and conveyance	21	20
	Communication	-	0
	Management service fee	122	81
	Miscellaneous expenses	1	7
	Bank charges	7	26
	Advertising and sales promotion	83	70
		1,700	**1,497**
	Notes :		
	(i) Payments to auditors		
	As auditor:		
	- Audit fee	2	2
	- Reimbursement of expenses	0	0
		2	**2**
	(ii) Details of corporate social responsibility		
	(i) Amount required to be spent by the Company during the year	6	3
	(ii) Amount approved by the board to be spent during the year	6	3
	(iii) Amount spent during the year		
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (a) above	6	3
	(iv) Details of related party transactions	-	
	(v) Nature of activities	Promoting education	Promoting education
	(vi) Shortfall at the and of the year	-	-
23	**Finance cost**		
	Interest expense on borrowings	164	119
	Interest expense others	19	-
	Interest expense on lease liabilities	55	67
	Exchange differences (on borrowings)	214	59
	Financial guarantee expense	41	31
	Interest on income tax	15	14
		508	**290**
24	**Exceptional items**		
	Impact of new Labour Code (refer note below)	22	-
		22	**-**

Note:

On November 21, 2025, the Government of India notified the four Labour Codes - The Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour and Employment published draft Central Rules, FAQs and final Central Rules on May 8, 2026 to enable assessment of the financial impact due to the changes in regulations. The Company has assessed and disclosed the incremental impact of these changes on the basis of actuarial opinion obtained and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact under 'Exceptional items' in profit and loss acoount of financial statements for the year ended March 31, 2026. The incremental impact on gratuity of ₹ 22 Mn primarily arising due to change in wage definition. The Company continues to monitor the finalization of State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

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

25 Fair value measurement

Financial instruments by category

	Level	Category	March 31, 2026	March 31, 2025
Financial assets				
Loan	-	Amortised cost	1,032	350
Investments	-	Refer Note (iii) below	755	755
Other financial assets	-	Amortised cost	99	78
Trade receivables	-	Amortised cost	2,029	1,267
Cash and cash equivalents	-	Amortised cost	579	0
Bank balances other than above	-	Amortised cost	172	10
Total financial assets			**4,666**	**2,460**
Financial liabilities				
Borrowings	-	Amortised cost	1,774	1,836
Lease liabilities	-	Amortised cost	735	1,049
Trade payables	-	Amortised cost	1,659	1,365
Other financial liabilities	-	Amortised cost	64	54
Total financial liabilities			**4,232**	**4,304**

There are no financial instruments which are measured at FVTPL & 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 amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

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

The carrying amounts of other financial assets, trade receivables, cash and cash equivalents, bank balance other than above, borrowings, lease liabilities, trade payables, and other financial liabilities are considered to be the same as their fair values, due to the short-term maturities of these instruments.

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

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

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

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

(iii) Investments

The Company accounts the investments in equity shares of subsidiaries at cost in accordance with Ind AS 27. These investments are tested for impairment annually, accordingly these investments are not considered for categorisation.

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

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 Company is exposed to and how the entity manages the risk.

A Credit risk

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

(i) Credit risk management

The Company usually deals with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(ii) Provision for expected credit loss

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

1) Loans and deposits :

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

2) Deposits with bank :

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

3) Trade receivables and other dues from related parties

No significant expected credit loss provision has been created for trade receivables. Further, receivables are expected to be collected considering the past trend of very limited defaults and when determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

Reconciliation of loss allowance provision - Trade receivables

	Amount
Loss allowance as on April 1, 2024	**0**
Utilization / reversal in loss allowance	(0)
Charged to profit and loss	19
Loss allowance as on March 31, 2025	**19**
Utilization / reversal in loss allowance	(12)
Charged to profit and loss	-
Written off	(3)
Loss allowance as on March 31, 2026	**4**

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:

	As at March 31, 2026	As at March 31, 2025
Floating rate		
A. Expiring within one year	1,274	163
B. Expiring beyond one year (bank loans)	-	-
	1,274	**163**

(ii) Maturities of financial liabilities

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

Contractual maturities of financial liabilities as at March 31, 2026

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,417	357	-	1,774
Trade payables	1,659	-	-	1,659
Other financial liabilities	64	-	-	64
Lease liabilities	198	553	112	863
Total non derivative liabilities	**3,338**	**910**	**112**	**4,360**

Contractual maturities of financial liabilities as at March 31, 2025

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,715	121	-	1,836
Trade payables	1,365	-	-	1,365
Other financial liabilities	54	-	-	54
Lease liabilities	428	626	171	1,225
Total non derivative liabilities	**3,562**	**747**	**171**	**4,480**

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

26 Financial risk management (continued)

C Market risk

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

(i) Foreign currency risk

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

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

(a) Foreign currency risk exposure

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

	As at March 31, 2026		
	GBP	USD	EUR
Financial asset			
Trade receivables	-	2,070	4
Loans	-	397	-
Exposure to foreign currency risk (assets)	**-**	**2,467**	**4**
Financial liability			
Trade payables	1	631	42
Lease liabilities	-	-	397
Borrowings	-	732	-
Exposure to foreign currency risk (liabilities)	**1**	**1,363**	**439**

	As at March 31, 2025		
	GBP	USD	EUR
Financial asset			
Trade receivable	-	1,340	2
Loans	-	350	-
Net exposure to foreign currency risk (assets)	**-**	**1,690**	**2**
Financial liability			
Trade Payables	8	550	50
Lease liabilities	-	-	637
Borrowings	-	1,468	-
Exposure to foreign currency risk (liabilities)	**8**	**2,018**	**687**

(b) Sensitivity

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

	Impact on profit after tax	
	As at March 31, 2026	**As at March 31, 2025**
USD Sensitivity		
INR/USD - Increase by 5%	36	(11)
INR/USD - decrease by 5%	(36)	11
EUR Sensitivity		
INR/EUR - Increase by 5%	(14)	(22)
INR/EUR - decrease by 5%	14	22
GBP Sensitivity		
INR/GBP - Increase by 5%	(0)	(0)
INR/GBP - decrease by 5%	0	0

(ii) Interest rate risk exposure

The exposure of company's borrowings to the interest rate changes at the end of the reporting period

Particulars	**As at March 31, 2026**	**As at March 31, 2025**
Variable rate borrowings	1,461	1,836
Fixed rate borrowings	735	1,049
Total borrowings	**2,196**	**2,885**

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

	Impact on profit after tax and equity	
	As at March 31, 2026	**As at March 31, 2025**
Interest rates - increase by 50 basis points	(5)	(6)
Interest rates - decrease by 50 basis points	5	6

(iii) Price risk

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

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Aerostructures Manufacturing India Pvt. Ltd.

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

27 Related party disclosures

Name of related parties and related party relationship
Name of related parties where control exists.

Relationship	Name of the related party
Ultimate Holding Company	: Aequs Inc., Cayman Islands (100% beneficially owned and controlled by the Melligiri Foundation) (upto December 10, 2025)
Holding Company	: Aequs Limited (formerly known as Aequs Private Limited) ('AL')
Subsidiaries	: Aequs Aerospace LLC ('AALLC')
Step down subsidiary	: Aequs Aero Machine Inc. ('AAM')

Related parties with whom transactions have taken place during the year or have year end balances

Relationship	Name of the related party
Subsidaries	: Aequs Aerospace LLC (AALLC)
Fellow subsidaries	: Aequs Manufacturing Holdings Private Limited (AMHPL) : Aerostructures Assemblies India Prvate Limited (AAI) : Aequs Oil & Gas LLC (AOGLLC) : Aequs Engineered Plastics Private Ltd (AEPPL) : Aequs Force Consumers Private Limited(AFC) : Aequs Consumers Products Private Limited(ACPPL) : Aequs Toys Private Limited(ATPL) : Aequs Material Management Private. Limited. (AMM) (struck off w.e.f June 29, 2024) : Koppal Toys Molding COE Private Ltd(KTMPL) : Aequs Toys HongKong Private. Ltd. (ATHPL) : Aequs Home Appliances Private. Ltd. (AHAPL) (struck off w.e.f June 27, 2025) : Aequs Rajas Extrusion Private Limited(AREPL) : Aequs Aerospace BV ('AABV'), Netherlands **Subsidiary of AABV** : Aequs Holding France SAS (AHF) : Aequs Aerospace France SAS (AAF SAS)
Step-down subsidiaries	: Aequs Aero Machine Inc. (AAM)
Assosiate of Holding Company	: Aequs Foundation(AF)
Joint ventures of holding company	: SQuAD Forging India Private Limited ('SQuAD') : Aerospace Processing India Private Limited ('API') : Aequs Cookware Private Limited ('ACPL') : Ajna Aerospace & Defence Private Limited ('AJNA')
Enterprises in which individuals owning interest in the Company, or their relatives have control or significant influence	: Aequs SEZ Private Limited ('ASEZ') : Automotive End Solution Private Limited (AESPL) : Industrial Knowledge Center Private Limited (IKC) : Huballi Durable Goods Consumer Limited(HDGCPL) : MFO IP Holdings Limited (MFO) : MFRE Estate Pvt. Ltd (MFREEPL) : Altum Trust : MFRE Private Trust : Quest Global Engineering Services Private Limited (QGEPL) : Aequs Stock Option Plan Trust (ESOP Trust)
Key Management Personnel	: Mr. Dinesh Iyer, Director : Mr. Nagesh Hassan Rangaswamy, Whole Time Director (WTD) : Ms. Vidya Sarathy, Independent Director (w.e.f. May 20, 2025) : Mr. Ravi Mallikarjun Hugar, Company Secretary : Mr. Harish Bang, Chief Finanacial Officer (w.e.f. September 01, 2025)

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

27 Related party disclosures (continued):

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

A. Transactions with related parties

Name	Nature of transactions	Year ended March 31, 2026	Year ended March 31, 2025
AMHPL	Expenses incurred on behalf of related entity	-	0
AL	Sale of manufactured goods	4	1
	Expense incurred by related party	1	0
	Expense incurred on behalf of related party	6	9
	Employee stock option Expense	9	3
	Subcontracting expense	14	4
	Purchase of goods	0	0
	Fair value of the guarantee taken	34	20
	Sale of services	-	0
	Financial guarantee expenses	37	29
	Loan from related party	300	-
	Interest expense	13	-
AALLC	Interest income	23	25
AABV	Investment in equity shares	155	-
	Impairment on investment	155	-
ASEZ	Services received	143	154
	Repayment of Lease Liability	75	64
	Interest on lease liability	39	47
	Expenses incurred on behalf of related entity	-	0
	Security deposits made	13	-
	Fair value of the guarantee taken	3	1
	Financial guarantee expenses	3	2
	Expense incurred by related party	0	0
ATPL	Expenses incurred on behalf of related entity	-	0
AAF SAS	Advertisement and business promotion expenses	62	51
	Management fees	31	33
SQuAD	Sale of manufactured goods	0	10
	Sale of services	40	-
	Expenses incurred on behalf of related entity	0	0
	Subcontracting expenses	79	0
AAM	Sale of manufactured goods	646	606
	Purchase of goods and consumables	371	163
	Management fees	93	44
AAI	Purchase of Goods	-	4
	Expenses incurred on behalf of related entity	1	0
	Sale of manufactured goods	18	13
	Sale of services	1	-
	Subcontracting Expenses	9	6
	Expenses incurred by related entity	0	0
AEPPL	Expenses incurred on behalf of related entity	0	0
	Purchase of asset	0	0
	Sale of asset	0	-
ACPPL	Expenses incurred on behalf of related entity	8	0
	Related party loan given	600	-
	Interest income	37	-
	Expenses incurred by related entity	1	0
	Sale of asset	-	3

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

27 Related party disclosures (continued):
A. Transactions with related parties (continued)

Name	Nature of transactions	Year ended March 31, 2026	Year ended March 31, 2025
AFC	Expenses incurred on behalf of related entity	-	0
	Purchase of asset	0	0
API	Subcontracting expenses	410	308
	Expenses incurred on behalf of related entity	-	0
	Sale of manufactured goods	-	0
	Purchase of goods	0	0
IKC	Subcontracting expenses	-	1
	Expenses incurred on behalf of related entity	-	0
QGEPL	Legal and professional fees	11	4
KTMCPL	Expenses incurred on behalf of related entity	0	0
MFRE Private Trust	Services received	0	-
	Financial guarantee expense	0	0
AMMPL	Expenses incurred on behalf of related entity	-	0
ACPL	Expenses incurred on behalf of related entity	-	0
Mr. Shirish Ganamukhi, Director	Remuneration	-	9
Mr. Nagesh Hassan Rangaswamy, WTD	Remuneration	6	8
Ms. Vidya Sarathy	Sitting Fees	0	-
Mr. Harish Bang	Remuneration	4	-

B. Balances as at year-end

Name	Particulars	As at March 31, 2026	As at March 31, 2025
APL	Trade payables	1	1
	Trade receivables	4	0
	Dues to related parties	0	-
	Dues from related parties	3	0
	Loans from related party	300	-
	Interest accrued but not due on borrowings	12	-
	Deferred financial guarantee	4	7
AESPL	Dues from related parties	0	0
AALLC	Loan to related party	294	265
	Interest accrued on loan given	103	86
	Investments in equity instrument	887	887
	Impairment of Investments in equity instrument	132	132
AABV	Investments in equity instrument	358	203
	Dues from related parties	-	118
	Impairment of dues from related parties	-	118
	Impairment of Investments in equity instrument	358	203
ASEZ	Trade payables	6	9
	Deposits	103	90
	Deferred financial guarantee	0	0
	Dues to related parties	0	0
	Dues from related parties	-	-
	Lease liability	338	413
AAF SAS	Trade payables	5	9
AAM	Trade payables	283	86
	Trade receivables	533	277
SQuAD	Trade Payables	0	-
	Trade Receivables	7	-

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

27 Related party disclosures (continued):

B. Balances as at year end (continued)

Name	Particulars	As at March 31, 2026	As at March 31, 2025
AAI	Dues from related parties	-	0
	Trade receivables	12	1
	Trade payables	0	3
AEPPL	Dues from related parties	-	-
AFC	Dues from related parties	-	-
ACPPL	Dues from related parties	8	3
	Dues to related parties	-	0
	Trade receivables	3	3
	Loan to related party	600	-
	Interest accrued on loan given	33	-
API	Trade payables	141	104
	Dues from related parties	-	0
	Trade receivables	-	0
IKC	Dues from related parties	-	-
	Trade Payables	-	-
QGEPL	Trade Payables	3	1
Aequs Limited Malta	Trade Payables	-	56
HDGCPL	Dues from related parties	0	0
MFREEPL	Dues from related parties	0	0
Aequs foundation	Dues from related parties	-	-
Aequs foundation	Trade receivables	0	0
MFRE Private Trust	Dues from related parties	2	2
	Deferred financial guarantee	-	0
ATPL	Dues from related parties	-	-
AREPL	Dues from related parties	0	0
Altum	Dues from related parties	0	0
KTMPL	Dues from related parties	-	-
KTTPL	Dues from related parties	-	0

Notes:

(i) Mr. Arvind Melligeri, Executive Chairman and CEO of Aequs Limited (formerly known as Aequs Private Limited), the holding company has issued personal guarantee towards securing various working capital facilities and term loan obtained by the Company. Refer note 13.

(ii) Loan given to AALLC is covered by a letter of comfort given by AL.

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

28 Capital 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 gearing ratio and is measured by net debt (total borrowings net of cash and cash equivalents) to equity.

(i) Net debt to equity ratio.

Particulars	As at March 31, 2026	As at March 31, 2025
Net debt (refer note 13(i)(D)	1,754	2,885
Total equity	5,428	2,457
Net debt to equity ratio	0.32	1.17

29 Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Labour related matters (refer note (i))	49	43
Tax matters (refer note (ii) and (iii))	37	37

(i) A case has been filed against the Company in District Labour court, Belagavu. If the Labour Court passes an award against the Company, the probable compensation would amount to ₹ 49 (March 31, 2025: ₹ 43). The Company is however confident of winning this case based on council advice and hence the same is not provided in the financial statements.

(ii) The Company has received demand order u/s 156 of the Income Tax Act, 1961 amounting to ₹ 8 million with the tax impact of ₹16 million on disallowance made for ₹ 58 million for the FY 2019-20 (AY 2020-21) and has appealed the said order before Commissioner Appeals.

(iii) The Company has received order u/s 143(3) of the Income Tax Act, 1961 with tax impact of ₹ 21 million on disallowance amounting to ₹ 74 million relating to FY 2020-21 (Assessment Year 2021-22) and has appealed the said order before Commissioner Appeals.

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

30 Commitments

(a) Capital commitments	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account net of advances and not provided for:		
(i) Property, plant and equipment	15	7
	15	**7**

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Aerostructures Manufacturing India Pvt. Ltd. *

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

31 Additional regulatory information required by Schedule III

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

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

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

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

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

(vi)(a) During the year ended March 31, 2026 and March 31, 2025, the Company has not advanced or loaned or invested the funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

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

(vi)(b) During the year ended March 31, 2026 and March 31, 2025, the Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) of the Company shall:

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

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

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

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

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

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

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

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

(xiii) The Company was not required to recognise any provision as at March 31, 2026 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 contract as at March 31, 2026.

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

(xv) 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 quaterly statements of current assets filed by the company with the bank and reconciliation with the books of accounts.

32 Segment information

(a) Description of segments and principal activities.

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

(b) The Company is domiciled in India. The amount of its revenue from customers specified by location of customers are presented in the below table:

	Year ended March 31, 2026	Year ended March 31, 2025
Asia & Middle East	954	693
America	2,112	1,613
Europe	3,546	2,776
	6,612	**5,082**

(c) Information of major customers are presented in the below table:

	Year ended March 31, 2026	% of total revenue	Year ended March 31, 2025	% of total revenue
Customer 1	2,824	43%	2,194	43%
Customer 2	1,374	21%	1,130	22%
Customer 3	644	10%	606	12%
	4,842	**74%**	**3,930**	**77%**

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

33 Financial ratios

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reason for Variance
Current Ratio (times)	Current Assets	Current Liabilities	1.87	1.16	61%	Note 2
Debt-Equity Ratio (times)	Borrowings including lease liabilities	Equity	0.46	1.17	-61%	Note 3
Debt Service Coverage Ratio (times)	Earnings available for debt service	Debt Service	1.18	1.39	-15%	Note 1
Return on Equity Ratio (%)	Profit After tax	Average Equity	0.15	0.15	5%	Note 1
Inventory Turnover Ratio (times)	Sales (revenue from operations)	Average Inventory	2.39	2.35	2%	Note 1
Trade Receivables Turnover Ratio (times)	Sales (revenue from operations)	Average receivables	4.01	4.30	-7%	Note 1
Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expenses	Average Trade payables	3.34	3.41	-2%	Note 1
Net Capital Turnover Ratio (times)	Sales (revenue from operations)	Working Capital	2.36	8.57	-72%	Note 4
Net Profit Ratio (%)	Profit after tax	Sales (revenue from operations)	0.09	0.07	40%	Note 5
Return on Capital Employed (%)	Profit before interest & tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.19	0.13	47%	Note 6

Notes:

1. Reason for variances less than 25% is not required to be provided, as exempted by Schedule III of the Act.
2. Increase in current assets when compared to previous year due to increase in deposits with banks and loan given to related party.
3. Increase in equity share capital due to funds raised from the holding company, along with a reduction in borrowings as repayments were made in accordance with the IPO plan.
4. Increase in working capital.
5. Increase in profit after tax more than increase in revenue.
6. Increase in profit before interest & tax more than increase in tangible net worth , total debt and deferred tax liability together.

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Aerostructures Manufacturing India Pvt. Ltd.

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

34 Income tax expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax		
Current tax on profits of the year	328	130
Total current tax expense (A)	**328**	**130**
Deferred tax		
MAT credit utilization	25	-
Deferred tax (credit) for the year	(22)	(86)
Total deferred tax expense / (benefit) (B)	**3**	**(86)**
Income tax expense (A+B)	**331**	**44**

Reconciliation of tax expenses and the accounting profit multiplied by India's tax rates.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Tax expenses under general provisions of the income tax		
Profit from continuing operations before income tax expense	938	378
Tax rate	34.94%	29.12%
Tax at the above rate	328	110
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Tax impact of permanent differences	24	12
10AA deduction / (reversal) during tax holiday period	(21)	(74)
Others	0	(4)
Total tax expense	**331**	**44**

Deferred tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment	17	(33)
Right of use asset	(88)	(94)
	(71)	**(127)**
Deferred tax assets		
Lease liability	118	142
Provision for inventory obsolescence	45	38
Provisions allowed on payment basis and others	93	110
MAT credit entitlement	12	34
	268	**324**
Total - Deferred tax assets (net)	**197**	**197**

(a) Movement in deferred tax liabilities

Particulars	Property, plant and equipment	Right-of-use assets	Total
Balance at April 1, 2024	(52)	(115)	(167)
Recognised in profit or loss	19	21	40
Balance at March 31, 2025	(33)	(94)	(127)
Balance at April 1, 2025	(33)	(94)	(127)
Recognised in profit or loss	50	6	56
Balance at March 31, 2026	17	(88)	(71)

(b) Movement in deferred tax assets

Particulars	MAT credit entitlement	Lease liability	Provision for invenory obsolescence	Provisions allowed on payment basis and others	Total
Balance at April 1, 2024	95	164	35	45	339
Recognised in profit or loss	(61)	(22)	3	65	(15)
Balance at March 31, 2025	34	142	38	110	324
Balance at April 1, 2025	34	142	38	110	324
Recognised in profit or loss	(22)	(24)	7	(17)	(56)
Balance at March 31, 2026	12	118	45	93	268

The tax impact for the above purpose has been arrived at by applying tax rate of 34.94% (March 31,2025: 29.12%) being the substantively enacted prevailing tax rate for Indian Companies under Income the Tax Act, 1961.

Transfer pricing:

The Finance Act,2001, had introduced, with effect from assessment year 2002 03 (effectiveApril1,2001), detailed Transfer Pricing Regulations (theregulations) for computing the taxable income and expenditure from 'international transactions 'between 'associated enterprises 'on an arm's length' basis. Further, the Finance Act,2012 has widened the ambit of transfer pricing provisions to cover specified domestic transactions. The regulations, interalia, also require the maintenance of prescribed documents and information including furnishing are part 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 which does not envisage any tax liability. For the year ended March 31, 2026, the Company would be carrying out a study to comply with transfer pricing regulations for which the prescribed certificate of accountant will be obtained. In the opinion of management, no adjustment is expected to arise based on completion of Transfer Pricing Study.

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Aerostructures Manufacturing India Pvt. Ltd.

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

	Year ended March 31, 2026	Year ended March 31, 2025
35 Earnings per share		
(a) Basic Earnings per share [₹]	12.25	6.87
(b) Profit attributable to the equity share holders	607	334
(c) Weighted average number of equity shares of ₹ 10 each	49,583,696	48,642,438

Note: There is no dilution to the basic earnings per share as there are no dilutive potential equity shares.

36 Events after balance sheet date:

The Company, vide its board resolution dated April 23, 2026, has approved a scheme of amalgamation (the scheme) with its Holding Company, Aequs Limited (formerly known as Aequs Private Limited). As of the date of adoption of these financial statements, the Scheme and the related petition are yet to be filed with requisite authorities, and necessary approvals are still pending.

Upon receiving the requisite approvals and completing all formalities associated with the merger, the Company will be subsumed into the Holding Company and will cease to exist as a separate legal entity.

37 The financial statements were approved for issue by the Board of Directors on May 26, 2026.

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

Sampad Guha Thakurta
Partner
Membership No.: 060573

Place: Chennai
Date: May 26, 202

for and on behalf of the Board of Directors of
AeroStructures Manufacturing India Private Limited
CIN: U29253KA2013PTC067763

Dinesh Iyer
Director
DIN: 09515485

Place: Belagavi
Date: May 26, 2026

Nagesh Hassan Rangaswamy
Whole Time Director
DIN: 07889411

Place: Belagavi
Date: May 26, 2026

Harish Bang
Chief Financial Officer

Place: Belagavi
Date: May 26, 2026

Ravi Mallikarjun Hugar
Company Secretary
M. No.: A20823

Place: Belagavi
Date: May 26, 2026